# BARCLAYS PLC

*(incorporated with limited liability in England)*

# BARCLAYS BANK PLC

*(incorporated with limited liability in England and Wales)*

as Issuers

---

# £60,000,000,000
# Debt Issuance Programme

---

*This Base Prospectus replaces the Base Prospectus relating to the Debt Issuance Programme of Barclays Bank PLC and Barclays PLC dated 9th June, 2008 and supersedes all previous base prospectuses, information memoranda and addenda, amendments and supplements thereto in each case relating to the Debt Issuance Programme. Any Notes issued under the Debt Issuance Programme on or after the date of this Base Prospectus will be subject to the provisions set out herein.*

This Base Prospectus has been approved by the United Kingdom Financial Services Authority (the "**FSA**"), which is the United Kingdom competent authority for the purposes of Directive 2003/71/EC (the "**Prospectus Directive**") and relevant implementing measures in the United Kingdom, as a base prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom for the purpose of giving information with regard to the issue of Notes (the "**Notes**") under the Debt Issuance Programme (the "**Programme**") during the period of twelve months after the date hereof. Applications have been made to admit such Notes during the period of twelve months after the date hereof to listing on the Official List of the FSA (the "**Official List**") and to trading on the Regulated Market of the London Stock Exchange plc (the "**London Stock Exchange**"). The Regulated Market of the London Stock Exchange is a regulated market for the purpose of Article 4.1(14) of Directive 2004/39/EC of the European Parliament and the Council on Markets in Financial Instruments.

Notes may be issued under the Programme which have a denomination of less than EUR 50,000.

Tranches of Notes (as defined in "Summary of the Programme") may be rated or unrated. Where a Tranche of Notes is rated, such rating will be specified in the relevant Final Terms. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

**THERE ARE CERTAIN RISKS RELATED TO ANY ISSUE OF NOTES UNDER THE PROGRAMME WHICH INVESTORS SHOULD ENSURE THEY FULLY UNDERSTAND (SEE "RISK FACTORS" BELOW). THIS BASE PROSPECTUS DOES NOT DESCRIBE ALL OF THE RISKS OF AN INVESTMENT IN THE NOTES.**

---

*Arranger*

## Barclays Capital

*Dealers*

Barclays Capital
BNP PARIBAS
Citi
Goldman Sachs International
J.P. Morgan
Merrill Lynch International
Morgan Stanley
UBS Investment Bank

8th June, 2009

This Base Prospectus comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (the "**Prospectus Directive**") in respect of the Notes to be issued by Barclays PLC (an "**Issuer**" or the "**Company**"). This Base Prospectus (excluding information herein in respect of the Company only) additionally comprises a separate base prospectus for the purposes of the Prospectus Directive in respect of the Notes to be issued by Barclays Bank PLC (an "**Issuer**" or "**the Bank**" and, together with the Company, the "**Issuers**" and each an "**Issuer**"). The Company and its consolidated subsidiaries are referred to herein as the "**Group**" or "**Barclays**".

Any person (an "**Investor**") intending to acquire or acquiring any Notes from any person (an "**Offeror**") should be aware that, in the context of an offer to the public as defined in Section 102B of the Financial Services and Markets Act 2000 (the "**FSMA**"), the relevant Issuer may be responsible to the Investor for this Base Prospectus under Section 90 of the FSMA only if the relevant Issuer has authorised that Offeror to make the offer to the Investor. Each Investor should therefore enquire whether the Offeror is so authorised by the relevant Issuer. If the Offeror is not so authorised, the Investor should check with the Offeror whether anyone is responsible for this Base Prospectus for the purposes of Section 90 of the FSMA in the context of the offer to the public and, if so, who that person is. If the Investor is in any doubt about whether it can rely on this Base Prospectus and/or who is responsible for its contents it should take legal advice.

An Investor intending to acquire or acquiring any Notes from an Offeror will do so, and offers and sales of the Notes to an Investor by an Offeror will be made, in accordance with any terms and other arrangements in place between such Offeror and such Investor including as to price, allocations and settlement arrangements. The relevant Issuer will not be a party to any such arrangements with Investors (other than the Dealer(s) (as defined below)) in connection with the offer or sale of the Notes and, accordingly, this Base Prospectus and any Final Terms will not contain such information. The Investor must look to the Offeror at the time of such offer for the provision of such information. The relevant Issuer has no responsibility to an Investor in respect of such information.

Each of the Issuers accepts responsibility for the information contained in its respective base prospectus. Each of the Issuers declares that, having taken all reasonable care to ensure that such is the case, the information contained in its respective base prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

On 8th October, 2008 The Commissioners of Her Majesty's Treasury announced the United Kingdom Government's 2008 Credit Guarantee Scheme for United Kingdom incorporated banks and building societies debt issuance (the "**Scheme**") which forms part of the UK Government's measures to ensure the stability of the financial system and to protect ordinary savers, depositors, businesses and borrowers. In certain circumstances (notably satisfaction of the eligibility criteria set out in the rules of the Scheme), Notes issued under the Programme may be eligible to benefit from the guarantee (the "**Guarantee**") provided under the Scheme by The Commissioners of Her Majesty's Treasury.

An information memorandum, the purpose of which is to give information with respect to the issue of Notes which may benefit from the Guarantee, has been prepared by the Issuers. However such information memorandum has not been approved by any competent authority for the purposes of the Prospectus Directive (or any other purposes) as Notes which may benefit from the Guarantee are outside the scope of the Prospectus Directive and no election has been made for such Notes to be treated as being within the scope of the Prospectus Directive.

This Base Prospectus has been prepared on the basis that, except to the extent sub-paragraph (ii) below may apply, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Base Prospectus as completed by final terms in relation to the offer of those Notes may only do so (i) in circumstances in which no obligation arises for either of the Issuers or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer, or (ii) if a prospectus for such offer has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in either case) published, all in accordance with the Prospectus Directive, provided that any such prospectus has subsequently been completed

by final terms which specify that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State and such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or final terms, as applicable. Except to the extent sub-paragraph (ii) above may apply, neither the Issuers nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for either of the Issuers or any Dealer to publish or supplement a prospectus for such offer.

Unless the context otherwise requires, expressions defined under "Conditions of the Notes" below bear the same meanings when used elsewhere in this document.

This Base Prospectus should be read and construed with any other documents incorporated by reference herein (see "Information Incorporated by Reference" below) and, in relation to any Tranche of the Notes, should be read and construed together with the Final Terms providing for the specific terms and conditions in relation to such Series of Notes not set out in the Base Prospectus (the "**Final Terms**").

To the fullest extent permitted by law, none of the dealers named under "Plan of Distribution" below (the "**Dealers**", which expression shall include any additional or other dealers appointed under the Programme from time to time), the Arranger or the Trustee accept any responsibility for the contents of this Base Prospectus or for any other statement, made or purported to be made by the Arranger, the Trustee or a Dealer or on its behalf in connection with the Issuers or the issue and offering of the Notes. The Arranger, the Trustee and each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Base Prospectus or any such statement. The statements made in this paragraph are without prejudice to the responsibilities of the Issuers under or in connection with the Notes.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any documents incorporated by reference herein and, if given or made, such information or representation must not be relied upon as having been authorised by the Company, the Bank or Barclays Capital (the "**Arranger**") or any of the Dealers. Neither this Base Prospectus nor any documents incorporated by reference herein or any further information supplied in connection with the Notes are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Company, the Bank, the Trustee, the Arranger or any of the Dealers that any recipient of this Base Prospectus or any such documents or further information supplied in connection with the Notes should purchase any of the Notes. Each investor contemplating purchasing Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuers and its purchase of Notes should be based on such investigation as it deems necessary. Neither this Base Prospectus nor any documents incorporated by reference herein constitute an offer or invitation by or on behalf of the Company, the Bank, the Arranger or the Dealers to any person to subscribe for or to purchase any of the Notes.

The delivery of this Base Prospectus or any documents incorporated by reference herein does not at any time imply that the information contained herein concerning the Company or the Bank is correct as of any time subsequent to the date hereof or that any other written information supplied in connection with the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuers during the life of the Programme nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Trustee. Investors should review, *inter alia*, the most recent published financial statements of the relevant Issuer when evaluating the Notes.

The distribution of this Base Prospectus or any Final Terms and the offering, sale or delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuers and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Prospectus and other offering material relating to Notes, see "Plan of Distribution" below. In particular, the Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and Notes in bearer form are subject to U.S. tax law requirements. Notes may be offered and sold (A) in bearer or registered form outside the United States to non-U.S. persons in reliance on Regulation S

under the Securities Act ("**Regulation S**") and (B) in registered form in the United States to qualified institutional buyers (as defined in Rule 144A under the Securities Act ("**Rule 144A**")) in reliance on Rule 144A. In addition, prospective purchasers of Notes are hereby notified that a seller of Notes may be relying on the exemption from the registration requirements of Section 5 of the Securities Act provided by Rule 144A. Neither this Base Prospectus nor any Final Terms may be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

In this Base Prospectus, references to "**euro**" and "**€**" are to the lawful currency of the member states of the European Union that have adopted or adopt the single currency in accordance with the Treaty establishing the European Community as amended from time to time, references to "**U.S.$**" and "**U.S. dollars**" are to United States dollars, references to "**£**" and "**sterling**" are to pounds sterling, and references to "**¥**" and "**Yen**" are to Japanese Yen.

In connection with the issue of any Tranche (as defined in "Summary of the Programme" below) of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (the "**Stabilising Manager(s)**") (or persons acting on behalf of any Stabilising Manager(s)) in the relevant Final Terms may overallot Notes or effect transactions with a view to supporting the price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin at any time on or after the date on which adequate public disclosure of the final terms of the offer of the relevant Tranche of Notes and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

To permit compliance with Rule 144A under the Securities Act in connection with resale of Notes that are "Restricted Securities" (as defined in Rule 144(a)(3) under the Securities Act), the Issuers will furnish upon the request of a holder of such Notes or of a beneficial owner of an interest therein, to such holder or beneficial owner or to a prospective purchaser designated by such holder or beneficial owner, the information required to be delivered under Rule 144A(d)(4) under the Securities Act and will otherwise comply with the requirements of Rule 144A(d)(4) under the Securities Act, if at the time of such request, the relevant Issuer is not a reporting company under Section 13 or Section 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), or exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND THE NOTES MAY INCLUDE BEARER NOTES THAT ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. SUBJECT TO CERTAIN EXCEPTIONS, THE NOTES MAY NOT BE OFFERED OR SOLD OR, IN THE CASE OF BEARER NOTES, DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN THE U.S. INTERNAL REVENUE CODE).

THE NOTES ARE BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES TO NON- U.S. PERSONS IN RELIANCE ON REGULATION S AND WITHIN THE UNITED STATES TO "QUALIFIED INSTITUTIONAL BUYERS" IN RELIANCE ON RULE 144A UNDER THE SECURITIES ACT ("**RULE 144A**"). PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT SELLERS OF THE NOTES MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A. FOR A DESCRIPTION OF THESE AND CERTAIN FURTHER RESTRICTIONS ON OFFERS, SALES AND TRANSFERS OF NOTES AND DISTRIBUTION OF THIS BASE PROSPECTUS SEE "PLAN OF DISTRIBUTION" AND "TRANSFER RESTRICTIONS".

THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAS ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF NOTES OR THE ACCURACY OR THE ADEQUACY OF THIS BASE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

## SERVICE OF PROCESS AND ENFORCEMENT OF LIABILITIES

The Company is a public limited company incorporated under the laws of England and the Bank is a public limited company incorporated under the laws of England and Wales. Substantially all of each Issuer's directors and executive officers are non-residents of the United States. All or a substantial portion of the assets of those persons are located outside the United States. Most of each Issuer's assets are located outside the United States. As a result, it may not be possible for an investor to effect service of process within the United States upon those persons or to enforce against them judgments of U.S. courts based upon the civil liability provisions of the federal securities laws of the United States.

## NOTICE TO NEW HAMPSHIRE RESIDENTS

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

TABLE OF CONTENTS

| | Page |
|---|---|
| Forward-Looking Statements | 7 |
| Information Incorporated by Reference | 7 |
| Summary of the Programme | 9 |
| Risk Factors | 14 |
| Issue Procedure | 25 |
| Summary of Provisions relating to Bearer Notes while in Global Form | 25 |
| Summary of Provisions relating to Registered Notes while in Global Form | 27 |
| Form of the Final Terms | 33 |
| Conditions of the Notes | 45 |
| Use of Proceeds | 70 |
| The Issuers and the Group | 71 |
| United Kingdom Taxation | 78 |
| United States Taxation | 81 |
| Plan of Distribution | 95 |
| General Information | 100 |

## FORWARD-LOOKING STATEMENTS

This Base Prospectus and certain documents incorporated by reference herein contain certain forward-looking statements within the meaning of Section 21E of the Exchange Act, as amended, and Section 27A of the Securities Act, as amended, with respect to certain of the Issuers' plans and current goals and expectations relating to the Issuers' future financial condition and performance. The Issuers caution readers that no forward-looking statement is a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as "aim", "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", or other words of similar meaning. Examples of forward-looking statements include, among others, statements regarding the Issuers' future financial position, income growth, impairment charges, business strategy, capital ratios, leverage, payment of dividends, projected levels of growth in the banking and financial markets, projected costs, estimates of capital expenditures, and plans and objectives for future operations and other statements that are not historical fact.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances including, but not limited to, UK domestic and global economic and business conditions, the effects of continued volatility in credit markets and of further write-downs and credit exposures, the effects of continued volatility in credit markets, market related risks such as changes in interest rates and exchange rates, effects of changes in valuation of credit market exposures, changes in valuation of issued notes, the policies and actions of governmental and regulatory authorities, changes in legislation, the further development of standards and interpretations under international Financial Reporting Standards ("**IFRS**") applicable to past, current and future periods, evolving practices with regard to the interpretation and application of standards under IFRS, progress in the integration of the Lehman Brothers North American businesses into the Group's business and the quantification of the benefits resulting from such acquisition, the outcome of pending and future litigation, the success of future acquisitions and other strategic transactions and the impact of competition – a number of which factors are beyond the Group's control. As a result, the Group's actual future results may differ materially from the plans, goals, and expectations set forth in the Group's forward-looking statements.

Any forward-looking statements made by or on either Issuer's behalf speak only as at the date they are made. Each of the Company and the Bank does not undertake to update forward-looking statements to reflect any changes in either Issuer's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based. The reader should, however, consult any additional disclosures that the Issuers have made or may make in documents the Issuers have filed or may file with the U.S. Securities and Exchange Commission (the "**SEC**").

## INFORMATION INCORPORATED BY REFERENCE

The following information has been filed with the FSA and shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

(a) the joint Annual Report of the Company and the Bank, as filed with the SEC on Form 20-F in respect of the years ended 31st December, 2007 and 31st December, 2008 (the "**Joint Annual Report**"), with the exception of the information incorporated by reference in the Joint Annual Report referred to in the Exhibit Index of the Joint Annual Report, which shall not be deemed to be incorporated in this Base Prospectus;

(b) the Annual Reports of the Bank containing the audited consolidated accounts of the Bank in respect of the years ended 31st December, 2007 (the "**2007 Bank Annual Report**") and 31st December, 2008 (the "**2008 Bank Annual Report**"), respectively;

(c) the Interim Management Statement of the Company for the three months ended 31st March, 2009 issued on 7th May, 2009, with the exception of the Chief Executive's comments shown in italics on page one of the statement which shall not be deemed to be incorporated into this Base Prospectus (the "**Interim Management Statement**");

(d) the capitalisation and indebtedness table of the Bank and the Group as at 31st December, 2008 as filed with the SEC on Form 6-K on 12th May, 2009 (the "**Capitalisation and Indebtedness Table**"); and

(e) the terms and conditions set out on pages 42 to 66 of the base prospectus dated 9th June, 2008 (the "**2008 Conditions**"), the terms and conditions set out on pages 41 to 65 of the base prospectus dated 7th June, 2007 (the "**2007 Conditions**"), the terms and conditions set out on pages 36 to 59 of the base prospectus dated 8th June, 2006 (the **"2006 Conditions"**) and the terms and conditions set out on pages 36 to 72 of the information memorandum dated 24th May, 2005 (the **"2005 Conditions"**), each relating to the Programme under the heading "Conditions of the Notes".

The above documents may be inspected as described in paragraph 8 of "General Information".

The table below sets out the relevant page references for the information contained within the Joint Annual Report filed on Form 20-F:

| | |
|---|---|
| **Section 1 — Business review** | |
| Financial review | 1 |
| Corporate sustainability | 53 |
| Our people | 55 |
| Risk management | 56 |
| **Section 2 — Governance** | |
| Board and Executive Committee | 138 |
| Directors' report | 140 |
| Corporate governance report | 143 |
| Remuneration report | 157 |
| Accountability and audit | 173 |
| **Section 3 — Financial statements** | |
| Presentation of information | 176 |
| Independent Registered Public Accounting Firm's report — Barclays PLC | 177 |
| Independent Registered Public Accounting Firm's report — Barclays Bank PLC | 178 |
| Consolidated accounts Barclays PLC | 179 |
| Barclays Bank PLC data | 285 |
| **Section 4 — Shareholder information** | 301 |

Each of the Company and the Bank has applied IFRS in the financial statements incorporated by reference above. A summary of the significant accounting policies for each of the Company and the Bank is included in each of the Joint Annual Report, the 2007 Bank Annual Report and the 2008 Bank Annual Report.

If at any time either of the Issuers shall be required to prepare a supplement to the Base Prospectus pursuant to Section 87 of the FSMA, or to give effect to the provisions of Article 16(1) of the Prospectus Directive, such Issuer will prepare and make available an appropriate amendment or supplement to this Base Prospectus or a further base prospectus which, in respect of any subsequent issue of Notes to be listed on the Official List and admitted to trading on the Regulated Market of the London Stock Exchange, shall constitute a supplemental base prospectus as required by the FSA and Section 87 of the FSMA.

## SUMMARY OF THE PROGRAMME

*This summary must be read as an introduction to this Base Prospectus and any decision to invest in the Notes should be based on a consideration of the Base Prospectus as a whole, including the documents incorporated by reference. Following the implementation of the Prospectus Directive (Directive 2003/71/EC) in each Member State of the European Economic Area, no civil liability attaches to either of the Issuers solely on the basis of the summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus. Where a claim relating to the information contained in this Base Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Base Prospectus before the legal proceedings are initiated. Words and expressions defined in the "Conditions of the Notes" below or elsewhere in this Base Prospectus have the same meanings in this summary.*

**Issuers:** Barclays PLC (the "**Company**") and Barclays Bank PLC (the "**Bank**").

The Company and its subsidiary undertakings (taken together, the "**Group**") is a major global financial services provider engaged in retail and commercial banking, credit cards, investment banking, wealth management and investment management services.

The whole of the issued ordinary share capital of the Bank is beneficially owned by the Company, which is the ultimate holding company of the Group.

Based on the Group's audited financial information for the year ended 31st December, 2008, the Group had total assets of £2,052,980 million (2007: £1,227,361 million), total net loans and advances[1] of £509,522 million (2007: £385,518 million), total deposits[2] of £450,415 million (2007: £385,533 million), and total shareholders equity of £47,411 million (2007: £32,476 million) (including minority interests of £10,793 million (2007: £9,185 million)). The profit before tax of the Group for the year ended 31st December, 2008 was £6,077 million (2007: £7,076 million) after impairment charges on loans and advances and other credit provisions of £5,419 million (2007: £2,795 million). The financial information in this paragraph is extracted from the Joint Annual Report.

Based on the audited financial information of the Bank and its consolidated subsidiaries for the year ended 31st December, 2008, the Bank and its consolidated subsidiaries had total assets of £2,053,029 million (2007: £1,227,583 million), total net loans and advances[1] of £509,522 million (2007: £385,518 million), total deposits[2] of £450,443 million (2007: £386,395 million), and total shareholders' equity of £43,574 million (2007: £31,821 million) (including minority interests of £2,372 million (2007: £1,949 million)). The profit before tax of the Bank and its consolidated subsidiaries for the year ended 31st December, 2008 was £6,035 million (2007: £7,107 million) after impairment charges on loans and advances and other credit provisions of £5,419 million (2007: £2,795 million). The financial information in this paragraph is extracted from the 2008 Bank Annual Report.

**Arranger:** Barclays Bank PLC.

**Dealers:** Barclays Bank PLC, BNP Paribas, Citigroup Global Markets Limited, Goldman Sachs International, J.P. Morgan Securities Ltd., Merrill Lynch International, Morgan Stanley & Co. International plc and UBS Limited.

---

1 Total net loans and advances include balances relating to both banks and customers.
2 Total deposits include deposits from banks and customer accounts.

Under the Distribution Agreement (as defined under "Plan of Distribution" below), other institutions may be appointed Dealers either in relation to the Programme or in relation to specific Tranches of Notes.

Each issue of Notes denominated in a currency in respect of which particular laws, directives, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, directives, guidelines, regulations, restrictions or reporting requirements from time to time (see "Plan of Distribution" below).

**Trustee:** The Bank of New York Mellon, acting through its London branch. The trustee for the Programme changed on 24th May, 2005 from Capita Trust Company Limited to the Bank of New York, acting through its London branch. Effective 1st July, 2008, The Bank of New York changed its name to The Bank of New York Mellon. The Bank of New York Mellon, acting through its London branch will, therefore, be the Trustee for all issues of Notes under the Programme issued on or after 24th May, 2005. Capita Trust Company Limited will remain the trustee in respect of Notes issued under the Programme prior to 24th May, 2005.

**Principal Paying Agent, Registrar, Agent Bank:** The Bank of New York Mellon, acting through its London branch.

**Distribution:** Notes may be distributed by way of private or public placement and, in each case, on a syndicated or non-syndicated basis.

**Programme Amount:** The total principal amount of Notes outstanding at any time under the Programme may not exceed £60,000,000,000 (or its equivalent in other currencies as at the issue date of the relevant Tranche and as more particularly described under "Issue Procedure" below), subject to any duly authorised increase.

**Issues in Series:** Notes will be issued in Series. Each Series may comprise one or more tranches (each a "**Tranche**") issued on different issue dates. The Notes of each Series will all be subject to identical terms except that the issue date and the amount of the first payment of interest (if any) may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms but a Tranche may comprise Notes of different denominations.

**Currencies:** Subject to all applicable legal and regulatory requirements, Notes may be denominated in euro, U.S. dollars, sterling, yen and such other currency or currencies as may be agreed. Subject as aforesaid, Notes may be issued as Dual Currency Notes (as defined in Condition 1 of the Conditions of the Notes).

**Maturities:** Subject to all applicable legal and regulatory requirements, Notes may have any maturity subject to a minimum maturity of three months. In addition, Undated Capital Notes (as defined below in this summary) may be issued under the Programme which will be undated and, accordingly, have no final maturity. Under current requirements in the case of Dated Capital Notes which qualify as Lower Tier 2 or Upper Tier 3 capital in accordance with the requirements of the FSA, the minimum maturity will be five years (Lower Tier 2 capital) or two years (Upper Tier 3 capital). Such minimum maturities may be subject to increase or decrease from time to time as a result of changes in applicable legal or regulatory requirements.

**Status of Senior Notes:** The Notes of each Series issued on an unsubordinated basis ("**Senior Notes**") will constitute direct and unsecured obligations of

the relevant Issuer ranking *pari passu* with all other unsecured and unsubordinated obligations of the relevant Issuer other than obligations preferred by law.

**Status of Dated Capital Notes:** The Notes of each Series of Dated Capital Notes issued on a subordinated basis ("**Dated Capital Notes**") will constitute direct and unsecured obligations of the relevant Issuer. The rights of the holders of such Dated Capital Notes will, in the event of the winding up of the relevant Issuer, be subordinated in right of payment to the claims of depositors and other unsecured and unsubordinated creditors of the relevant Issuer, in the manner provided in the Trust Deed.

In certain circumstances, payment of principal and interest due in respect of Dated Capital Notes qualifying as Tier 3 capital in accordance with Financial Services Authority requirements may be deferred.

**Status of Undated Capital Notes:** The Notes of each Series of Undated Capital Notes issued on a subordinated basis ("**Undated Capital Notes**") will constitute unsecured obligations of the relevant Issuer and will rank *pari passu inter se* in point of subordination with each other Series of Undated Capital Notes of that Issuer. The rights of holders of such Undated Capital Notes are subordinated to the claims of Senior Creditors (as defined under "Conditions of the Notes" below) and, accordingly, payments of principal and interest are conditional upon the relevant Issuer being solvent at the time of payment as provided in Condition 5(b), and no principal or interest shall be payable in respect of such Notes except to the extent that the relevant Issuer could make such payment and still be solvent immediately thereafter.

If at any time the relevant Issuer is in winding up in England there shall be payable in respect of the Notes such amounts (if any) as would have been payable in respect thereof as if, on the day immediately prior to the commencement of the winding up and thereafter, the Noteholders were the holders of a class of preference shares in the capital of such Issuer having a preferential right to a return of assets in the winding up over the holders of all other classes of shares for the time being in the capital of such Issuer, all as more particularly described under "Conditions of the Notes" below and the provisions of the Trust Deed.

**Deferral Option:** In the case of Undated Capital Notes, each Issuer shall have the right to elect to defer payment of interest on any Interest Payment Date by providing notice of such election to the Noteholders.

**Dividend Restriction:** In the event that either Issuer exercises its right to elect to defer payment of interest on any Interest Payment Date on any of its respective series of Undated Capital Notes, then the Dividend Restriction shall apply from such Interest Payment Date until such time as no Arrears of Interest (as defined in the "Conditions of the Notes" below) remains unpaid with respect to the relevant Undated Capital Notes. The Dividend Restriction means that neither the Bank nor the Company may declare or pay a dividend (other than (i) payment by the Company of a final dividend declared by its shareholders prior to the Interest Payment Date on which the relevant Stopped Period (as defined in the "Conditions of the Notes" below) commences, or (ii) a dividend (other than in respect of the Series 1 Sterling Preference Shares of £1 each) paid by the Bank to the Company or to another wholly-owned subsidiary) on any of their respective ordinary shares, preference shares or other share capital or satisfy any payments of interest or coupons on any other

Junior Obligations (as defined in the "Conditions of the Notes" below).

| | |
|---|---|
| **Issue Price:** | Notes may be issued at their principal amount or at a discount to, or premium over, their principal amount. Notes may be issued on terms that the issue price is payable in instalments. |
| **Interest:** | Notes may bear interest on a fixed rate basis or a floating rate basis or may be non-interest bearing. |
| **Final Redemption:** | Notes (other than Undated Capital Notes) will mature for redemption at par or at such other amount (calculated in accordance with a formula or otherwise) and on such date as are specified in the relevant Final Terms. The relevant Final Terms may provide that Notes will be redeemed in two or more instalments of such amounts and on such dates as are so specified. |
| **Early Redemption:** | There will be no optional right to redeem Notes of any Series, except for taxation reasons or where the relevant Final Terms provide for early redemption at the option of the relevant Issuer and/or the relevant Noteholders.<br><br>The redemption of Dated Capital Notes and Undated Capital Notes prior to the fifth anniversary of their issue, and the redemption of Dated Capital Notes qualifying as Upper Tier 3 Capital prior to the second anniversary of their issue, requires the prior consent of the FSA. |
| **Denominations:** | The Notes may be issued in such denominations as may be specified in the relevant Final Terms save that no Notes may be issued under the Programme which (a) have a denomination of less than €1,000 or (b) in the case of Notes issued by the Company which have a maturity of less than one year from their issue, have a denomination of less than £100,000 (or, in each case, its equivalent in another currency). |
| **Form of Notes:** | Notes may be issued in bearer form ("**Bearer Notes**") or registered form ("**Registered Notes**"), as specified in the relevant Final Terms. Bearer Notes will not be exchangeable for Registered Notes and Registered Notes will not be exchangeable for Bearer Notes. No single Series or Tranche may comprise both Bearer and Registered Notes. Each Global Bearer Note which is not intended to be issued in new global note form (a "**Classic Global Note**" or "**CGN**"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a depository or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and each Global Bearer Note which is intended to be issued in new global note form (a "**New Global Note**" or "**NGN**"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. |
| **Clearing Systems:** | Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") and/or Euroclear Bank S.A./N.V. ("**Euroclear**") and/or any other relevant clearing system or depositary specified in the relevant Final Terms. |
| **Taxation:** | All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by the United Kingdom, subject as mentioned under "Conditions of the Notes" below. |
| **Cross Default:** | None. |
| **Negative Pledge:** | None. |

| | |
|---|---|
| **Admission to Trading:** | Each Series of Notes may be admitted to trading on the Regulated Market of the London Stock Exchange or otherwise as specified in the relevant Final Terms or may be issued on the basis that they will not be admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system. |
| **Ratings:** | Tranches of Notes (as defined in "Issues in Series" above) may be rated or unrated. Where a Tranche of Notes is rated, such rating will be specified in the relevant Final Terms. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. |
| **Risk Factors:** | There are certain factors which may affect the Issuers' ability to fulfil their obligations in respect of Notes they have issued. Risk factors identified include general business risk factors which may affect the ability of the Issuers to fulfil their respective obligations under the Notes issued under the Programme. Some of these general business risk factors include (i) the profitability of the businesses of the Group being adversely affected by a worsening of general economic conditions in the United Kingdom or globally, (ii) continued volatility and disruption of the global financial system, (iii) operational risks and losses resulting from matters such as fraud or error and (iv) risks relating to the financial services industry including changes in interest rate levels, credit spreads, foreign exchange rates, commodity prices and equity prices. The Issuers are also subject to liquidity risks.<br><br>Other risks identified by the Issuers are specific to the Notes and include (i) there being no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes, (ii) that the Notes may be redeemed prior to maturity, (iii) that investors will have to rely on the procedures of Euroclear, Clearstream, Luxembourg and DTC for transfer, payment and communication with the Issuers, (iv) in the case of any particular Tranche of Dated Capital Notes or Undated Capital Notes, the risks associated with the Notes being subordinated to most of the relevant Issuer's liabilities other than those which are similarly subordinated and (v) if in the case of a particular Tranche of Notes, the relevant Final Terms specify that the Notes are Index Linked, the risk that an investor may lose the value of their investment if it is possible for such loss to be incurred in accordance with the Conditions of such Tranche of Notes. |
| **Governing Law:** | English law. |
| **Selling Restrictions:** | There are restrictions on the sale of Notes and the distribution of offering material in the United States, the European Economic Area, the United Kingdom, France and Japan. Further restrictions, including restrictions on transfer, may be required in connection with any particular Tranche of Notes and will be set out in the relevant Final Terms. |

## RISK FACTORS

*Prospective investors should consider carefully the risks set forth below and the other information contained in this Base Prospectus prior to making any investment decision with respect to the Notes. Each of the risks highlighted below could have a material adverse effect on the Issuers' business, operations, financial condition or prospects, which, in turn, could have a material adverse effect on the amount of principal and interest which investors will receive in respect of the Notes. In addition, each of the risks highlighted below could adversely affect the trading price of the Notes or the rights of investors under the Notes and, as a result, investors could lose some or all of their investment.*

*Prospective investors should note that the risks described below are not the only risks the Issuers face. The Issuers have described only those risks relating to their operations that they consider to be material. There may be additional risks that the Issuers currently consider not to be material or of which they are not currently aware, and any of these risks could have the effects set forth above.*

### Risks Relating To The Notes

### Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme

#### *Notes may not be a suitable investment for all investors*

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

(i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risk of investing in the relevant Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the currency in which such investor's financial activities are principally denominated;

(iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and

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

Some Notes are complex financial instruments and such instruments may be purchased by investors as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

#### *Risks related to the structure of a particular issue of Notes*

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

*Certain Notes may be redeemed prior to maturity*

Unless in the case of any particular Tranche of Notes the relevant Final Terms specify otherwise, in the event that the relevant Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the United Kingdom or any political subdivision thereof or any authority therein or thereof having

power to tax (or in certain other circumstances if the Notes are Undated Capital Notes), the relevant Issuer may redeem all outstanding Notes in accordance with the Conditions.

In addition, if in the case of any particular Tranche of Notes the relevant Final Terms specify that the Notes are redeemable at the relevant Issuer's option in certain other circumstances or at any time, the relevant Issuer may be expected to choose to redeem the Notes at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes.

*Dated and Undated Capital Notes are subordinated to most of the Issuer's liabilities*

If in the case of any particular Tranche of Dated Capital Notes or Undated Capital Notes the relevant Issuer is declared insolvent and a winding up is initiated, it will be required to pay the holders of senior debt and meet its obligations to all its other creditors (including unsecured creditors but excluding any obligations in respect of subordinated debt) in full before it can make any payments on the relevant Dated Capital Notes or Undated Capital Notes. If this occurs, the relevant Issuer may not have enough assets remaining after these payments to pay amounts due under the relevant Dated Capital Notes or Undated Capital Notes.

*Index Linked Notes and Dual Currency Notes*

The Issuers may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a "**Relevant Factor**"). In addition, the Issuers may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

(i) the market price of such Notes may be volatile;

(ii) they may receive no interest;

(iii) payment of principal or interest may occur at a different time or in a different currency than expected;

(iv) the amount of principal payable at redemption may be less than the nominal amount of such Notes or even zero;

(v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;

(vi) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and

(vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

*Partly-paid Notes*

The Issuers may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of its investment.

*Variable Rate Notes with a multiplier or other leverage factor*

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include features.

*Inverse Floating Rate Notes*

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of such Notes typically are more volatile than market values or other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the

reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

*Fixed/Floating Rate Notes*

Fixed/Floating Rate Notes may bear interest at a rate that the relevant Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The relevant Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since the relevant Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the relevant Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than the prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the relevant Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

*Notes issued at a substantial discount or premium*

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest- bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

*Issues of Notes in bearer form with a minimum specified denomination and higher integral multiples of another smaller amount*

In relation to any issue of Notes which have a denomination consisting of the minimum Specified Denomination plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of that minimum Specified Denomination that are not integral multiples of that minimum Specified Denomination. In such a case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

***Risks related to Notes generally***

Set out below is a brief description of certain risks relating to the Notes generally:

*Modification, waivers and substitution*

The Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Conditions of the Notes also provide that the Trustee may, without the consent of the Noteholders, agree to (i) any modification of, or waiver or authorisation of any breach or proposed breach of, any of the Terms and Conditions of the Notes or (ii) determine without the consent of the Noteholders that any Event of Default or potential Event of Default shall not be treated as such or (iii) the substitution of another entity as principal debtor under any Notes in place of the relevant Issuer, in the circumstances described in Condition 13 of the Conditions of the Notes.

*Change of law*

The Conditions of the Notes are based on English law in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the relevant Notes.

*Loss of investment*

If, in the case of any particular Tranche of Notes, the relevant Final Terms specify that the Notes are Index Linked, there is a risk that any investor may lose the value of their entire investment or part

of it if it is possible for such loss to be incurred in accordance with the Conditions of such Tranche of Notes.

***Risks related to the market generally***

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

*There is no active trading market for the Notes*

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the relevant Issuer. Although application has been made for the Notes issued under the Programme to be admitted to trading on the London Stock Exchange, if so specified in the relevant Final Terms, there is no assurance that such application will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes.

*Investors to rely on the procedures of Euroclear, Clearstream, Luxembourg and DTC for transfer, payment and communication with the Issuers*

Notes issued under the Programme may be represented by one or more Global Bearer Notes or Global Registered Note Certificates. Such Global Bearer Notes (as defined in "Summary of Provisions relating to Bearer Notes while in Global Form") and Global Registered Note Certificates (as defined in "Summary of Provisions relating to Registered Notes while in Global Form") may be deposited with a common depositary or, if the Global Bearer Notes are New Global Notes, a common safekeeper for Euroclear and Clearstream, Luxembourg and, in the case of Global Registered Note Certificates, will be deposited with a custodian for and registered in the name of a nominee of DTC (each as defined in "Summary of the Programme"). Except in the circumstances described in the relevant Global Bearer Note or Global Registered Note Certificate, investors will not be entitled to receive definitive Notes. Euroclear, Clearstream, Luxembourg and DTC will maintain records of the beneficial interests in the Global Bearer Notes or, as the case may be, Global Registered Note Certificates. While the Notes are represented by one or more Global Bearer Notes, or as the case may be, Global Registered Note Certificates, investors will be able to trade their beneficial interests only through Euroclear, Clearstream, Luxembourg or, in the case of Global Registered Note Certificates, DTC.

While the Notes are represented by one or more Global Bearer Notes or, as the case may be, Global Registered Note Certificates, the Issuers will discharge their payment obligations under the Notes by making payments to the common depositary or, for Global Bearer Notes that are New Global Notes, the common safekeeper for Euroclear and Clearstream, Luxembourg or, as appropriate, the Custodian for DTC, for distribution to their account holders. A holder of a beneficial interest in a Global Bearer Note or Global Registered Note Certificate must rely on the procedures of Euroclear and Clearstream, Luxembourg or, in the case of Global Registered Note Certificates, DTC, to receive payments under the relevant Notes. The Issuers have no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Bearer Notes or Global Registered Note Certificates.

Holders of beneficial interests in the Global Bearer Notes or Global Registered Note Certificates will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg or, in the case of Global Registered Note Certificates, DTC to appoint appropriate proxies.

*Exchange rate risks and exchange controls*

The Issuers will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that

authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency- equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

*Interest rate risks*

Investment in Fixed Rate Notes involves the risk that the subsequent changes in market interest rates may adversely affect the value of Fixed Rate Notes.

*Credit ratings may not reflect all risks*

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

***Legal investment considerations may restrict certain investments***

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities, each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

**Risks relating to the Issuers and the Group**

*Business conditions and general economy*

The profitability of the Group's businesses could be adversely affected by the worsening of general economic conditions in the United Kingdom, globally or in certain individual markets such as the United States, Spain or South Africa. Factors such as interest rates, inflation, investor sentiment, the availability and cost of credit, foreign exchange risk, creditworthiness of counterparties, the liquidity of the global financial markets and the level and volatility of equity prices could significantly affect the Group's customers' activity levels and financial position. For example:

- the current economic downturn or significantly higher interest rates or continued lack of credit availability to the Group's customers could adversely affect the credit quality of the Group's on-balance sheet and off-balance sheet assets by increasing the risk that a greater number of the Group's customers and counterparties would be unable to meet their obligations;
- a market downturn or further worsening of the economy could cause the Group to incur further mark to market losses in its trading portfolios;
- a further decline in the value of sterling relative to other currencies could increase risk weighted assets and therefore the capital requirements of the Group;
- a further market downturn could reduce the fees the Group earns for managing assets. For example, a downturn in trading markets could affect the flows of assets under management; and
- a further market downturn would be likely to lead to a decline in the volume of transactions that the Group executes for its customers and, therefore, lead to a decline in the income it receives from fees and commissions and interest.

*Current market volatility and recent market developments*

The global financial system has been experiencing difficulties since August 2007 and financial markets have deteriorated dramatically since the bankruptcy filing of Lehman Brothers in September 2008. Despite measures taken by the United Kingdom and United States governments and the European Central Bank and other central banks to stabilise the financial markets, the volatility and disruption of the capital and credit markets have continued. Together with the significant declines in the property markets in the United Kingdom, the United States, Spain and other countries, these events over the past two years have contributed to significant write-downs of asset values by financial institutions, including government-sponsored entities and major retail, commercial and investment banks. These write-downs have caused many financial institutions to seek additional capital, to merge with larger and stronger institutions, to be nationalised and, in some cases, to fail. Reflecting concern about the stability of the financial markets generally and the strength of counterparties, many lenders and institutional investors have substantially reduced and, in some cases, stopped their funding to borrowers, including other financial institutions.

While the capital and credit markets have been experiencing difficulties for some time, the volatility and disruption reached unprecedented levels in the final months of 2008 and economic activity started to contract in many of the economies in which the Group operates. These conditions have produced downward pressure on stock prices and credit capacity for certain issuers. The resulting lack of credit, lack of confidence in the financial sector, increased volatility in the financial markets and reduced business activity could continue to materially and adversely affect the Group's business, financial condition and results of operations.

*Credit risk*

Credit risk is the risk of suffering financial loss, should any of the Group's customers, clients or market counterparties fail to fulfil their contractual obligations to the Group. The credit risk that the Group faces arises mainly from wholesale and retail loans and advances. However, credit risk may also arise where the downgrading of an entity's credit rating causes the fair value of the Group's investment in that entity's financial instruments to fall.

In a recessionary environment, such as that ongoing in the United Kingdom, the United States and other economies, credit risk increases. Credit risk may also be manifested as country risk where difficulties may arise in the country in which the exposure is domiciled, thus impeding or reducing the value of the assets, or where the counterparty may be the country itself.

Another form of credit risk is settlement risk, which is the possibility that the Group may pay a counterparty but fail to receive the corresponding settlement in return. The Group is exposed to many different industries and counterparties in the normal course of its business, but its exposure to counterparties in the financial services industry is particularly significant. This exposure can arise through trading, lending, deposit-taking, clearance and settlement and many other activities and relationships. These counterparties include brokers and dealers, commercial banks, investment banks, mutual and hedge funds and other institutional clients. Many of these relationships expose the Group to credit risk in the event of default of a counterparty and to systemic risk affecting its counterparties. Where the Group holds collateral against counterparty exposures, it may not be able to realise it or liquidate it at prices sufficient to cover the full exposures. Many of the hedging and other risk management strategies utilised by the Group also involve transactions with financial services counterparties. The failure of these counterparties to settle or the perceived weakness of these counterparties may impair the effectiveness of the Group's hedging and other risk management strategies.

*Market risk*

Market risk is the risk that the Group's earnings or capital, or its ability to meet business objectives, will be adversely affected by changes in the level or volatility of market rates or prices such as interest rates, credit spreads, commodity prices, equity prices and foreign exchange rates. Market risk has increased due to the volatility of the current financial markets. The main market risk arises from trading activities. The Group is also exposed to market risk through non-traded interest rate risk and the pension fund.

The Group's future earnings could be affected by depressed asset valuations resulting from a deterioration in market conditions. Financial markets are sometimes subject to stress conditions

where steep falls in asset values can occur, as demonstrated by recent events affecting asset backed CDOs and the US sub-prime residential mortgage market and which may occur in other asset classes during an economic downturn. Severe market events are difficult to predict and, if they continue to occur, could result in the Group incurring additional losses.

In 2007 and in 2008, the Group recorded material net losses on certain credit market exposures, including ABS CDO Super Senior exposures. As market conditions change, the fair value of these exposures could fall further and result in additional losses or impairment charges, which could have a material adverse effect on the Group's earnings. Such losses or impairment charges could derive from: a decline in the value of exposures; a decline in the ability of counterparties, including monoline insurers, to meet their obligations as they fall due; or the ineffectiveness of hedging and other risk management strategies in circumstances of severe stress.

*Liquidity risk*

This is the risk that the Group is unable to meet its obligations when they fall due as a result of customer deposits being withdrawn, cash requirements from contractual commitments, or other cash outflows, such as debt maturities. Such outflows would deplete available cash resources for client lending, trading activities and investments. In extreme circumstances lack of liquidity could result in reductions in balance sheet and sales of assets, or potentially an inability to fulfil lending commitments. This risk is inherent in all banking operations and can be affected by a range of institution-specific and market-wide events including, but not limited to, credit events, merger and acquisition activity, systemic shocks and natural disasters. The Group's liquidity risk management has several components:

- intra-day monitoring to maintain sufficient liquidity to meet all settlement obligations;
- mismatch limits to control expected cash flows from maturing assets and liabilities;
- monitoring of undrawn lending commitments, overdrafts and contingent liabilities; and
- diversification of liquidity sources by geography and provider.

During periods of market dislocation, such as those currently ongoing, the Group's ability to manage liquidity requirements may be impacted by a reduction in the availability of wholesale term funding as well as an increase in the cost of raising wholesale funds. Asset sales, balance sheet reductions and the increasing costs of raising funding will affect the earnings of the Group.

In illiquid markets, the Group may decide to hold assets rather than securitising, syndicating or disposing of them. This could affect the Group's ability to originate new loans or support other customer transactions as both capital and liquidity are consumed by existing or legacy assets.

*Capital risk*

Capital risk is the risk that the Group has insufficient capital resources to:

- meet minimum regulatory capital requirements in the UK and in other jurisdictions such as the United States and South Africa where regulated activities are undertaken. The Group's authority to operate as a bank is dependent upon the maintenance of adequate capital resources;
- support its credit rating. A weaker credit rating would increase the Group's cost of funds; and
- support its growth and strategic options.

During periods of market dislocation, increasing the Group's capital resources may prove more difficult or costly. Regulators have also recently increased the Group's capital targets and amended the way in which capital targets are calculated and may further do so in future. This would constrain the Group's planned activities and contribute to adverse impacts on the Group's earnings.

*Operational risk*

Operational risk is the risk of direct or indirect losses resulting from human factors, external events, and inadequate or failed internal processes and systems. Operational risks are inherent in the Group's operations and are typical of any large enterprise. Major sources of operational risk include

operational process reliability, IT security, outsourcing of operations, dependence on key suppliers, implementation of strategic change, integration of acquisitions, fraud, human error, customer service quality, regulatory compliance, recruitment, training and retention of staff, and social and environmental impacts.

Notwithstanding anything in this risk factor, this risk factor should not be taken to imply that the Bank will be unable to comply with its obligations as a company with securities admitted to the Official List of the FSA or that any member of the Group will be unable to comply with its obligations as a supervised firm regulated by the FSA.

*Financial crime risk*

Financial crime risk is a category of operational risk. It arises from the risk that the Group might fail to comply with financial crime legislation and industry laws on anti-money laundering or might suffer losses as a result of internal or external fraud, or might fail to ensure the security of personnel, physical premises and the Bank's assets.

*Regulatory compliance risk*

Regulatory compliance risk arises from a failure or inability to comply fully with the laws, regulations or codes applicable specifically to the financial service industry. Non-compliance could lead to fines, public reprimands, damage to reputation, enforced suspension of operations or, in extreme cases, withdrawal of authorisations to operate.

Notwithstanding anything in this risk factor, this risk factor should not be taken to imply that any member of the Group will be unable to comply with its obligations as a supervised firm regulated by the FSA.

In addition, the Group's businesses and earnings can be affected by the fiscal or other policies and other actions of various governmental and regulatory authorities in the United Kingdom, the EU, the United States, South Africa and elsewhere. All these are subject to change, particularly in the current market environment where recent developments in the global markets have led to an increase in the involvement of various governmental and regulatory authorities in the financial sector and in the operations of financial institutions. In particular, governmental and regulatory authorities in the United Kingdom, the United States and elsewhere are implementing measures to increase regulatory control in their respective banking sectors, including by imposing enhanced capital requirements or by imposing conditions on direct capital injections and funding. Any future regulatory changes may potentially restrict the Group's operations, mandate certain lending activity and impose other compliance costs. It is uncertain how the more rigorous regulatory climate will impact financial institutions, including the Group.

Areas where changes could have an impact include:

- the monetary, interest rate and other policies of central banks and regulatory authorities;
- general changes in government or regulatory policy that may significantly influence investor decisions in particular markets in which the Group operates;
- general changes in the regulatory requirements, for example, prudential rules relating to the capital adequacy framework and rules designed to promote financial stability and increase depositor protection;
- changes in competition and pricing environments;
- further developments in the financial reporting environment;
- differentiation amongst financial institutions by governments with respect to the extension of guarantees to customer deposits and the terms attaching to those guarantees; and
- implementation of, or costs related to, local customer or depositor compensation or reimbursement schemes.

Two specific matters that directly impact the Group are the Banking Act 2009 and the Financial Services Compensation Scheme:

*Banking Act 2009*

On 21st February, 2009, the Banking Act 2009 (the "**Banking Act**") came into force which provides a permanent regime to allow the FSA, HM Treasury and the Bank of England (the "**Tripartite Authorities**") to resolve failing banks in the UK. The Banking Act aims to balance the need to protect depositors and prevent systematic failure with the potentially adverse consequences that using powers to deal with those events could have on private law rights, and, as a consequence, wider markets and investor confidence.

These powers, which apply regardless of any contractual restrictions, include (a) power to issue share transfer orders pursuant to which there may be transferred to a commercial purchaser or Bank of England entity, all or some of the securities issued by a bank. The share transfer order can extend to a wide range of 'securities' including shares and bonds issued by a UK Bank (including the Bank) or its holding company, the Company, and warrants for such and (b) the power to transfer all or some of the property, rights and liabilities of a UK bank to a purchaser or Bank of England entity. In certain circumstances encumbrances and trusts can be over-reached. Power also exists to over-ride any default provisions in transactions otherwise affected by these powers. Compensation may be payable in the context of both share transfer orders and property appropriation. In the case of share transfer orders any compensation will be paid to the person who held the security immediately before the transfer, who may not be the encumbrancer.

The Banking Act also vests power in the Bank of England to over-ride, vary or impose contractual obligations between a UK bank or its holding company and its former group undertakings (as defined in the Banking Act), for reasonable consideration, in order to enable any transferee or successor bank of the UK bank to operate effectively. There is also power for the HM Treasury to amend the law (save for a provision made by or under the Banking Act) by order for the purpose of enabling it to use the special resolution regime powers effectively, potentially with retrospective effect.

*Financial Services Compensation Scheme*

The Financial Services Compensation Scheme (the "**FSCS**") was created under the FSMA and is the UK's statutory fund of last resort for customers of authorised financial services firms. The FSCS can pay compensation to customers if a firm is unable, or likely to be unable, to pay claims against it.

During 2008, a number of institutions failed, including Bradford & Bingley plc, Heritable Bank plc, Kaupthing Singer & Friedlander Limited, Landsbanki 'Icesave', and London Scottish Bank plc. In order to meet its obligations to the depositors of these institutions, the FSCS has borrowed £19.7 billion from HM Treasury, which is on an interest only basis until September 2011. These borrowings are anticipated to be repaid wholly or substantially from the realisation of the assets of the above named institutions. The FSCS raises annual levies from the banking industry to meet its management expenses and compensation costs. Individual institutions make payments based on their level of market participation (in the case of deposits, the proportion that their protected deposits represent of total market protected deposits) at 31st December each year. If an institution is a market participant on this date it is obligated to pay a levy. The Bank was a market participant at 31st December, 2007 and 2008. The Group has accrued £101 million for its share of levies that will be raised by the FSCS including the interest on the loan from HM Treasury in respect of the levy years to 31st March, 2010. The accrual includes estimates for the interest FSCS will pay on the loan and estimates of the Group's market participation in the relevant periods. Interest will continue to accrue on the HM Treasury loan to the FSCS until September 2011 and will form part of future FSCS management expenses levies. If the assets of the failed institutions are insufficient to repay the HM Treasury loan in 2011, the FSCS will agree a schedule of repayments with HM Treasury, which will be recouped from the industry in the form of additional levies.

In the event that the FSCS raises funds from the authorised firms, raises those funds more frequently or significantly increases the levies to be paid by such firms, the associated costs to the Group may have a material impact on the Group's results of operations and financial condition.

*Legal risk*

The Group is subject to a comprehensive range of legal obligations in all countries in which it operates. As a result, the Group is exposed to many forms of legal risk, which may arise in a number of ways. Primarily:

- the Group's business may not be conducted in accordance with applicable laws around the world;
- contractual obligations may either not be enforceable as intended or may be enforced against the Group in an adverse way;
- the intellectual property of the Group (such as its trade names) may not be adequately protected; and
- the Group may be liable for damages to third parties harmed by the conduct of its business.

The Group faces risk where legal proceedings are brought against it. Regardless of whether such claims have merit, the outcome of legal proceedings is inherently uncertain and could result in financial loss. Defending legal proceedings can be expensive and time-consuming and there is no guarantee that all costs incurred will be recovered even if the Group is successful. Although the Group has processes and controls to manage legal risks, failure to manage these risks could impact the Group adversely, both financially and by reputation.

*Insurance risk*

Insurance risk is the risk that the Group will have to make higher than anticipated payments to settle claims arising from its long-term and short-term insurance businesses.

*Business risk*

The Group devotes substantial management and planning resources to the development of strategic plans for organic growth and identification of possible acquisitions, supported by substantial expenditure to generate growth in customer business. If these strategic plans are not delivered as anticipated, the Group's earnings could grow more slowly or decline. In addition, potential sources of business risk include revenue volatility due to factors such as macroeconomic conditions, inflexible cost structures, uncompetitive products or pricing and structural inefficiencies.

*Competition*

The global financial services markets in which the Group operates are highly competitive. Innovative competition for corporate, institutional and retail clients and customers comes both from incumbent players and a steady stream of new market entrants, as well as recent consolidation among banking institutions in the United Kingdom, the United States and throughout Europe. The landscape is expected to remain highly competitive in all areas, which could adversely affect the Group's profitability if the Group fails to retain and attract clients and customers.

*Tax risk*

The Group is subject to the tax laws in all countries in which it operates, including tax laws adopted at an EU level. A number of double taxation agreements entered between two countries also impact on the taxation of the Group. Tax risk is the risk associated with changes in tax law or in the interpretation of tax law. It also includes the risk of changes in tax rates and the risk of failure to comply with procedures required by tax authorities. Failure to manage tax risks could lead to an additional tax charge. It could also lead to a financial penalty for failure to comply with required tax procedures or other aspects of tax law. If, as a result of a particular tax risk materialising, the tax costs associated with particular transactions are greater than anticipated, it could affect the profitability of those transactions.

The Group takes a responsible and transparent approach to the management and control of its tax affairs and related tax risk:

- tax risks are assessed as part of the Group's formal governance processes and are reviewed by the Executive Committee, Group Finance Director and the Board Risk Committee;
- the tax charge is also reviewed by the Board Audit Committee;
- the tax risks of proposed transactions or new areas of business are fully considered before proceeding;
- the Group takes appropriate advice from reputable professional firms;

- the Group employs high-quality tax professionals and provides ongoing technical training;
- the tax professionals understand and work closely with the different areas of the business;
- the Group uses effective, well-documented and controlled processes to ensure compliance with tax disclosure and filing obligations; and
- where disputes arise with tax authorities with regard to the interpretation and application of tax law, the Group is committed to addressing the matter promptly and resolving the matter with the tax authority in an open and constructive manner.

## ISSUE PROCEDURE

Notes may be issued from time to time if so agreed between an Issuer and any of the Dealers or any third party subscriber of such Notes from such Issuer (any such Dealer or third party being referred to herein as a "**Subscriber**"). The terms and conditions of each Series of Notes or a Tranche thereof as agreed between such Issuer and the Subscriber(s) will be recorded in Final Terms prepared or caused to be prepared by such Issuer at or prior to the issue date of the Series or Tranche together with such other information relating to such Issuer as may be agreed between such Issuer and the Subscriber(s) or as may be required by any relevant supervisory authority or stock exchange. The terms and conditions applicable to each Series or Tranche thereof will, accordingly, be those set out or referred to in this document as supplemented, modified or replaced by the relevant Final Terms. A copy of each relevant Final Terms, in the case of a Series to be listed on the Official List, will be lodged by or on behalf of such Issuer with the FSA.

Notes may not be issued under the Programme in an amount which would result in the aggregate nominal amount of Notes outstanding on the date of issue of the Notes so issued (and immediately after the issue thereof) exceeding £60,000,000,000 or its equivalent in other currencies (subject to increase in accordance with the provisions of the Distribution Agreement). For this purpose the sterling equivalent of Notes denominated in a currency other than sterling shall be determined on the basis of the spot rate for the sale of sterling against the purchase of such other currency in the London foreign exchange market quoted by the Bank (or, if the Bank is not quoting such rates, such other financial institution as may be agreed between the Bank and the Trustee) at or about 11.00 a.m. (London time) on the second London business day prior to the relevant date of issue, and so that (a) in the case of Dual Currency Notes, Index Linked Notes and Partly Paid Notes, the sterling equivalent shall be determined by reference to the original principal amount of such Notes in the currency in which they are denominated (with regard to Partly Paid Notes, regardless of the amount of the issue price payable on issue) and (b) in the case of Zero Coupon Notes and other Notes issued at a discount or premium, the sterling equivalent shall be determined by reference to the issue price thereof. In this paragraph "**London business day**" means a day on which banks and foreign exchange markets are open for business in London.

## SUMMARY OF PROVISIONS RELATING TO BEARER NOTES WHILE IN GLOBAL FORM

Unless otherwise specified in the relevant Final Terms, each Series of Bearer Notes having an original maturity of more than one year will initially be represented by one or more Temporary Global Bearer Notes (each a "**Temporary Global Bearer Note**") and each Series of Bearer Notes having an original maturity of one year or less will initially be represented by one or more Permanent Global Bearer Notes (each a "**Permanent Global Bearer Note**" and together with a Temporary Global Bearer Note, a "**Global Bearer Note**"), in each case in bearer form, without Coupons or Talons. Each Global Bearer Note which is not intended to be issued in New Global Note ("**NGN**") form as specified in the relevant Final Terms will be deposited on or about the issue date of the relevant Notes with a common depositary for Clearstream, Luxembourg and/or Euroclear and/or any other relevant clearing system or depositary specified in the relevant Final Terms and each Global Bearer Note which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg.

On 13th June, 2006, the European Central Bank (the "**ECB**") announced that Notes in NGN form are in compliance with the "Standards for the use of EU securities settlement systems in ESCB credit operations" of the central banking system for the euro (the "**Eurosystem**"), provided that certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30th June, 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31st December, 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

Upon deposit of the Global Bearer Note(s) with the common depositary (or common safekeeper, if the Global Bearer Notes are in NGN form), Clearstream, Luxembourg or Euroclear will credit each subscriber with a principal amount of Notes equal to the principal amount thereof for which it has subscribed and paid. If the Global Bearer Note is an NGN, the nominal amount of the Notes shall be

the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg.

Each of the persons shown in the records of Clearstream, Luxembourg or Euroclear as the holder of a Note represented by a Global Bearer Note must look solely to Clearstream, Luxembourg or Euroclear (as the case may be) for his share of each payment made by the relevant Issuer to the bearer of such Global Bearer Note, and in relation to all other rights arising under the Global Bearer Notes, subject to and in accordance with the respective rules and procedures of Clearstream, Luxembourg or Euroclear (as the case may be). Such persons shall have no claim directly against the relevant Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Bearer Note and such obligations of the relevant Issuer will be discharged by payment to the bearer of such Global Bearer Note, in respect of each amount so paid.

Interests in a Temporary Global Bearer Note will be exchangeable (free of charge to the holder) not earlier than 40 days after the date of issue of the Notes (the "**Exchange Date**") and upon certification as to non-U.S. beneficial ownership as referred to below either (i) for interests in a Permanent Global Bearer Note in bearer form and in substantially the form (subject to completion and amendment and as supplemented or varied in accordance with the relevant Final Terms) scheduled to the Trust Deed or (ii) if so specified in the relevant Final Terms, for Bearer Notes in definitive form ("**Definitive Bearer Notes**") and in substantially the form (subject to completion and amendment and as supplemented or varied in accordance with the relevant Final Terms) scheduled to the Trust Deed.

The Global Bearer Notes will contain provisions applicable to the Notes represented thereby, some of which may modify the effect of the Conditions of the Notes. Certain of these are summarised in this section.

For so long as any of the Notes are represented by a Global Bearer Note, each person who is for the time being shown in the records of Clearstream, Luxembourg and/or Euroclear as the holder of a particular principal amount of such Notes (in which regard any certificate or other document issued by Clearstream, Luxembourg and/or Euroclear as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the relevant Issuer, the Trustee and the Transfer and Paying Agents as a holder of such principal amount of such Notes for all purposes other than with respect to the payment of principal and interest on such Notes, the right to which shall be vested, as against the relevant Issuer, the Trustee and the Transfer and Paying Agents, solely in the bearer of the Global Bearer Note (in accordance with and subject to its terms and the Trust Deed) and the expressions "Noteholder", "holder of Notes" and related expressions shall be construed accordingly. Interests in Bearer Notes which are represented by a Global Bearer Note will only be transferable in accordance with the rules and procedures for the time being of Clearstream, Luxembourg and/or Euroclear, as the case may be.

Principal and interest (if any) payable with respect to a Temporary Global Bearer Note or a Permanent Global Bearer Note will be paid to Clearstream, Luxembourg and/or Euroclear with respect to that portion of such Global Bearer Note which is held for its account (subject, in the case of a Temporary Global Bearer Note, to the certifications as provided therein). Each of Clearstream, Luxembourg and/or Euroclear will in such circumstances credit the principal or, as the case may be, interest in respect of such Global Bearer Note to the persons credited in its records with interests in such Global Bearer Note. If the Global Bearer Note is an NGN, the relevant Issuer shall procure that details of each such payment shall be entered pro rata in the records of the relevant clearing system and in the case of payments of principal, the principal amount of the Notes recorded in the records of the relevant clearing system and represented by the Global Bearer Note will be reduced accordingly. Payments under the NGN will be made to its holder. Each payment so made will discharge the relevant Issuer's obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge.

If any date on which a payment is due on the Notes of a Tranche occurs prior to the relevant Exchange Date, the relevant payment will be made on the Temporary Global Bearer Note only to the extent that certification as to non-U.S. beneficial ownership as required by U.S. Treasury regulations (in substantially the form set out in the Temporary Global Bearer Note or in such other form as is customarily issued in such circumstances by the relevant clearing system or depositary) has been received by Clearstream, Luxembourg or Euroclear. Payment of amounts due in respect of a Permanent Global Bearer Note will be made through Clearstream, Luxembourg or Euroclear without any requirement for certification.

An exchange of a Temporary Global Bearer Note for a Permanent Global Bearer Note or, where applicable, Definitive Bearer Notes will be made only on or after the Exchange Date (as set out in the relevant Final Terms) and provided certification as to non-U.S. beneficial ownership as required by U.S. Treasury regulations (in substantially the form set out in the Temporary Global Bearer Note or in such other form as is customarily issued in such circumstances by the relevant clearing system or depositary) has been received.

The holder of any Temporary Global Bearer Note shall not (unless, upon due presentation of such Temporary Global Bearer Note for exchange (in whole or in part) for a Permanent Global Bearer Note or, where applicable, for delivery of Definitive Bearer Notes, such exchange or delivery is improperly withheld or refused and such withholding or refusal is continuing at the relevant payment date) be entitled to receive any payment in respect of the Notes represented by such Temporary Global Bearer Note which falls due on or after the Exchange Date or be entitled to exercise any option on a date on or after the Exchange Date.

Interests in a Permanent Global Bearer Note will be exchanged by the relevant Issuer (free of charge to the holder) in whole (but not in part only) for Definitive Bearer Notes (a) if any Note of the relevant Series becomes immediately repayable in accordance with Condition 9 of the Conditions of the Notes; (b) if Clearstream, Luxembourg or Euroclear is closed for business for a continuous period of 14 days (other than by reason of public holidays) or announces an intention to cease business permanently or in fact does so; or (c) if the Trustee is satisfied that, on the occasion of the next payment due in respect of the Notes of the relevant Series, the relevant Issuer or any of the Transfer and Paying Agents would be required to make any deduction or withholding from any payment in respect of such Notes which would not be required were such Notes in definitive form. The cost of printing Definitive Bearer Notes will be borne by the relevant Issuer. If the Global Bearer Note is an NGN, the relevant Issuer will procure that details of such exchange be entered *pro rata* in the records of the relevant clearing system.

Where the Global Bearer Note is an NGN, the relevant Issuer shall procure that any exchange, payment, cancellation, exercise of any option or any right under the Notes, as the case may be shall be entered in the records of the relevant clearing systems and upon any such entry being made, in respect of payments of principal, the principal amount of the Notes represented by such Global Bearer Note shall be adjusted accordingly.

For so long as a Series of Notes is represented in its entirety by one or more Global Bearer Note(s) and such Global Bearer Note(s) is/are held on behalf of Clearstream, Luxembourg and/or Euroclear, notices to Noteholders of that Series may be given by delivery of the relevant notice to Clearstream, Luxembourg and/or Euroclear for communication by them to entitled accountholders in substitution for publication as required by the Conditions of the Notes, subject to any applicable regulatory and stock exchange requirements in the case of Notes admitted to listing, trading and/or quotation. Unless otherwise specified in the relevant Final Terms, any such notice shall be deemed to have been given to the relevant Noteholders on the seventh day after the day on which the said notice was given to Clearstream, Luxembourg and/or, as the case may be, Euroclear.

Any reference herein to Clearstream, Luxembourg and/or Euroclear shall, whenever the context so permits, be deemed to include a reference to any such other clearing system or depositary as is specified in the relevant Final Terms.

The following legend will appear on all Permanent Global Bearer Notes with maturities of more than 365 days and on all Definitive Bearer Notes, Coupons and Talons: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Internal Revenue Code".

## SUMMARY OF PROVISIONS RELATING TO REGISTERED NOTES WHILE IN GLOBAL FORM

Each Series of Registered Notes will be represented by:

(i) interests in an unrestricted global registered Note Certificate (an "**Unrestricted Global Registered Note Certificate**") (in the case of Notes sold outside the United States to non-U.S. persons in reliance on Regulation S under the Securities Act) ("Unrestricted Registered Notes"); and/or

(ii) interests in one or more restricted global registered Note Certificates (the "**Restricted Global Registered Note Certificates**" (and together with the Unrestricted Global Registered Note Certificate, the "**Global Registered Note Certificates**")) (in the case of Notes resold in the United States in reliance on Rule 144A under the Securities Act) ("**Restricted Registered Notes**").

Each Unrestricted Global Registered Note Certificate will be registered in the name of the common depositary for Clearstream, Luxembourg and/or Euroclear and/or any other relevant clearing system or depositary specified in the applicable Final Terms.

Each Restricted Global Registered Note Certificate will be registered in the name of Cede & Co. (or such other entity as is specified in the applicable Final Terms) as nominee for The Depositary Trust Company ("**DTC**") and will be deposited on or about the issue date with the Custodian for DTC (the "**DTC Custodian**"). Beneficial interests in a Restricted Global Registered Note Certificate may only be held through DTC at any time. The Restricted Global Registered Note Certificate(s) (and any Registered Notes in individual form ("**Individual Registered Note Certificates**") issued in exchange therefor) will be subject to certain restrictions on transfer and will bear a legend applicable to purchasers who purchase the Registered Notes pursuant to Rule 144A as described under "Transfer Restrictions".

**Transfer Restrictions**

Regulation S Notes

Each purchaser of Notes outside the United States pursuant to Regulation S and each subsequent purchaser of such Notes in resales prior to the expiration of the distribution compliance period, by accepting delivery of this Base Prospectus and the Notes, will be deemed to have represented, agreed and acknowledged that:

(i) it is, or at the time Notes are purchased will be, the beneficial owner of such Notes and (a) it is not a U.S. person and it is located outside the United States (within the meaning of Regulation S) and (b) it is not an affiliate of the relevant Issuer or a person acting on behalf of such an affiliate.

(ii) it understands that such Notes have not been and will not be registered under the Securities Act and that, prior to the expiration of the distribution compliance period, it will not offer, sell, pledge or otherwise transfer such Notes except (a) in accordance with Rule 144A under the Securities Act to a person that it and any person acting on its behalf reasonably believe is a qualified institutional buyer within the meaning of Rule 144A ("**QIB**") purchasing for its own account or the account of a QIB, (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S or (c) to the relevant Issuer, in each case in accordance with any applicable securities laws of any State of the United States.

(iii) it understands that the relevant Issuer, the Registrar, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

On or prior to the fortieth day after the relevant issue date, Notes represented by an interest in an Unrestricted Global Registered Note Certificate may be transferred to a person who wishes to hold such Notes in the form of an interest in a Restricted Global Registered Note Certificate only upon receipt by the Registrar of a written certification from the transferor (in the form set out in Schedule 3 (*Form of Transfer Certificate*) to the Agency Agreement) to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB, in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States. After such fortieth day, such certification requirements will no longer apply to such transfers, but such transfers will continue to be subject to the transfer restrictions contained in the legend appearing on the face of such Global Registered Note Certificate, as described below under "Exchange of Interests in Global Registered Note Certificates for Individual Registered Note Certificates".

Notes represented by an interest in a Restricted Global Registered Note Certificate may also be transferred to a person who wishes to hold such Notes in the form of an interest in an Unrestricted Global Registered Note Certificate, but only upon receipt by the Registrar of a written certification from the transferor (in the form set out in Schedule 3 (Form of Transfer Certificate) to the Agency

Agreement) to the effect that such transfer is being made in accordance with Regulation S or Rule 144 (if available) under the Securities Act.

Any interest in an Unrestricted Global Registered Note Certificate that is transferred to a person who takes delivery in the form of an interest in a Restricted Global Registered Note Certificate will, upon transfer, cease to be an interest in an Unrestricted Global Registered Note Certificate and become an interest in a Restricted Global Registered Note Certificate and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to an interest in a Restricted Global Registered Note Certificate.

The Notes are being offered and sold in the United States only to QIBs within the meaning of and in reliance on Rule 144A.

Rule 144A Notes

Each purchaser of Notes within the United States pursuant to Rule 144A, by accepting delivery of this Base Prospectus, will be deemed to have represented, agreed and acknowledged as follows (terms used in the following paragraphs that are defined in Rule 144A have the respective meanings given to them in Rule 144A):

(i) the purchaser (i) is a QIB, (ii) is acquiring the Notes for its own account or for the account of a QIB and (iii) is aware, and each beneficial owner of such Notes has been advised that the sale of the Notes to it is being made in reliance on Rule 144A;

(ii) the purchaser understands that the Notes are being offered only in a transaction not involving any public offering in the United States within the meaning of the Securities Act and that the Notes have not been and will not be registered under the Securities Act and may not be reoffered, resold, pledged or otherwise transferred except in accordance with the legend set forth below; and

(iii) the purchaser understands that the Restricted Global Registered Note Certificate and any Restricted Individual Registered Note Certificates (as defined below) will bear a legend to the following effect, unless the relevant Issuer determines otherwise in accordance with applicable law:

THE NOTES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933 (THE "**SECURITIES ACT**"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING THE NOTES REPRESENTED HEREBY, AGREES FOR THE BENEFIT OF THE ISSUER THAT THE NOTES REPRESENTED HEREBY MAY BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS AND ONLY (1) PURSUANT TO RULE 144A UNDER THE SECURITIES ACT TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR A PERSON PURCHASING FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER WHOM THE HOLDER HAS INFORMED, IN EACH CASE, THAT THE REOFFER, RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR (4) TO THE ISSUER. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR RESALES OF THIS NOTE.

It understands that the relevant Issuer, the Registrar, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. If it is acquiring any Notes for the account of one or more QIBs it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

Upon the transfer, exchange or replacement of a Restricted Global Registered Note Certificate or a restricted registered Note Certificate in individual form (a "**Restricted Individual Registered Note Certificate**") bearing the above legend, or upon specific request for removal of the legend, the relevant Issuer will deliver only a Restricted Global Registered Note Certificate or one or more Restricted Individual Registered Note Certificates that bear such legend or will refuse to remove such

legend, unless there is delivered to the relevant Issuer and the Registrar such satisfactory evidence (which may include a legal opinion) as may reasonably be required by the relevant Issuer that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

Any interest in a Restricted Global Registered Note Certificate that is transferred to a person who takes delivery in the form of an interest in an Unrestricted Global Registered Note Certificate will, upon transfer, cease to be an interest in a Restricted Global Registered Note Certificate and become an interest in an Unrestricted Global Registered Note Certificate and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to an interest in an Unrestricted Global Registered Note Certificate.

Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

### Exchange of Interests in Global Registered Note Certificates for Individual Registered Note Certificates

Each Global Registered Note Certificate will be exchangeable, free of charge to the holder, in whole but not in part, for Individual Registered Note Certificates only if:

(i) a Restricted Global Registered Note is held by or on behalf of (A) DTC, and DTC notifies the relevant Issuer that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to the Restricted Global Registered Note or ceases to be a "**clearing agency**" registered under the Exchange Act or if at any time it is no longer eligible to act as such, and the relevant Issuer is unable to locate a qualified successor within 90 days of receiving notice or becoming aware of such ineligibility on the part of DTC or (B) Euroclear or Clearstream, Luxembourg, and Euroclear or Clearstream, Luxembourg, as the case may be, is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or

(ii) any of the circumstances described in Condition 9 occurs.

In such circumstances, the relevant Issuer shall procure the delivery of Individual Registered Note Certificates in exchange for the Unrestricted Global Registered Note Certificate and/or the Restricted Global Registered Note Certificate. A person having an interest in a Global Registered Note Certificate must provide the Registrar (through DTC, Euroclear and/or Clearstream Luxembourg) with (a) such information as the relevant Issuer and the Registrar may require to complete and deliver Individual Registered Note Certificates (including the name and address of each person in which the Individual Registered Note Certificates are to be registered and the principal amount of each such person's holding) and (b) (in the case of the Restricted Global Registered Note Certificate only) a certificate given by or on behalf of the holder of each beneficial interest in the Restricted Global Registered Note Certificate stating either (i) that such holder is not transferring its interest at the time of such exchange or (ii) that the transfer or exchange of such interest has been made in compliance with the transfer restrictions applicable to the Notes and that the person transferring such interest reasonably believes that the person acquiring such interest is a QIB and is obtaining such beneficial interest in a transaction meeting the requirements of Rule 144A. Individual Registered Note Certificates issued in exchange for interests in the Restricted Global Registered Note Certificate will bear the legends and be subject to the transfer restrictions set out under "Transfer Restrictions".

Whenever a Global Registered Note Certificate is to be exchanged for Individual Registered Note Certificates, such Individual Registered Note Certificates will be issued within five business days of the delivery to the Registrar of the information and any required certification described in the preceding paragraph against the surrender of the relevant Global Registered Note Certificate at the specified office of the Registrar. Such exchange shall be effected in accordance with the regulations concerning the transfer and registration from time to time relating to the Notes and shall be effected without charge, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

The Registrar will not register the transfer of or exchange of interests in a Global Registered Note Certificate for Individual Registered Note Certificates for a period of 15 days ending on the due date for any payment of principal or interest in respect of the Notes.

## DTC Book Entry Ownership of Global Registered Note Certificates

The relevant Issuer will apply to DTC in order to have each Tranche of Restricted Notes accepted in its book-entry settlement system. Upon the issue of any Restricted Global Notes, DTC or its custodian will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Restricted Registered Global Notes to the account of DTC participants. Ownership of beneficial interests in a Restricted Registered Global Note will be held through participants of DTC, including the respective depositaries of Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in a Restricted Registered Global Note will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee.

Payments in U.S. dollars of principal and interest in respect of a Restricted Registered Global Note registered in the name of DTC's nominee will be made to the order of such nominee as the registered holder of such Note. In the case of any payment in a currency other than U.S. dollars, payment will be made by the relevant Issuer and all or a portion of such payment will be remitted for credit directly to the beneficial holders of interests in the Restricted Registered Global Notes in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable participants' account.

## Transfers of Interests in Global Registered Note Certificates

Transfers of interests in Global Registered Note Certificates within DTC, Euroclear and Clearstream, Luxembourg will be in accordance with the usual rules and operating procedures of the relevant clearing system.

The laws of some states of the United States require that certain persons receive individual certificates in respect of their holdings of Notes. Consequently, the ability to transfer interests in a Global Registered Note Certificate to such persons will be limited. Because DTC only acts on behalf of participants, who in turn act on behalf of indirect participants, the ability of a person having an interest in a Global Registered Note Certificate to pledge such interest to persons or entities which do not participate in DTC, or otherwise take actions in respect of such interest, may be affected by the lack of an Individual Registered Note Certificate representing such interest.

Cross market transactions will require delivery of instructions to Clearstream, Luxembourg or (as the case may be) Euroclear by the counterparty in such system in accordance with its rules and procedures and within its established deadlines. Clearstream, Luxembourg or (as the case may be) Euroclear will, if the transaction meets its settlement requirements, deliver instructions to its respective depositary to take action to effect final settlement on its behalf by delivering or receiving beneficial interests in the relevant Global Registered Note Certificate in DTC, and making or receiving payment in accordance with normal procedures for same day funds settlement applicable to DTC. Clearstream, Luxembourg account holders and Euroclear account holders may not deliver instructions directly to the depositaries for Clearstream, Luxembourg or Euroclear.

Because of time zone differences, credits of Notes received in Clearstream, Luxembourg or Euroclear as a result of a transaction with a DTC participant will be made during the securities settlement processing day following the DTC settlement date and such credits of any transactions in such securities settled during such processing will be reported to the relevant Clearstream, Luxembourg or Euroclear account holder on such business day. Cash received in Clearstream, Luxembourg or Euroclear as a result of sales of Notes by or through a Clearstream, Luxembourg account holder or a Euroclear account holder to a DTC participant will be received for value on the DTC settlement date but will be available in the relevant Clearstream, Luxembourg or Euroclear cash account only as of the business day following settlement in DTC. Settlement between Euroclear or Clearstream, Luxembourg account holders and DTC participants cannot be made on a delivery versus payment basis. The arrangements for transfer of payments must be established separately from the arrangements for transfer of Notes, the latter being effected on a free delivery basis. The customary arrangements for delivery versus payment between Euroclear and Clearstream, Luxembourg account holders or between DTC participants are not affected.

For a further description of restrictions on the transfer of Notes, see "Plan of Distribution".

DTC has advised each of the Issuers that it will take any action permitted to be taken by a holder of Restricted Registered Notes (including, without limitation, the presentation of Restricted Global Registered Note Certificates for exchange as described above) only at the direction of one or more

participants in whose account with DTC interests in Restricted Global Registered Note Certificates are credited, and only in respect of such portion of the aggregate nominal amount of the Restricted Global Registered Note Certificates as to which such participant or participants has or have given such direction. However, in certain circumstances, DTC will exchange the Restricted Global Registered Note Certificates for Restricted Individual Registered Note Certificates (which will, in the case of Restricted Notes, bear the legend set out above under "Transfer Restrictions").

Although DTC, Clearstream, Luxembourg and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of interests in the Global Registered Note Certificates among participants and account holders of DTC, Clearstream, Luxembourg and Euroclear, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Company, the Bank, the Principal Paying Agent, the Registrar, the Trustee, and Transfer and Paying Agent will have any responsibility for the performance by DTC, Clearstream, Luxembourg or Euroclear or their respective direct or indirect participants or account holders of their respective obligations under the rules and procedures governing their respective operations.

While a Global Registered Note Certificate is lodged with DTC or the custodian, Restricted Individual Registered Note Certificates will not be eligible for clearing and settlement through DTC, Clearstream, Luxembourg or Euroclear.

## FORM OF THE FINAL TERMS

**Final Terms dated [ ]**

**BARCLAYS [BANK] PLC**

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the **£60,000,000,000 Debt Issuance Programme**

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer of the Notes may only do so in:

(i) circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or

(ii) those Public Offer Jurisdictions mentioned in Paragraph 37 of Part A below, provided such person is one of the persons mentioned in Paragraph 37 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances].

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances].

## PART A — CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 8th June, 2009 [and the supplemental Base Prospectus dated [ ]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. [The Base Prospectus [and the supplemental Base Prospectus] [is] [are] available for viewing at [address] and copies may be obtained from [address].]

*The following alternative language applies if the first tranche of an issue which is being increased was issued under a base prospectus with an earlier date and the relevant terms and conditions from that base prospectus with an earlier date were incorporated by reference in this Base Prospectus.*

Terms used herein shall be deemed to be defined as such for the purposes of the [date] Conditions (the "**Conditions**") incorporated by reference in the Base Prospectus dated [original date]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**") and must be read in conjunction with the Base Prospectus dated [current date] [and the supplemental Base Prospectus dated [ ]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Base Prospectus dated [original date] [and the supplemental Base Prospectus dated [ ]] and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectuses dated [original date] and [current date] [and the supplemental Base Prospectuses dated [ ] and [ ]]. [The Base Prospectuses [and the supplemental Base Prospectuses] are available for viewing at [address] and copies may be obtained from [address].]

*[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]*

*[When completing any final terms, or adding any other final terms or information, consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]*

| | | |
|---|---|---|
| 1. | (i) Issuer: | Barclays [Bank] PLC |
| 2. | (i) Series Number: | [ ] |
| | (ii) Tranche Number: | [ ]<br>(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible). |
| 3. | Specified Currency or Currencies: | [ ] |
| 4. | Aggregate Nominal Amount: | [ ] |
| | [(i)] Series: | [ ] |
| | [(ii) Tranche: | [ ]] |
| 5. | Issue Price: | [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)] |
| 6. | (a) Specified Denominations: | [ ]<br>[*Where multiple denominations above [€50,000] or equivalent are being used insert the following wording*<br>"[€50,000] and integral multiples of [€1,000] in excess thereof up to and including [€99,000]. No Notes in definitive form will be issued with a denomination above [€99,000]."] |

| | | |
|---|---|---|
| | | [ ] |
| | (b) Calculation Amount | [*(If only one Specified Denomination, insert the Specified Denomination.*<br>*If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations*)] |
| 7. | [(i)] Issue Date: | [ ] |
| | [(ii)] Interest Commencement Date: | [ ] |
| 8. | Maturity Date: | [*specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year or (for Undated Capital Notes) undated*] |
| 9. | Interest Basis: | [[ ] per cent. Fixed Rate] [[specify reference rate] +/- [ ] per cent. Floating Rate] [Zero Coupon][Index Linked Interest] [Dual Currency Interest] [Other (specify)] (further particulars specified below) |
| 10. | Redemption/Payment Basis: | [Redemption at par]<br>[Index Linked Redemption]<br>[Dual Currency Redemption]<br>[Partly Paid]<br>[Instalment]<br>[Other (specify)] |
| 11. | Change of Interest or Redemption/Payment Basis: | [*Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis*] |
| 12. | Put/Call Options: | [Investor Put]<br>[Issuer Call]<br>[(further particulars specified below)] |
| 13. | [(i)] Status of the Notes: | [Senior/Dated Capital Notes/Undated Capital Notes] [If Dated Capital Notes, state whether they qualify as Lower Tier 2 or Upper Tier 3 Capital] |
| | [(ii) Condition 4(4)— Deferral of payments to apply (Dated Capital Notes): | [Yes/No] |
| | [(ii)] [Date [Board] approval for issuance of Notes obtained: | [ ]<br>(*N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes*) |
| 14. | Method of distribution: | [Syndicated/Non-syndicated] |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

| | | |
|---|---|---|
| 15. | Fixed Rate Note Provisions | [Applicable/Not Applicable]<br>(*If not applicable, delete the remaining sub-paragraphs of this paragraph*) |

| | | |
|---|---|---|
| (i) | Rate(s) of Interest: | [ ] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear] |
| (ii) | Interest Payment Date(s): | [ ] in each year [adjusted in accordance with [specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"]/not adjusted] |
| (iii) | Fixed Coupon Amount(s): | [ ] per Calculation Amount |
| (iv) | Broken Amount(s): | [ ] per Calculation Amount payable on the Interest Payment Date falling [in/on] [ ] |
| (v) | Day Count Fraction: | [30/360/Actual/Actual (ICMA/ISDA)/other] |
| (vi) | Interest Determination Dates: | [ ] in each year (insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA)) |
| (vii) | Other terms relating to the method of calculating interest for Fixed Rate Notes: | [Not Applicable/give details] |

16. Floating Rate Note Provisions — [Applicable/Not Applicable](If not applicable, delete the remaining sub-paragraphs of this paragraph)

| | | |
|---|---|---|
| (i) | Specified Period(s) | [ ] |
| (ii) | Specified Interest Payment Dates: | [ ] |
| (iii) | First Interest Payment Date: | [ ] |
| (iv) | Business Day Convention: | [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/ other (give details)] |
| (v) | Business Centre(s): | [ ] |
| (vi) | Manner in which the Rate(s) of Interest is/are to be determined: | [Screen Rate Determination/ISDA Determination/ other (give details)] |
| (vii) | Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Agent]): | [ ] |
| (viii) | Screen Rate Determination: | [ ] |
| | — Reference Rate: | [ ] |
| | — Interest Determination Date(s): | [ ] |
| | — Relevant Screen Page: | [ ] |
| (ix) | ISDA Determination: | [ ] |
| | — Floating Rate Option: | [ ] |
| | — Designated Maturity: | [ ] |
| | — Reset Date: | [ ] |
| (x) | Margin(s): | [+/-][ ] per cent. per annum |
| (xi) | Minimum Rate of Interest: | [ ] per cent. per annum |
| (xii) | Maximum Rate of Interest: | [ ] per cent. per annum |
| (xiii) | Day Count Fraction: | [ ] |

| | | |
|---|---|---|
| | (xiv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: | [ ] |
| 17. | Zero Coupon Note Provisions | [Applicable/Not Applicable](If not applicable, delete the remaining sub-paragraphs of this paragraph) |
| | (i) [Amortisation/Accrual] Yield: | [ ] per cent. per annum |
| | (ii) Reference Price: | [ ] |
| | (iii) Any other formula/basis of determining amount payable: | [ ] |
| 18. | Index-Linked Interest Note/other variable-linked interest Note Provisions | [Applicable/Not Applicable](If not applicable, delete the remaining sub-paragraphs of this paragraph) |
| | (i) Index/Formula/other variable: | [give or annex details] |
| | (ii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Agent]): | [ ] |
| | (iii) Provisions for determining Coupon where calculated by reference to Index and/or Formula and/or other variable: | [ ] |
| | (iv) Interest Determination Date(s): | [ ] |
| | (v) Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: | [ ]<br>(Need to include a description of market disruption or settlement disruption events and adjustment provisions) |
| | (vi) Specified period(s): | [ ] |
| | (vii) Specified Interest Payment Dates: | [ ] |
| | (viii) Business Day Convention: | [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/ other (give details)] |
| | (ix) Business Centre(s): | [ ] |
| | (x) Minimum Rate/Amount of Interest: | [ ] per cent. per annum |
| | (xi) Maximum Rate/Amount of Interest: | [ ] per cent. per annum |
| | (xii) Day Count Fraction: | [ ] |
| 19. | Dual Currency Note Provisions | [Applicable/Not Applicable](If not applicable, delete the remaining sub-paragraphs of this paragraph) |
| | (i) Rate of Exchange/method of calculating Rate of Exchange: | [give details] |
| | (ii) Party, if any, responsible for calculating the principal and/or interest due (if not the [Agent]): | [ ] |
| | (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: | |

| | |
|---|---|
| (iv) Person at whose option Specified Currency(ies) is/are payable: | [ ] |

**PROVISIONS RELATING TO REDEMPTION**

| | |
|---|---|
| 20. Call Option | [Applicable/Not Applicable](If not applicable, delete the remaining sub-paragraphs of this paragraph) |
| (i) Optional Redemption Date(s): | [ ] |
| (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): | [ ] per Calculation Amount |
| (iii) If redeemable in part: | |
| (a) Minimum Redemption Amount: | [ ] per Calculation Amount |
| (b) Maximum Redemption Amount: | [ ] per Calculation Amount |
| (iv) Notice period (if other than as set out in the Conditions) | [ ]<br>(*Need to consider the practicalities of distribution of information through intermediaries and any other notice requirements which may apply*) |
| 21. Put Option | [Applicable/Not Applicable](If not applicable, delete the remaining sub-paragraphs of this paragraph) |
| (i) Optional Redemption Date(s): | [ ] |
| (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): | [ ] per Calculation Amount |
| (iii) Notice period (if other than as set out in the Conditions) | [ ]<br>(*Need to consider the practicalities of distribution of information through intermediaries and any other notice requirements which may apply*) |
| 22. Final Redemption Amount of each Note | [[ ] per Calculation Amount/other/see Appendix<br>(*N.B. If the Final Redemption Amount is not 100 per cent. of the nominal value the Notes may be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulations will apply*. Where the Final Redemption Amount is linked to the exercise price or the final reference price of an underlying, give details of the exercise price or final reference price). |
| In cases where the Final Redemption Amount is Index-Linked or other variable-linked: | |
| (i) Index/Formula/variable: | [give or annex details] |
| (ii) Calculation Agent responsible for calculating the Final Redemption Amount: | [ ] |

| | | |
|---|---|---|
| (iii) | Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable: | [ ] |
| (iv) | Determination Date(s): | [ ] |
| (v) | Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: | [ ] |
| (vi) | Payment date | [ ] |
| (vii) | Minimum Final Redemption Amount: | [ ] per Calculation Amount |
| (viii) | Maximum Final Redemption Amount: | [ ] per Calculation Amount |

23. Early Redemption Amount

| | |
|---|---|
| Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): | [ ] per Calculation Amount/other/see Appendix |

**GENERAL PROVISIONS APPLICABLE TO THE NOTES:**

| | | |
|---|---|---|
| 24. | Form of Notes:[1] | **Bearer Notes:**<br>[Temporary Global Note exchangeable for a Permanent Global Bearer Note which is exchangeable for Definitive Bearer Notes in the limited circumstances specified in the Permanent Global Bearer Note]<br>[Temporary Global Note exchangeable for Definitive Notes on [] days' notice.]<br>[Permanent Global Bearer Note which is exchangeable for Definitive Bearer Notes in the limited circumstances specified in the Permanent Global Bearer Note]<br>**Registered Notes:**<br>[Unrestricted Global Registered Note Certificate/Restricted Global Registered Note Certificate/Individual Registered Note Certificates] |
| 25. | New Global Note Form: | [Applicable/Not Applicable] |
| 26. | Financial Centre(s) or other special provisions relating to payment dates: | [Not Applicable/give details. Note that this item relates to the date and place of payment, and not interest period end dates, to which items 15(ii), 16(v) and 18(ix) relate] |

1. Ensure that this is consistent with the wording in the Base Prospectus and the Notes themselves. N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "[€50,000] and integral multiples of [€1,000] in excess thereof up to and including [€99,000]." Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.

| | |
|---|---|
| 27. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): | [Yes/No. If yes, give details] |
| 28. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made [and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment]: | [Not Applicable/give details] |
| 29. Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: | [Not Applicable/give details] |
| 30. Consolidation provisions: | [Not Applicable/The provisions annexed to these Final Terms apply] |
| 31. Other final terms: | [Not Applicable/give details](When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.) |

## DISTRIBUTION

| | |
|---|---|
| 32. (i) If syndicated, names [and addresses][2] of Managers [and underwriting commitments][2]: | [Not Applicable/give names[, addresses and underwriting commitments]]<br><br>[(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)][2] |
| (ii) [Date of [Subscription] Agreement: | [ ]][2] |
| (iii) Stabilising Manager(s) (if any): | [Not Applicable/give name] |
| 33. If non-syndicated, name [and address][2] of Dealer: | [Not Applicable/give name [and address][1]] |
| 34. Rule 144A eligible (Registered Notes only): | [Yes/No] |
| 35. [Total commission and concession: | [ ] per cent. of the Aggregate Nominal Amount][2] |
| 36. U.S. Selling Restrictions | [Reg. S Compliance Category; TEFRA C/TEFRA D/TEFRA not applicable] |
| 37. Non-exempt Offer: | [Not Applicable] [An offer of the Notes may be made by the Managers [and [*specify, if applicable*]] other than pursuant to Article 3(2) of the Prospectus Directive in [*specify relevant Member State(s) — which must be jurisdictions where the Prospectus and any supplements have been passported*] ("**Public Offer Jurisdictions**") during the period from [*specify date*] until [specify date]. See further Paragraph 10 of Part B below. |

2 Only applicable to Tranches of Notes with a denomination of less than €50,000 or equivalent in other currencies.

38. Additional selling restrictions: [Not Applicable/give details]

## PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue [and] [public offer in the Public Offer Jurisdictions] [and] [admission to trading on [ ] of the Notes described herein pursuant to the £60,000,000,000 Debt Issuance Programme of Barclays PLC and Barclays Bank PLC.]

## RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [[ ] has been extracted from [ ]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [ ], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By: ...........................................................................................................

Duly authorised

## PART B — OTHER INFORMATION

**1. LISTING**

[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [ ] with effect from [ ].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [ ] with effect from [ ].] [Not Applicable.]

(*Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.*)

**2. RATINGS**

Ratings: The Notes to be issued have been rated:

[S & P: [ ]]
[Moody's: [ ]]
[Fitch: [ ]]
[[Other]: [ ]]

[*Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.*][1]

(*The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.*)

**3. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]**

Need to include a description of any interest, including conflicting ones, that is material to the issue/ offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

"Save as discussed in Plan of Distribution, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."]

**4 REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**[2]

[(i) Reasons for the offer: [ ]

(*See "Use of Proceeds" wording in Base Prospectus if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.*)

[(ii)] Estimated net proceeds: [ ]

(*If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.*)

[(iii)] Estimated total expenses: [ ]

(*Expenses are required to be broken down into each principal intended "use" and presented in order of priority of such "uses".*)

(*If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, (i) above is required where the reasons*

1 Only applicable to Tranches of Notes with a denomination of less than €50,000 or equivalent in other currencies.

2 Only applicable to Tranches of Notes with a denomination of at least €50,000 or equivalent in other currencies.

*for the offer are different from making profit and/or hedging certain risks and, where such reasons are inserted in (i), disclosure of net proceeds and total expenses at (ii) and (iii) above are also required.*)

5. [FIXED RATE NOTES ONLY — YIELD

| | |
|---|---|
| Indication of yield: | [ ]<br>[*Calculated as [include details of method of calculation in summary form] on the Issue Date.*][1]<br>[As set out above, the][1][The] yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.] |

6. [[FLOATING RATE NOTES ONLY — HISTORIC INTEREST RATES

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].][1]

7. [*Index-Linked or other variable-linked Notes only* — PERFORMANCE OF INDEX/FORMULA/ OTHER VARIABLE[, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS]1 AND OTHER INFORMATION CONCERNING THE UNDERLYING

*Need to include details of where past and future performance and volatility of the index/formula/ other variable can be obtained [and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]*[1]*[Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information.]]*

8. [Dual Currency Notes only — PERFORMANCE OF RATE[S] OF EXCHANGE [AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT][1]

*Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained [and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]*[1]

9. OPERATIONAL INFORMATION

| | |
|---|---|
| ISIN Code: | [ ] |
| Common Code: | [ ] |
| New Global Note intended to be held in a manner which would allow Eurosystem eligibility: | [Not Applicable/Yes/No]<br>[Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with Euroclear or Clearstream, Luxembourg as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] [*Include this text if "Yes" selected in which case the Notes must be issued in NGN form*] |
| CUSIP no.: | [ ] |
| CINS Code: | [ ] |

1 Only applicable to Tranches of Notes with a denomination of less than €50,000 or equivalent in other currencies.

| | |
|---|---|
| Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking société anonyme and the relevant identification number(s): | [Not Applicable/give name(s) and number(s)] |
| Delivery: | Delivery [against/free of] payment |
| Names and addresses of additional Paying Agent(s) (if any): | [ ] |

**10. TERMS AND CONDITIONS OF THE OFFER**

| | |
|---|---|
| Offer Price: | [Issue Price][*specify*] |
| Conditions to which the offer is subject: | [Not Applicable/*give details*] |
| Description of the application process: | [Not Applicable/*give details*] |
| Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: | [Not Applicable/*give details*] |
| Details of the minimum and/or maximum amount of application: | [Not Applicable/*give details*] |
| Details of the method and time limits for paying up and delivering the Notes: | [Not Applicable/*give details*] |
| Manner in and date on which results of the offer are to be made public: | [Not Applicable/*give details*] |
| Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: | [Not Applicable/*give details*] |
| Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries: | [Not Applicable/*give details*] |
| Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: | [Not Applicable/*give details*] |
| Amount of any expenses and taxes specifically charged to the subscriber or purchaser: | [Not Applicable/*give details*] |
| Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place. | [None/*give details*] |

## CONDITIONS OF THE NOTES

*The following is the text of the conditions applicable to the Notes which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the applicable Final Terms, will be incorporated by reference in each Note in global form and which will be attached to or endorsed on, in the case of Bearer Notes, the Bearer Notes in definitive form (if any) or, in the case of Registered Notes, the Note Certificates relating to such Registered Notes in definitive form (if any) issued in exchange for the Note in global form representing each Tranche, details of the relevant Tranche being as set out in the relevant Final Terms. The Final Terms in relation to any Tranche may specify other conditions which shall, to the extent so specified or to the extent inconsistent with such conditions, replace or modify the following conditions for the purpose of such Tranche.*

This Note is one of a Series (as defined below) issued pursuant to the Debt Issuance Programme (the "**Programme**") established by Barclays Bank PLC (an "**Issuer**" or the "**Bank**"), Barclays Overseas Capital Corporation B.V. ("**BOCC**") and Barclays Overseas Investment Company B.V. ("**BOIC**") on 10th October, 1995. Barclays PLC (an "Issuer" or the "**Company**" and, together with the Bank, the "**Issuers**") was added as an issuer under the Programme on 9th June, 2008. This Note is constituted by a Trust Deed dated 24th May, 2005 as most recently amended and restated on 8th June, 2009 (as further amended, restated, modified and/or supplemented from time to time, the "**Trust Deed**") between, inter alios, the Bank, the Company and The Bank of New York Mellon, acting through its London branch (the "**Trustee**" which expression shall wherever the context so admits include its successors) and has the benefit of an Agency Agreement dated 10th October, 1995, as most recently amended and restated on 8th June, 2009 (as amended or supplemented from time to time, the "**Agency Agreement**") made between, *inter alios*, the Bank, the Company, the Registrar (the "**Registrar**" which expression shall wherever the context so admits include any successor or other person appointed as such in respect of any Notes), the Principal Paying Agent (the "**Principal Paying Agent**" which expression shall wherever the context so admits include its successors as such, and, together with any successor and the other transfer and paying agent(s) appointed in respect of any Notes, the "**Transfer and Paying Agents**"), the Agent Bank (the "Agent Bank" which expression shall wherever the context so admits include any successor or other person appointed as such in respect of any Notes), the Foreign Exchange Agent (the "**Foreign Exchange Agent**" which expression shall wherever the context so admits include any successor or other person appointed as such in respect of any Notes), each named therein and the Trustee. The initial Transfer and Paying Agents and the initial Agent Bank are named below. The Trustee shall exercise the duties, powers, trusts, authorities and discretions vested in it by the Trust Deed separately in relation to each Series of Notes in accordance with the provisions of the Trust Deed. Copies of the Trust Deed and the Agency Agreement are available for inspection free of charge during normal business hours at the office for the time being of the Trustee (being at 8th June, 2009 One Canada Square, London E14 5AL) and at the specified office of each of the Transfer and Paying Agents appointed from time to time pursuant to the terms of the Agency Agreement. References in Conditions 1 to 18 (inclusive) to the "**Issuer**" are to the entity named as such in the applicable Final Terms.

The holders for the time being of Notes (the "**Noteholders**") and, in relation to any Series of Bearer Notes (as defined below), of any coupons ("**Coupons**") or talons for further Coupons ("**Talons**") appertaining thereto (together, the "**Couponholders**") are entitled to the benefit of, are bound by, and will be deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

The term "**Notes**" means debt instruments, by whatever name called, issued under the Programme. The term "Bearer Note" means a Note in bearer form and the term "**Registered Note**" means a Note in registered form. All Notes will be issued in series (each, a "**Series**") and each Series may comprise one or more tranches (each, a "**Tranche**") of Notes. Each Tranche will be the subject of final terms (each, "**Final Terms**"), a copy of which will be attached to or endorsed on each Note of such Tranche. The Final Terms applicable to this Note supplements these Conditions and may specify other conditions which shall, to the extent so specified or to the extent not consistent with these Conditions, replace or modify these Conditions for the purposes of this Note. References herein to the "**relevant Final Terms**" are to the Final Terms attached hereto or endorsed hereon. Subject as set out in the relevant Final Terms, all Notes issued on the same date, denominated in the same currency, having the same maturity date, bearing interest, if any, on the same basis and otherwise issued on identical terms will constitute one Tranche of Notes.

## 1. Form, Denomination and Title

(1) Form

The Notes of this Series are either in bearer form or in registered form, serially numbered, as specified in the relevant Final Terms.

The Notes are either senior Notes ("**Senior Notes**"), dated capital Notes ("**Dated Capital Notes**") or undated capital Notes ("**Undated Capital Notes**"), as specified in the relevant Final Terms. In addition, the Notes are issued in any one or more of the following forms as specified in the relevant Final Terms:

(a) Notes bearing interest on a fixed rate basis ("**Fixed Rate Notes**");

(b) Notes bearing interest on a floating or variable rate basis ("**Floating Rate Notes**");

(c) Notes issued on a non-interest bearing basis ("**Zero Coupon Notes**");

(d) Notes in respect of which principal and/or interest is or may be payable in one or more currencies other than the currency in which they are denominated ("**Dual Currency Notes**");

(e) Notes in respect of which principal and/or interest is calculated by reference to an index and/or a formula or such other terms as are specified in the relevant Final Terms ("**Index Linked Notes**");

(f) Notes the principal amount of which is repayable by instalments ("**Instalment Notes**"); and

(g) Notes which are issued on a partly paid basis ("**Partly Paid Notes**"). The appropriate provisions of these Conditions shall apply accordingly in relation to the Notes of this Series.

Interest-bearing Bearer Notes, if so specified in the relevant Final Terms, have attached thereto at the time of their initial delivery Coupons and, if so specified, also have attached thereto at the time of their initial delivery a Talon, and the expression "**Coupons**" shall, where the context so permits, include Talons.

Instalment Notes have endorsed thereon a grid for recording the repayment of principal or, if so specified in the relevant Final Terms, have attached thereto at the time of their initial delivery payment receipts ("**Receipts**") in respect of the instalments of principal (other than the final instalment) and the expression "Notes" shall, where the context so permits, include Receipts.

Registered Notes are represented by registered note certificates ("**Note Certificates**"). A Note Certificate will be issued to each person in whose name a Registered Note is for the time being registered in the Register (as defined in Condition 1), or, in the case of a joint holding, the first named thereof (the "**Registered Holder**"), in respect of its holding. The serial number of each Note Certificate will be recorded in the Register.

(2) Denomination

The Notes of this Series are issued in the denomination(s) specified in the relevant Final Terms. Notes of one denomination will not be exchangeable for Notes of any other denomination.

(3) Title

Title to the Bearer Notes and Coupons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**").

To the extent permitted by law, the Issuer, each Transfer and Paying Agent, the Agent Bank, the Trustee, the Principal Paying Agent and the Registrar may deem and treat the holder of any Note or of any Coupon as the absolute owner thereof (whether or not such Note or Coupon shall be overdue and notwithstanding any notice of ownership or writing thereon or on the Note Certificate representing it or notice of any trust or previous loss or theft thereof or that of the related Note Certificate) for the purpose of making payment and for all other purposes.

## 2. Transfers of Registered Notes

(1) Transfers

Subject to Conditions 2(4) and 2(5) below, a Registered Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed (or another form

of transfer in substantially the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), at the specified office of the Registrar or any Transfer and Paying Agent, together with such evidence as the Registrar or (as the case may be) such Transfer and Paying Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer. Where not all the Registered Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Registered Notes will be issued to the transferor.

(2) Exercise of Options or Partial Redemption in Respect of Registered Notes

In the case of an exercise of an Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Note Certificate, a new Note Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Note Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Note Certificates shall only be issued against surrender of the existing Note Certificates to the Registrar or any Transfer and Paying Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Note Certificate representing the enlarged holding shall only be issued against surrender of the Note Certificate representing the existing holding.

(3) Registration and delivery of Note Certificates

Within five business days of the surrender of a Note Certificate and receipt of the form of transfer or Exercise Notice (as defined in Condition 6(f) below) in accordance with Conditions 2(1) and (2) above, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Registered Notes transferred to each Registered Holder at its specified office or (as the case may be) the specified office of any Transfer and Paying Agent or (at the request and risk of any such relevant Registered Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such Registered Holder. In this paragraph, "Business Day" means a day on which commercial banks are open for business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer and Paying Agent has its specified office.

(4) No charge

The transfer of a Registered Note will be effected without charge by or on behalf of the Issuer, the Registrar or any Transfer and Paying Agent but against such indemnity as the Registrar or (as the case may be) such Transfer and Paying Agent may require in respect of any tax or other governmental charges of whatsoever nature which may be levied or imposed in connection with such transfer.

(5) Closed periods

Registered Holders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Registered Notes.

(6) Regulations concerning transfers and registration

All transfers of Registered Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Trustee and the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Registered Holder who requests in writing a copy of such regulations.

## 3. Currency

The Notes of this Series are denominated in the currency specified in the relevant Final Terms (the "**Specified Currency**") (being euro, U.S. dollars, pounds sterling, Japanese Yen or such other currency as is so specified).

## 4. Status and Subordination

(1) No Set Off

Subject to applicable law and unless the Dated Capital Notes or the Undated Capital Notes provide otherwise, no Dated Capital Note or Undated Capital Note Noteholder or Couponholder may exercise or claim any right of set-off in respect of any amount owed to it by the Issuer arising under

or in connection with such Notes or Coupons and each such Noteholder and Couponholder shall, by virtue of being the holder of any such Note or Coupon, as the case may be, be deemed to have waived all such rights of set-off.

(2) Senior Notes

Senior Notes and the Coupons (if any) appertaining thereto constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer ranking *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, except such obligations as are preferred by operation of law.

(3) Dated Capital Notes

Dated Capital Notes and the Coupons (if any) appertaining thereto constitute direct and unsecured obligations of the Issuer ranking *pari passu* without any preference among themselves. In the event of the winding up or administration of the Issuer, the claims of the Trustee, the Noteholders and the Couponholders (if any) against the Issuer in respect of such Notes and Coupons will be subordinated, in the manner provided in the Trust Deed, to the claims of all other creditors of the Issuer (including depositors) except for the claims of holders of unsecured rights against the Issuer being rights which are subordinated so as to rank either (i) *pari passu* with such Notes and Coupons, with all of which excepted claims such Notes and Coupons shall rank *pari passu*, or (ii) junior to such Notes and Coupons.

(4) Dated Capital Notes: Deferral of Payments

In the case of Dated Capital Notes which are specified in the relevant Final Terms as being Upper Tier 3 Notes, the Issuer shall be entitled in the circumstances described below, by notice in writing to the Trustee (a "**Deferral Notice**"), to defer the due date for payment of any principal or interest in respect of such Upper Tier 3 Notes, and, accordingly, on the giving of such notice the due date for payment of such principal or interest (the "**Deferred Payment**") shall be so deferred and the Issuer shall not be obliged to make payment thereof on the date the same would otherwise have become due and payable, and such deferral of payment shall not constitute a default by the Issuer for any purpose. Accordingly, the applicable provisions of these Conditions in relation to such Notes shall in all respects have effect subject to this Condition 4(4). The Issuer (A) shall give a Deferral Notice in circumstances where its Capital Resources (as defined below) would be less than its Capital Resources Requirement (as defined below) after payment of any such principal or interest in whole or in part and (B) may give a Deferral Notice where the FSA (as defined below) has required or requested the Issuer to defer payment of the relevant Deferred Payment. Interest will accrue on principal deferred as aforesaid in accordance with the provisions of these Conditions and the Trust Deed, save that such interest shall only become due and payable at such time as the principal in respect of which it has accrued becomes due and payable under the following sentence. Promptly upon being satisfied that (x) (in the case of (A) above) its Capital Resources would not be less than its Capital Resources Requirement after payment of the whole or any part of any Deferred Payment or (y) (in the case of (B) above) that the FSA will not object to the payment of the whole or any part of any Deferred Payment, the Issuer shall give to the Trustee written notice thereof (a "**Payment Notice**") and the relevant Deferred Payment (or the appropriate part of it) and any accrued interest as aforesaid shall become due and payable on the seventh day after the date of such Payment Notice. In addition, all Deferred Payments which remain unpaid shall become due and payable in full on the commencement (as defined in the Trust Deed) of a winding up or administration of the Issuer. Where more than one Deferred Payment remains unpaid, payment of part thereof shall be made *pro rata* according to the amounts of such Deferred Payments remaining unpaid and of any accrued interest as aforesaid remaining unpaid. The Issuer shall promptly give notice to the holders of the relevant Series of Notes in accordance with Condition 15 of any Deferral Notice or Payment Notice.

In these Terms and Conditions:

"**Capital Regulations**" means, at any time, the regulations, requirements, guidelines and policies relating to capital adequacy then in effect of the FSA.

"**Capital Resources**" has the meaning given to such term in the Capital Regulations and shall include any successor term from time to time equivalent thereto as agreed between the Issuer and the Trustee.

"**Capital Resources Requirement**" has the meaning given to such term in the Capital Regulations and shall include any successor term from time to time equivalent thereto as agreed between the Issuer and the Trustee.

"**FSA**" means the Financial Services Authority or such other governmental authority in the United Kingdom (or, if the Issuer becomes domiciled in a jurisdiction other than the United Kingdom, in such other jurisdiction) having primary supervisory authority with respect to the Issuer.

*In the case of Dated Capital Notes which constitute Upper Tier 3 Capital, the FSA only permits payments of principal and interest to be made in respect of such Dated Capital Notes in circumstances where, after such payment is made, the Issuer's Capital Resources would not be less than its Capital Resources Requirement.*

(5) Undated Capital Notes

(a) Undated Capital Notes and the Coupons (if any) appertaining thereto constitute unsecured obligations of the Issuer ranking *pari passu* without any preference among themselves.

(b) The rights of the Noteholders and Couponholders in respect of Undated Capital Notes and the Coupons (if any) appertaining thereto are subordinated to the claims of Senior Creditors (as defined in Condition 4(5)(d)) and, accordingly, payments of principal, premium and interest (including, without limitation, any payments in respect of damages awarded for breach of any payment obligations) are conditional upon the Issuer being solvent at the time of payment by the Issuer, and no principal, premium or interest or other amounts shall be payable in respect of such Notes except to the extent that the Issuer could make such payment and still be solvent immediately thereafter. For the purposes of this Condition 4(5)(b), the Issuer shall be solvent if (i) it is able to pay its debts as they fall due and (ii) its Assets (as defined in Condition 4(5)(d)) exceed its Liabilities (as defined in Condition 4(5)(d)) (other than, except in the circumstances provided in the Trust Deed, its Liabilities to persons who are not Senior Creditors). The Trust Deed contains provisions requiring a report as to the solvency of the Issuer to be made by one Director or senior executive officer of the Issuer or, in certain circumstances as provided in the Trust Deed, the Auditors (as defined in the Trust Deed) or, if the Issuer is in winding up or administration in England, its liquidator prior to any payment of principal, premium or interest and also prior to the purchase of any Undated Capital Notes beneficially by or for the account of the Issuer or any of its Subsidiaries (as defined in the Trust Deed). Any such report shall, in the absence of manifest error, be treated and accepted by the Issuer, the Trustee and the Noteholders and Couponholders as correct and sufficient evidence of such solvency.

(c) If at any time the Issuer is in winding up in England or, following the appointment of an administrator of the Issuer, an administrator gives notice that it intends to declare and distribute a dividend, there shall be payable in respect of the Undated Capital Notes (in lieu of any other payment) but subject as provided in Condition 4(5)(b) such amounts (if any) as would have been payable in respect thereof as if throughout such winding up or administration, the Noteholder were the holder of preference shares in the capital of the Issuer having a preferential right to a return of assets in the winding up or administration over the holders of all other classes of shares for the time being in the capital of the Issuer on the assumption that such preference shares were entitled (to the exclusion of any other rights or privileges) to receive on a return of capital in such winding up or administration an amount equal to the principal amount of the Undated Capital Notes together with interest accrued to the date of repayment (as provided in the Trust Deed) and any Arrears of Interest (as defined in Condition 5(2)).

(d) As used in these Conditions:

"**Senior Creditors**" means creditors of the Issuer (i) who are depositors and/or other unsubordinated creditors of the Issuer or (ii) whose claims are, or are expressed to be, subordinated to the claims of depositors and other unsubordinated creditors of the Issuer (whether only in the event of a winding up of the Issuer or otherwise) but not further or otherwise or (iii) who are subordinated creditors of the Issuer (whether as aforesaid or otherwise) other than those whose claims are expressed to rank *pari passu* with or junior to the claims of the Noteholders and Couponholders and any claims ranking *pari passu* with such last mentioned claims.

"**Assets**" means the total amount of the unconsolidated gross tangible assets of the Issuer, and "**Liabilities**" means the total amount of the unconsolidated gross liabilities of the Issuer, in each case as shown by the latest published audited balance sheet of the Issuer, but adjusted, if the aggregate amount included in such balance sheet in respect of the Issuer's investment in all Subsidiaries and

Associated Companies (as defined in the Trust Deed) of the Issuer exceeds the aggregate of the net tangible assets of such Subsidiaries and Associated Companies attributable to the Issuer (calculated on a consolidated basis where any of such Subsidiaries and Associated Companies itself has subsidiaries) as shown by their latest relevant audited balance sheets, by deducting from the total amount of such assets an amount equal to such excess and adjusted also for contingencies and subsequent events in such manner as the above-mentioned Director or senior executive officer, the Auditors or the liquidator (as the case may be) may determine.

*If the Issuer would not otherwise be solvent (having taken into account liabilities to both Senior Creditors and creditors other than Senior Creditors), the amount of principal and premium and of sums which would otherwise be payable as interest in respect of the Undated Capital Notes will be available to meet the losses of the Issuer.*

**5. Interest**

(1) Certain Defined Terms

As used in these Conditions:

"**Interest Commencement Date**" means the date specified as such in the relevant Final Terms;

"**Interest Payment Date**" means a Fixed Interest Payment Date or a Floating Interest Payment Date (as the case maybe);

"**Interest Period**" means (i) in the case of Fixed Rate Notes, the period from (and including) a Fixed Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Fixed Interest Payment Date or (ii) in the case of Floating Rate Notes, the period from (and including) a Floating Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Floating Interest Payment Date.

"**Maturity Date**" means, in relation to any Series of Notes other than Undated Capital Notes, the date on which a Note is to be redeemed (or, in the case of an Instalment Note, finally redeemed), as specified in the relevant Final Terms.

"**Rate of Interest**" means the rate, or each rate, of interest in respect of each interest bearing Note determined in accordance with the applicable provisions of this Condition 5 and/or as specified in the relevant Final Terms.

"**TARGET2**" means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19th November, 2007.

"**TARGET Settlement Day**" means any day on which TARGET2 is open for the settlement of payments in euro.

(2) Interest on Undated Capital Notes

On an Interest Payment Date there may be paid the interest accrued in the Interest Period ending on the day immediately preceding such date, but the Issuer shall not have any obligation to make such payment and any failure to pay shall not constitute a default by the Issuer for any purpose. If the Issuer elects not to pay interest on an Interest Payment Date, it shall give not less than 30 days' notice of such election to the holders of the Undated Capital Notes in accordance with Condition 15. Any interest not paid on an Interest Payment Date together with any other interest not paid on any other Interest Payment Date (in any such case by reason of Condition 4(5)(b) or this Condition 5(2)) shall, so long as the same remains unpaid, constitute "**Arrears of Interest**". Arrears of Interest may, at the option of the Issuer, be paid in whole or in part at any time upon the expiration of not less than 14 days' notice to such effect given to the holders of the Undated Capital Notes in accordance with Condition 15, but all Arrears of Interest on all Undated Capital Notes outstanding shall (subject to Condition 4(5)(b)) become due in full on whichever is the earliest of (i) the date set for any redemption pursuant to Condition 6(d) or 6(e) or (ii) the commencement of winding-up in England of the Issuer or, following the appointment of an administrator of the Issuer, the date on which such administrator gives notice that it intends to declare and distribute a dividend or (iii) the date on which any payment is made in contravention of the Dividend Restriction (as defined below). Notwithstanding the foregoing, if notice is given by the Issuer of its intention to pay the whole or part of Arrears of Interest, the Issuer shall be obliged (subject to Condition 4(5)(b)) to do so upon the expiration of such notice. Arrears of Interest shall not themselves bear interest.

If, on an Interest Payment Date, interest in respect of any series of Undated Capital Notes shall not have been paid as a result of the exercise by the Issuer of its option pursuant to this Condition 5(2), then from the date of such Interest Payment Date until such time as the full amount of such Arrears of Interest has been received by the Principal Paying Agent or the Trustee and no other Arrears of Interest remains unpaid with respect to the Undated Capital Notes of the relevant Series (such period the "**Stopped Period**"), the Dividend Restriction shall apply.

The "**Dividend Restriction**" means that neither the Bank nor the Company may declare or pay a dividend (other than (i) payment by the Company of a final dividend declared by its shareholders prior to the Interest Payment Date on which the relevant Stopped Period commences, or (ii) a dividend (other than in respect of the Series 1 Sterling Preference Shares of £1 each) paid by the Bank to the Company or to another wholly-owned subsidiary) on any of their respective ordinary shares, preference shares or other share capital or satisfy any payments of interest or coupons on any other Junior Obligations.

"**Junior Obligations**" means obligations of the Issuer which rank or are expressed to rank junior to the Undated Capital Notes but in any such case excluding any obligation the initial tranche of which was issued before the Issue Date and the terms of which do not enable the issuer thereof to defer, pass on or eliminate a coupon, dividend or distribution during the relevant Stopped Period.

"**Series 1 Sterling Preference Shares**" means the Floating Rate Cumulative Callable Preference Shares dated December 2004.

(3) Interest on Fixed Rate Notes

Unless otherwise provided in the relevant Final Terms, each Fixed Rate Note shall bear interest in accordance with the provisions of this Condition 5(3) provided, however, that interest on Undated Capital Notes shall (subject to Condition 4(5)(b)) be payable only at the option of the Issuer.

(a) Each Fixed Rate Note bears interest on the outstanding principal amount of such Note (or, in the case of any Partly Paid Note unless otherwise specified in the relevant Final Terms, the principal amount for the time being paid up thereon) at the fixed rate or rates per annum specified in the relevant Final Terms as the Rate(s) of Interest from (and including) the Interest Commencement Date for such Note. Interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms (each, a "**Fixed Interest Payment Date**") and on the Maturity Date of such Note if other than a Fixed Interest Payment Date (subject in the case of Undated Capital Notes to the provisions of Conditions 4(5)(b) and 5(2)). The first payment of interest will be made on the first Fixed Interest Payment Date following the Interest Commencement Date.

(b) Interest will cease to accrue on each Fixed Rate Note from (and including) its due date for redemption (or, in the case of an Instalment Note, in respect of each instalment of principal, from (and including) the due date for payment of the relevant Instalment Amount, as defined in Condition 6) unless, upon due presentation, payment of principal is improperly withheld or refused or is not made by reason of Condition 4(5)(b). In such event, interest will continue to accrue (as well after as before any judgment) up to and including the date on which, upon further presentation, payment in full of the principal amount due in respect of such Fixed Rate Note, together with accrued interest, is made or (if earlier) the date upon which notice is duly given to the holder of such Note that sufficient funds for payment of the principal amount due in respect of it, together with accrued interest, have been received by the Principal Paying Agent or the Trustee.

(c) If interest falls to be calculated for a period which is not a full year, such interest will be calculated on the basis of the Day Count Fraction as specified in the relevant Final Terms.

(4) Interest on Floating Rate Notes

Unless otherwise provided in the relevant Final Terms, each Floating Rate Note shall bear interest in accordance with the applicable provisions of this Condition 5(4) provided, however, that interest on Undated Capital Notes may (subject to Condition 4(5)(b)) be payable only at the option of the Issuer.

(a) *Accrual of Interest*

Each Floating Rate Note bears interest on the outstanding principal amount of such Note (or, in the case of any Partly Paid Note unless otherwise specified in the relevant Final Terms, the principal amount for the time being paid up thereon) from (and including) the Interest Commencement Date for such Note.

Interest will cease to accrue on each Floating Rate Note from (and including) its due date for redemption (or, in the case of an Instalment Note, in respect of each instalment of principal, from (and including) the due date for payment of the relevant Instalment Amount) unless, upon due presentation, payment of principal is improperly withheld or refused or is not made by reason of Condition 4(5)(b). In such event, interest will continue to accrue (as well after as before any judgment) up to (and including) the date on which, upon further presentation, payment in full of the principal amount due in respect of such Note, together with accrued interest, is made or (if earlier) the date upon which notice is duly given to the holder of such Note that sufficient funds for payment of the principal amount due in respect of it, together with accrued interest, have been received by the Principal Paying Agent or the Trustee.

(b) *Interest Payment Dates and Interest Periods*

Interest on each Floating Rate Note will, subject, in the case of Undated Capital Notes, to the provisions of Condition 5(2), be payable in arrear on either:

(i) the Specified Interest Payment Date(s) as is/are specified in the relevant Final Terms for such purpose (each, a "**Floating Interest Payment Date**"); or

(ii) if no Specified Interest Payment Date(s) is/are specified in the relevant Final Terms for such purpose, each date (each, a "**Floating Interest Payment Date**") which falls the number of months or other period specified as the Specified Period in the relevant Final Terms after the preceding Floating Interest Payment Date or, in the case of the first Floating Interest Payment Date, after the Interest Commencement Date.

Such interest will, subject, in the case of Undated Capital Notes to the provisions of Conditions 4(5)(b) and 5(2), be payable in respect of each Interest Period.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which a Floating Interest Payment Date should occur or (y) if any Floating Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(1) in any case where Specified Periods are specified in accordance with Condition 5(4)(b)(ii) above, the Floating Rate Convention, such Floating Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Floating Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Floating Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Floating Interest Payment occurred; or

(2) the Following Business Day Convention, such Floating Interest Payment Date shall be postponed to the next day which is a Business Day; or

(3) the Modified Following Business Day Convention, such Floating Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Floating Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(4) the Preceding Business Day Convention, such Floating Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In this Condition, "**Business Day**" means a day which is both:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London and any Additional Business Centre specified in the applicable Final Terms; and

(b) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Additional Business Centre and which, if the Specified Currency is

Australian or New Zealand dollars, shall be Sydney and Auckland, respectively), or (2) in relation to any sum payable in euro, on a TARGET Settlement Day.

(c) *Rate of Interest*

The Rate of Interest payable from time to time on each Floating Rate Note will be determined in the manner provided in the relevant Final Terms.

(d) *Rate of Interest: Screen Rate Basis*

Where so specified in the relevant Final Terms, the Rate of Interest applicable to each Floating Rate Note for each Interest Period shall be determined by the Agent Bank on the following basis:

(i) the Agent Bank will determine the rate for deposits (or, as the case may require, the arithmetic mean (rounded, if necessary, to the nearest one-hundred thousandth of a percentage point) of the rates for deposits (excluding, if all the rates are not the same where there are four or more such rates, the highest and lowest rates and, if there is more than one highest or lowest rate, excluding one such rate)) in the relevant currency for a period of the duration of the relevant Interest Period on the Relevant Screen Page as at either 11.00 a.m. (London time) in the case of the London interbank offered rate ("**LIBOR**") or 11.00 a.m. (Brussels time), in the case of the Euro interbank offered rate ("**EURIBOR**") on the applicable Interest Determination Date (as indicated in the relevant Final Terms) (the "**Interest Determination Date**");

(ii) if, on any Interest Determination Date, no such rate for deposits so appears (or, as the case may require, if fewer than two such rates for deposits so appear), the Agent Bank will request appropriate quotations and will determine the arithmetic mean (rounded as aforesaid) of the rates at which deposits in the relevant currency are offered by, if the reference rate is LIBOR, four major banks in the London interbank market, selected by the Agent Bank, at approximately 11.00 a.m. (London time) on the Interest Determination Date to leading banks in the London interbank market or, if the reference rate is EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone, selected by the Agent Bank, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date to leading banks in the Euro-zone interbank market, in each case for a period of the duration of the relevant Interest Period and in an amount that is representative for a single transaction in the relevant market at the relevant time;

(iii) if, on any Interest Determination Date, only two or three rates are so quoted, the Agent Bank will determine the arithmetic mean (rounded as aforesaid) of the rates so quoted; and

(iv) if fewer than two rates are so quoted, the Agent Bank will determine the arithmetic mean (rounded as aforesaid) of the rates quoted by four major banks in the Relevant Financial Centre (as defined below) (or, in the case of Notes denominated in euro, in such financial centre or centres as the Agent Bank may select), selected by the Agent Bank, at approximately 11.00 a.m. (Relevant Financial Centre (or other financial centre or centres as aforesaid) time) on the Interest Determination Date for loans in the relevant currency to leading European banks for a period of the duration of the relevant Interest Period and in an amount that is representative for a single transaction in the relevant market at the relevant time,

and the Rate of Interest applicable to such Note during each Interest Period will be the rate (or, as the case may be, the arithmetic mean) so determined plus or minus (as specified in the relevant Final Terms) the relevant margin (if any) so specified (the "**Relevant Margin**") provided that if the Agent Bank is unable to determine a rate (or, as the case may be, an arithmetic mean) in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to such Note during such Interest Period will be the rate (or, as the case may be, the arithmetic mean) last determined in relation to such Note in respect of a preceding Interest Period plus or minus, as the case may be, the Relevant Margin (but substituting, where a different Relevant Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Relevant Margin relating to the relevant Interest Period).

As used herein, "**Relevant Screen Page**" means such page as is specified in the relevant Final Terms on Reuters (or such other service or services as may be nominated as the information vendor for the purpose of displaying comparable rates in succession thereto) or such other equivalent information vending service as is so specified, "**Euro-zone**" means the region comprised of member

states of the European Union that have adopted the euro as the single currency in accordance with the Treaty establishing the European Community as amended by the Treaty on European Union and "**Relevant Financial Centre**" means such financial centre or centres as may be specified in relation to the relevant currency for the purposes of the definition of "Business Day" in the ISDA Definitions (as defined below), as the same may be modified by the relevant Final Terms.

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

(e) *Rate of Interest: ISDA Basis*

Where so specified in the relevant Final Terms, the Rate of Interest in respect of each Floating Rate Note for each Interest Period will be the applicable ISDA Rate plus or minus (as specified in the relevant Final Terms) the Relevant Margin (if any). For this purpose, "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate which would be determined by the Agent Bank under an interest rate swap transaction if the Agent Bank were acting as Calculation Agent for that swap transaction pursuant to the terms of an agreement incorporating the ISDA Definitions and under which:

(i) the Floating Rate Option is as specified in the relevant Final Terms;

(ii) the relevant Interest Commencement Date is the Effective Date;

(iii) the Designated Maturity is a period equal to the applicable Interest Period;

(iv) the relevant Reset Date is either (A) if the applicable Floating Rate Option is based on either LIBOR or EURIBOR for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Final Terms; and

(v) all other terms are as specified in the relevant Final Terms.

"**ISDA Definitions**" means the 2000 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. (unless otherwise specified in the relevant Final Terms, as amended and updated as at the date of issue of such Note or, if the Series of which such Note forms a part consists of more than one Tranche, the date of issue of the first Tranche). The expressions "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Effective Date**", "**Designated Maturity**" and "Reset Date" have the respective meanings given to them in the ISDA Definitions.

When this Condition 5(4)(e) applies, the Agent Bank shall determine the Rate of Interest for each Interest Period in accordance with this Condition 5(4)(e).

(f) *Minimum Rate of Interest and/or Maximum Rate of Interest*

If the relevant Final Terms specifies a Minimum Rate of Interest and/or a Maximum Rate of Interest for any one or more Interest Periods then the Rate of Interest for any such Interest Period shall in no event be less than or, as the case may be, greater than it.

(g) *Determination of Rate of Interest and calculation of Interest Amount*

The Agent Bank will, as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest and calculate the amount of interest payable, subject, in the case of Undated Capital Notes, to the provisions of Conditions 4(5)(b) and 5(2), in respect of the Calculation Amount applicable to the relevant Floating Rate Notes (the "**Interest Amount**") for the relevant Interest Period.

The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to each Calculation Amount comprising or forming part of the relevant Specified Denomination of the relevant Note, multiplying the product by the Day Count Fraction specified in the relevant Final Terms and rounding the resulting figure to the nearest applicable subunit of the currency in which such Note is denominated or, as the case may be, in which such interest is payable (such subunit being the smallest size customarily used in the settlement of interbank payments of such currency and one half of any such subunit being rounded upwards). The determination of the Rate of Interest and the Interest Amount by the Agent Bank shall (in the absence of manifest error) be final and binding on all parties.

"**Calculation Amount**" means the amount specified as such in the applicable Final Terms.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest for any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period, the "**Calculation Period**") unless otherwise specified in the relevant Final Terms:

(i) if "Actual/365" or "Actual/Actual — ISDA" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(ii) if "Actual/365 (Fixed)" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365;

(iii) if "Actual/360" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 360;

(iv) if "30/360", "360/360" or "Bond Basis" is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month));

(v) if "30E/360" or "Eurobond Basis" is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of a Calculation Period ending on (but excluding) the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month);

(vi) if "Sterling/FRN" is specified in the relevant Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366; and

(vii) if "Actual/Actual — ICMA" is specified in the relevant Final Terms:

(1) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (A) the number of days in such Determination Period and (B) the number of Determination Periods normally ending in any year; and

(2) if the Calculation Period is longer than one Determination Period, the sum of:

(a) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in one year; and

(b) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in one year.

In these conditions:

"**Determination Period**" means the period from and including an Interest Payment Date to but excluding the next Interest Payment Date.

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

The Agent Bank will cause the Rate of Interest and the Interest Amount for each Interest Period, the relevant Floating Interest Payment Date and any other item determined or calculated by it in accordance with the relevant Final Terms to be notified to the Issuer, the Trustee, the Principal Paying

Agent and (in the case of Notes admitted to listing, trading and/or quotation) the listing authority, stock exchange and/or quotation system on which such Notes are for the time being admitted to listing, trading and/or quotation or by which they have been admitted to listing, trading and/or quotation as soon as possible after the determination or calculation thereof but in any event not later than the fourth day thereafter on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London (each such day being a "**London Banking Day**"). The Agent Bank will give notice to the relevant Noteholders of the Rate of Interest, the Interest Amount and the relevant Floating Interest Payment Date in accordance with Condition 15 as soon as possible after the determination or calculation thereof. The Interest Amount and the Floating Interest Payment Date so notified in respect of any Notes may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each listing authority, stock exchange and/or quotation system on or by which such Notes are for the time being admitted to listing, trading and/or quotation.

(i) *Determination or calculation by the Trustee*

If the Agent Bank does not at any time for any reason determine the Rate of Interest or calculate the Interest Amount or any other item required to be determined or calculated by it under the relevant Final Terms, the Trustee shall do so and such determination or calculation shall be deemed to have been made by the Agent Bank. In doing so, the Trustee shall apply the foregoing provisions of this Condition 5(4) and, where applicable, the relevant Final Terms, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances (subject always to Condition 5(4)(f)).

(j) *Certificates, etc. to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5 whether by the Agent Bank or the Trustee shall (in the absence of manifest error) be final and binding on the Issuer, the Trustee, the Transfer and Paying Agents and the holders of Notes and of the Coupons appertaining thereto. No holder of Notes or of the Coupons appertaining thereto shall be entitled to proceed against the Agent Bank, the Trustee, the Transfer and Paying Agents or any of them in connection with the exercise or non- exercise by them of their powers, duties and discretions hereunder.

(5) Index Linked Notes and Dual Currency Notes

In the case of Index Linked Notes or Dual Currency Notes, if the Rate of Interest and/or amount of interest falls to be determined by reference to an index and/or formula or, as the case may be, an exchange rate then the Rate of Interest and/or amount of interest shall be determined in the manner specified in the relevant Final Terms.

Such interest will cease to accrue on an Index Linked Note or Dual Currency Note from (and including) its due date for redemption (or, in the case of an Instalment Note, in respect of each instalment of principal, from (and including) the due date for payment of the relevant Instalment Amount) unless, upon due presentation, payment of the amount due on redemption is improperly withheld or refused. In such event, interest will continue to accrue (as well after as before any judgment) up to and including the date on which, upon further presentation, payment in full of the redemption amount due in respect of such Note, together with accrued interest, is made or (if earlier) the date on which notice is given to the holder of such Note that sufficient funds for payment of the redemption amount due in respect of it, together with accrued interest, have been received by the Principal Paying Agent or the Trustee.

(6) Zero Coupon Notes

Unless otherwise specified in the relevant Final Terms, if any Zero Coupon Note is not duly redeemed on its due date for redemption then the applicable redemption amount shall bear interest at a rate determined in accordance with the relevant Final Terms. Such interest will accrue (as well after as before any judgment) up to and including the date on which, upon due presentation, payment in full of such redemption amount, together with accrued interest, is made or (if earlier) the date on which notice is given to the holder of such Note that sufficient funds for payment of such

redemption amount, together with accrued interest, have been received by the Principal Paying Agent or the Trustee.

**6. Redemption and Purchase**

(a) Redemption at Maturity

The provisions of this Condition 6(a) shall have effect in relation to any Series of Notes other than Undated Capital Notes. Unless previously redeemed or purchased and cancelled and subject as otherwise specified in the relevant Final Terms, the Notes of this Series will be redeemed at their outstanding principal amount (or at such other redemption amount as may be specified in or determined in accordance with the relevant Final Terms) on their Maturity Date.

(b) No Fixed Maturity

The provisions of this Condition 6(b) shall have effect in relation to any Series of Undated Capital Notes. The Notes are undated and, accordingly, have no final maturity date and may not be repaid except in accordance with this Condition 6 and Condition 8.

(c) Redemption for Taxation Reasons

The provisions of this Condition 6(c) shall have effect in relation to any Series of Notes other than Undated Capital Notes. Subject to paragraphs (k) and (l) of this Condition 6, if immediately prior to the giving of the notice referred to below, the Issuer satisfies the Trustee that on the occasion of the next payment due in respect of the Notes of this Series the Issuer would, for reasons outside its control, (after using reasonable endeavours) be unable to make such payment without being required to pay additional amounts as provided in Condition 7 then the Issuer may, at its option, having given not less than 30 nor more than 60 days' notice (ending, in the case of Floating Rate Notes, on an Interest Payment Date) to the holders of such Notes in accordance with Condition 15 (such notice being irrevocable) redeem all (but not some only) of such Notes at their outstanding principal amount (or at such other redemption amount as may be specified in or determined in accordance with the relevant Final Terms) together with, in the case of Notes which bear interest, accrued interest thereon to the date fixed for redemption. Provided, however, that no such notice of redemption may be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of such Notes then due. Upon the expiry of such notice of redemption, the Issuer shall be bound to redeem such Notes accordingly.

Subject only to the obligation of the Issuer to use reasonable endeavours as aforesaid, it shall be sufficient to establish the circumstances required to be established under this Condition 6(c) if the Issuer shall deliver to the Trustee a certificate of a firm of independent legal advisers or accountants to the effect either that such a circumstance does exist or that, upon a change in or amendment to the laws (including any regulations thereunder) or in the interpretation or administration thereof, of the United Kingdom or other relevant jurisdiction (including any authority or political subdivision therein or thereof having power to tax) which at the date of such certificate is proposed to be made and in the opinion of such firm is reasonably expected to become effective on or prior to the date when the relevant payment in respect of such Notes would otherwise be made, becoming so effective, such circumstances would exist.

(d) Undated Capital Notes: Redemption for Taxation Reasons

The provisions of this Condition 6(d) shall have effect in relation to any Series of Undated Capital Notes. Subject to paragraphs (k) and (l) of this Condition 6, if the Issuer satisfies the Trustee immediately prior to the giving of the notice referred to below that on the occasion of the next payment due in respect of the Notes of this Series:

(i) the Issuer would be compelled by law for reasons outside its control to pay any additional amounts in accordance with Condition 7; or

(ii) any payment of interest in respect of the Notes would be treated as a "distribution" within the meaning of the Tax Acts (as defined in section 832 of the Income and Corporation Taxes Act 1988); or

(iii) the Issuer would not otherwise be entitled to claim a deduction in respect of such interest payment in computing its liability to United Kingdom taxation or the value of the deduction to it would be materially reduced;

the Issuer may at its option, at any time, having given not less than 45 nor more than 60 days' notice to the Trustee and to the Noteholders in accordance with Condition 15, redeem all, but not some only, of the Notes at their outstanding principal amount (or at such other redemption amount as may be specified in or determined in accordance with the relevant Final Terms). Upon the expiration of such notice, the Issuer shall be bound to repay all the Notes at their principal amount (or such other amount as aforesaid) together with accrued interest and all Arrears of Interest.

It shall be sufficient to establish the circumstances required to be established under this Condition 6(d) if the Issuer shall deliver to the Trustee a certificate of a firm of independent legal advisers or accountants to the effect either that such a circumstance does exist or that, upon a change in or amendment to the laws (including any regulations thereunder) or in the interpretation or administration thereof, of the United Kingdom or other relevant jurisdiction (including any authority or political subdivision therein or thereof having power to tax) which at the date of such certificate is proposed to be made and in the opinion of such firm is reasonably expected to become effective on or prior to the date when the relevant payment in respect of such Notes would otherwise be made, becoming so effective, such circumstances would exist.

(e) Redemption at the Option of the Issuer

Where so specified in the relevant Final Terms and subject to paragraphs (k) and (l) of this Condition 6, Notes of this Series are redeemable at the option of the Issuer (a "**Call Option**"). In such case, the Issuer may at any time (in the case of Fixed Rate Notes or Zero Coupon Notes), on any Interest Payment Date (in the case of Floating Rate Notes) or otherwise as specified in the relevant Final Terms, on giving (in accordance with Condition 15) not less than 45 nor more than 60 days' notice (or such other period as is specified in the relevant Final Terms) to the relevant Noteholders (such notice being irrevocable) specifying the date fixed for such redemption, redeem all of such Notes (or if so specified in the relevant Final Terms and subject as therein specified, some only of the Notes) at their outstanding principal amount (or at such other redemption amount as may be specified in or determined in accordance with the relevant Final Terms) together with, in the case of Notes bearing interest, interest accrued thereon to the date fixed for redemption and, in the case of Undated Capital Notes, all Arrears of Interest. Upon the expiry of such notice of redemption, the Issuer shall be bound to redeem such Notes accordingly.

If Bearer Notes are to be redeemed in part only on any date in accordance with this paragraph (e), the Bearer Notes to be redeemed shall be drawn by lot in London, or identified in such other manner or in such other place as the Principal Paying Agent and the Trustee may approve and deem appropriate and fair, subject always to compliance with all applicable laws and the requirements of any listing authority, stock exchange and/or quotation system on or by which such Notes may be admitted to listing, trading and/or quotation.

In connection with an exercise of the option contained in this Condition 6(e) in relation to the redemption in part of Notes which are issued in NGN form, the Permanent Global Note may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion).

If Registered Notes are to be redeemed in part only on any date in accordance with this paragraph (e), then:

(1) if the Registered Notes are admitted to listing, trading and/or quotation on any listing authority, stock exchange and/or quotation system, each Registered Note shall be redeemed in part in compliance with the requirements of the listing authority, stock exchange and/or quotation system on or by which the Registered Notes are so admitted to listing, trading and/or quotation; or

(2) if the Registered Notes are not admitted to listing trading and/or quotation on any listing authority, stock exchange and/or quotation system or if the relevant listing authority, stock exchange and/or quotation system has no requirement in that regard each Registered Note shall be redeemed in part in the proportion which the aggregate nominal amount of the outstanding Registered Notes to be redeemed on the date fixed for such redemption bears to the aggregate nominal amount of outstanding Registered Notes on such date.

(f) Redemption at the Option of Noteholders

Where so specified in the relevant Final Terms, Notes of this Series are redeemable at the option of Noteholders (a "**Put Option**"). No Series of Dated Capital Notes or Undated Capital Notes shall contain a Put Option. In such case, upon any Noteholder giving to the Issuer notice of redemption (such notice being irrevocable) the Issuer will, in accordance with the provisions specified in the relevant Final Terms, redeem in whole (but not in part) the Note(s) specified in such notice at their outstanding principal amount (or at such other redemption amount as may be specified in or determined in accordance with the relevant Final Terms) together with, in the case of Notes bearing interest, interest accrued thereon to the date fixed for redemption.

In order to give such notice, a Noteholder must, not less than 45 days before the date for redemption as specified in the relevant Final Terms (or such other period as may be so specified), deposit the relevant Note (together with, in the case of an interest-bearing Note, any unmatured Coupons and unexchanged Talon appertaining thereto) with the Registrar (in the case of Registered Notes) or any Transfer and Paying Agent (in the case of Bearer Notes) together with a duly completed exercise notice (the "**Exercise Notice**") in the form which is available from the specified office of the Registrar or any of the Transfer and Paying Agents. The holder of a Note may not exercise such option in respect of any Note which is the subject of an exercise by the Issuer of its option to redeem such Note under paragraph (c), (d) or (e) of this Condition 6 and any exercise of the first-mentioned option in such circumstances shall have no effect.

(g) Redemption by Instalments

If the Notes of this Series are Instalment Notes they will be redeemed in such number of instalments, in such amounts ("**Instalment Amounts**") and on such dates as may be specified in or determined in accordance with the relevant Final Terms and upon each partial redemption as required by this paragraph the outstanding principal amount of each such Note shall be reduced by the relevant Instalment Amount for all purposes.

(h) Zero Coupon Notes, Index Linked Notes and Partly Paid Notes

If the Notes of this Series are Zero Coupon Notes, Index Linked Notes or Partly Paid Notes and they are redeemed by the Issuer prior to their Maturity Date, they shall be redeemed at a redemption amount specified in or determined in accordance with, and subject to, the provisions set out in the relevant Final Terms.

(i) Purchases

Subject to paragraph (k) of this Condition 6, the provisions of Condition 4(5)(b) (in relation to any Series of Undated Capital Notes) and to the requirements (if any) of any listing authority, stock exchange and/or quotation system on or by which the Notes of this Series may for the time being be admitted to listing, trading and/or quotation system, the Issuer or any of its subsidiaries may at any time purchase any such Notes at any price in the open market or otherwise and may resell the same. In the case of a purchase by tender, such tender must be made available to all holders of the Notes of this Series alike.

(j) Cancellation

All Notes redeemed or, where applicable, finally redeemed pursuant to this Condition 6 shall, and all Notes purchased by the Issuer pursuant to this Condition 6 may, at the option of the Issuer, be cancelled forthwith (together with, in the case of interest-bearing Notes, all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith) by the Transfer and Paying Agent through which they are redeemed or, where applicable, finally redeemed or, in the case of Bearer Notes, by the Principal Paying Agent or, in the case of Registered Notes, the Registrar to which they are surrendered for cancellation. All Notes redeemed or purchased and cancelled as aforesaid may not be re-issued or re-sold.

(k) Restriction on Optional Redemption and Purchases

In the case of Dated Capital Notes, such Notes may not be redeemed at the option of the Issuer nor may the Issuer or any of its subsidiaries purchase beneficially or procure others to purchase beneficially for its account any of such Notes unless an independent accountant selected by the Issuer and the Trustee shall have reported to the Trustee within six months before such redemption or purchase that, in their opinion, based on the most recent published consolidated balance sheet of the Issuer and its subsidiaries available at the date of such report, the aggregate book value of the tangible assets of the Issuer and its subsidiaries exceeds the aggregate book value of their liabilities

but so that this provision shall not prejudice the right of the Trustee to take proceedings for the winding up of the Issuer in accordance with Condition 9.

In the case of Undated Capital Notes such Notes may only be redeemed and the Issuer or any of its subsidiaries may only purchase beneficially or procure others to purchase beneficially for its account any such Notes provided that such redemption or purchase is made in accordance with the provisions of Condition 4(5)(b).

*In the case of any Dated Capital Note or Undated Capital Note, under the practice of the FSA prevailing as at 8th June, 2009, no repayment prior to the scheduled maturity date can be made by the Issuer unless, at least one month before it becomes committed to the repayment, the Issuer has given the FSA notice in writing (in the form required by the FSA) of the proposed repayment, detailing how, following such repayment, it will (1) continue to meet its capital resources requirement and (2) have sufficient overall financial resources including capital resources and liquidity resources, which are adequate, both as to amount and quality, to ensure that there is no significant risk that its liabilities cannot be met as they fall due.*

(l) Redemption of Notes prior to 5th (or 2nd, as the case may be) anniversary of issue

Dated and Undated Capital Notes may be redeemed in accordance with the provisions of this Condition 6 prior to the fifth or, in the case of Dated Capital Notes qualifying as Upper Tier 3 Capital, the second anniversary of their date of issue only:

(a) by the Issuer;

(b) if the circumstance that entitles the Issuer to exercise that right of redemption is a change in law or regulation in any relevant jurisdiction or in the interpretation of such law or regulation by any court or authority entitled to do so;

(c) if at the time of the exercise of the right of redemption, the Issuer complies with the FSA's main Pillar 1 rules applicable to BIPRU firms (within the meaning of the FSA's General Prudential Sourcebook) and will continue to do so after the redemption of the Notes; and

(d) if the Issuer has obtained the FSA's prior consent to the redemption of the Notes in question.

## 7. Taxation

Except as otherwise specified in the relevant Final Terms, all payments of principal and interest (including Arrears of Interest) in respect of the Notes of this Series will be made without withholding or deduction for or on account of any taxes, duties, assessments or governmental charges of whatever nature, present or future, as are imposed or levied by or on behalf of the United Kingdom (or any authority or political subdivision therein or thereof having power to tax) unless the Issuer is required by law to withhold or deduct any such taxes, duties, assessments or governmental charges.

In such event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts receivable by the Noteholders or Couponholders, as the case may be, after such withholding or deduction shall equal the respective amounts of principal and interest (including any Arrears of Interest) which would have been receivable in respect of such Notes and/or, as the case may be, the Coupons appertaining thereto in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to the payment of accrued interest on any Withheld Amount (as defined in Condition 9(1)(a)(i) or Condition 9(2)(a)) or with respect to any Note or Coupon:

(a) to, or to a third party on behalf of, a holder of a Note or Coupon who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with the United Kingdom other than the mere holding of such Note or Coupon; or

(b) unless it is proved, to the satisfaction of the Principal Paying Agent or the Transfer and Paying Agent to whom the same is presented, that the holder is unable to avoid such withholding or deduction by satisfying any statutory requirement or by making a declaration of non-residence or other similar claim for exemption to the relevant tax authorities; or

(c) presented more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days; or

(d) where such withholding or deduction is required to be made pursuant to European Council Directive 2003/48/EC or any other directive implementing the conclusions of the ECOFIN Council meeting of 26-27th November, 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such directive; or

(e) presented for payment by or on behalf of a holder of a Note or Coupon who would have been able to avoid such withholding or deduction by presenting the relevant Note or, as the case may be, Coupon to another Transfer and Paying Agent in a member state of the European Union.

As used herein, the "**Relevant Date**" means the date on which such payment first becomes due (or, in the case of any amount not paid in the circumstances set out in Condition 9(1)(a)(i) or Condition 9(2)(a), the date on which the relevant Withheld Amount falls due for payment under Condition 9(4)(c)) but if the full amount of the money payable has not been received by the Principal Paying Agent or the Trustee on or prior to such due date, it means the date on which the full amount of such money has been so received and notice to that effect shall have been duly given to the relevant Noteholders in accordance with Condition 15.

Any reference in these Conditions to principal in respect of the Notes of any Series shall be deemed to include, as applicable:

(i) any additional amounts which may be payable with respect to principal under this Condition 7 or pursuant to any undertakings given in addition thereto or in substitution therefor pursuant to the Trust Deed;

(ii) in the case of any Series of Notes other than Undated Capital Notes, the redemption amount payable on such Notes on their Maturity Date;

(iii) in the case of any Series of Notes other than Undated Capital Notes, the redemption amount payable on redemption of such Notes prior to such Maturity Date;

(iv) in the case of any Series of Undated Capital Notes, the redemption amount payable on redemption of such Notes; and

(v) any premium and any other amounts which may be payable under or in respect of such Notes.

Any reference in these Conditions to interest (including Arrears of Interest) in respect of the Notes of any Series shall be deemed to include, as applicable, any amount of interest accrued on any Withheld Amount (as provided in Condition 9(4)(c)) and any additional amounts which may be payable with respect to interest (including Arrears of Interest) under this Condition 7 or pursuant to any undertakings given in addition thereto or in substitution therefor pursuant to the Trust Deed.

## 8. Payments and Talons

(1) Payments under Bearer Notes

Payments of principal and interest (if any) (including Arrears of Interest) in respect of Bearer Notes will (subject as provided below and, in the case of Undated Capital Notes, to the provisions of Condition 4(5)(b)) be made against presentation and (save in the case of partial payment or payment of an Instalment Amount (other than the final Instalment Amount)) surrender of the relevant Bearer Note or, in the case of payments of interest (including Arrears of Interest), surrender of the relevant Coupon at the specified office of any Transfer and Paying Agent outside the United States (subject to the second following paragraph). Subject as otherwise specified in the relevant Final Terms, such payments will be made in the currency in which the payment is due either:

(i) in the case of any currency other than euro, at the option of the payee either by transfer to an account in the relevant currency (which, in the case of payment in Yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or by a cheque in the relevant currency drawn on, a bank in the principal financial centre of the country of such relevant currency (which, if the relevant currency is Australian or New Zealand dollars, shall be Sydney and Auckland, respectively); or

(ii) in the case of euro, payments in respect of Definitive Bearer Notes in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro denominated cheque,

provided however, that, subject as provided below, no payments with respect to the Bearer Notes shall be made either by cheque or mailed to an address in the United States (which expression, as used herein, means the United States of America (including the States and District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)) or by transfer to an account maintained in the United States.

Payments will be subject in all cases to any applicable laws and regulations, but without prejudice to Condition 7.

Payments of amounts due in respect of interest (including Arrears of Interest) on Notes and exchanges of Talons for Coupon sheets will not be made at the specified office of any Transfer and Paying Agent in the United States (as defined in the United States Internal Revenue Code and Regulations thereunder) provided that, in the case of any such Bearer Notes and/or Coupons payable in U.S. dollars, if (i) payment in full of amounts in respect of interest on such Notes when due or, as the case may be, the exchange of Talons at all the specified offices of the Transfer and Paying Agents outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions and (ii) such payment or exchange is permitted by applicable United States law, then the Issuer shall forthwith appoint a further Paying Agent with a specified office in New York City for the purpose of making such payment or exchange.

Payment of Instalment Amounts (other than the final Instalment Amount) in respect of an Instalment Note will be made against presentation of the Note together with the relevant Receipt and surrender of such Receipt.

The Receipts are not and shall not in any circumstances be deemed to be documents of title and if separated from the Note to which they appertain will not represent any obligation of the Issuer. The presentation of a Note without the relative Receipt or the presentation of a Receipt without the Note to which it appertains shall not entitle the holder to any payment in respect of the relevant Instalment Amount.

Upon the due date for redemption of any interest-bearing Note other than a Fixed Rate Note all unmatured Coupons and Talons (if any) relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of such Coupons and no further Coupons shall be issued in respect of such Talons.

Subject, in the case of any series of Undated Capital Notes, to the provisions below, Fixed Rate Notes should be presented for payment with all unmatured Coupons appertaining thereto, failing which the face value of any missing unmatured Coupon (or, in the case of payment not being made in full, that portion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total amount of principal due) will be deducted from the sum due for payment. Any amount of principal so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon within a period of 10 years from the Relevant Date (as defined in Condition 7) for the payment of such principal, whether or not such Coupon has become void pursuant to Condition 10 or, if later, five years from the date on which such Coupon would have become due.

Notwithstanding the above, if any Fixed Rate Notes should be issued with a Maturity Date and an interest rate or rates such that, on the presentation for payment of any such Note without any unmatured Coupons attached thereto or surrendered therewith, the amount required to be deducted would be greater than the amount otherwise due for payment, then, upon the due date for redemption, such unmatured Coupons (whether or not attached) shall become void (and no payment shall be made in respect thereof) as shall be required so that the amount required to be deducted would not be greater than the amount otherwise due for payment. Where the application of the foregoing sentence requires some but not all of the unmatured Coupons relating to a Note to become void, the relevant Transfer and Paying Agent shall determine which unmatured Coupons are to become void, and shall select for such purpose Coupons maturing on later dates in preference to Coupons maturing on earlier dates.

Upon any Fixed Rate Notes becoming due and repayable prior to their Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

If (otherwise than by reason of the application of the above) the due date for redemption of any Note is not the due date for the payment of a Coupon appertaining thereto, interest accrued in respect of such Note from (and including) the last preceding due date for the payment of a Coupon (or from the Interest Commencement Date, as the case may be) will be paid only against surrender of such Note.

In relation to any Series of Undated Capital Notes, in the event of a winding up in England of the Issuer, all unmatured Coupons and talons shall become void and any payment of interest in respect of the Notes to which such Coupons appertain shall be made only against presentation of such Notes. In addition, in the event of such a winding up, each Note which is presented for payment must be presented together with all Coupons appertaining thereto (whether or not attached) in respect of Arrears of Interest, failing which the amount of Arrears of Interest due on any such missing Coupon will not be payable. Any such amount will only be payable in the manner mentioned above against presentation and surrender of any such missing Coupon within a period of 12 years from the Relevant Date (as defined in Condition 7). For the purposes of this paragraph only, "unmatured Coupon" means a Coupon in respect of which the applicable Interest Payment Date on and after which it may be exchanged falls on or after the date fixed for the repayment of the Note to which such Coupon appertains or, as the case may be, the date on which a winding up in England of the Issuer commences (or is deemed to commence) and "unmatured Talon" means a Talon in respect of which the Interest Payment Date on and after which it may be exchanged falls on or after the date fixed for repayment of the Note to which such talon appertains or, as the case may be, the date on which a winding up in England of the Issuer commences (or is deemed to commence).

In relation to Notes initially delivered with Talons attached thereto, on or after the due date for the payment of interest on which the final Coupon comprised in any Coupon sheet matures, the Talon comprised in the Coupon sheet may be surrendered at the specified office of any Transfer and Paying Agent outside (save as provided above) the United States in exchange for a further Coupon sheet (including any appropriate further Talon), subject to the provisions of Condition 10. Each Talon shall, for the purpose of these Conditions, be deemed to mature on the due date for the payment of interest on which the final Coupon comprised in the relative Coupon sheet matures.

(2) Payments under Registered Notes

(a) Principal: Payments of principal (which for the purposes of this Condition 8 shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes (subject, in the case of Undated Capital Notes, to the provisions of Condition 4(5)(b)) shall be made by cheque drawn in the currency in which the payment is due on or, upon application by a Registered Holder to the specified office of the Registrar or any Transfer and Paying Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in such currency (which, in the case of payment in Yen to a non-resident of Japan, shall be a non-resident account), or, if that currency is euro, any other account to which euro may be credited or transferred, maintained by the payee with a bank in the principal financial centre of the country of such relevant currency (which, if the relevant currency is Australian or New Zealand dollars, shall be Sydney and Auckland, respectively) and (in the case of redemption) upon presentation and surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificate at the specified office of any Transfer and Paying Agent.

(b) Interest: Payments of interest (which for the purposes of this Condition 8 shall include all Instalment Amounts other than final Instalment Amounts), including Arrears of Interest, in respect of Registered Notes (subject, in the case of Undated Capital Notes, to the provisions of Condition 4(5)(b)) shall be made by cheque drawn in the currency in which the payment is due on or, upon application by a Registered Holder to the specified office of the Registrar not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in such currency (which, in the case of payment in Yen to a non-resident of Japan, shall be a non-resident account), or, if that currency is euro, any other account to which euro may be credited or transferred, maintained by the payee with a bank in the principal financial centre of the country of such relevant currency (which, if the

relevant currency is Australian or New Zealand dollars, shall be Sydney and Auckland, respectively) and (in the case of interest payable on redemption) upon presentation and surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificate at the specified office of any Transfer and Paying Agent.

(c) Record date: Each payment in respect of a Registered Note will be made to the person shown as the Registered Holder in the Register at the opening of business in the place of the Registrar's specified office on the fifteenth day before the due date for such payment (the "**Record Date**"). Where payment in respect of a Registered Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Registered Holder in the Register at the opening of business on the relevant Record Date.

(3) Payments under all Notes subject to fiscal laws

Payments will be subject in all cases to any applicable fiscal or other laws and regulations, but without prejudice to Condition 7.

(4) Payments under all Notes on Payment Days

If the date for payment of any amount in respect of any Note is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "**Payment Day**" means any day which (subject to Condition 10) is:

(i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in:

(1) the relevant place of presentation;

(2) London;

(3) any Additional Financial Centre specified in the applicable Final Terms; and

(ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency or (2) in relation to any sum payable in euro, on a TARGET Settlement Day.

## 9. Default and Enforcement

(1) The provisions of this Condition 9(1) shall have effect in relation to any Series of Senior Notes:

(a) The Trustee may at its discretion declare the Notes of such Series to be due and repayable immediately (and such Notes shall thereby become so due and repayable) at their outstanding principal amount (or at such other repayment amount as may be specified in or determined in accordance with the relevant Final Terms) together with accrued interest as provided in the Trust Deed, in the event that:

(i) any principal or interest on such Notes has not been paid within 14 days from the due date for payment and such sum has not been duly paid within a further 14 days following written notice from the Trustee to the Issuer requiring the non-payment to be made good. The Issuer shall not, however, be in default if during the 14 days after the Trustee's notice it satisfies the Trustee that such sums ("**Withheld Amounts**") were not paid in order to comply with a mandatory law, regulation or order of any court of competent jurisdiction. Where there is doubt as to the validity or applicability of any such law, regulation or order, the Issuer will not be in default if it acts on the advice given to it during such 14 day period by independent legal advisers approved by the Trustee; or

(ii) the Issuer breaches any provision of such Notes or the Trust Deed in relation to such Notes (other than as stated in (i) above) and that breach has not been remedied within 21 days of receipt of a written notice from the Trustee certifying that in its opinion the breach is materially prejudicial to the interests of the holders of such Notes and requiring the same to be remedied; or

(iii) an order is made or an effective resolution is passed for the winding up of the Issuer which is not successfully appealed within 30 days (otherwise than in connection with a scheme of reconstruction, merger or amalgamation the terms of which shall previously have been approved by the Trustee in writing or by an Extraordinary Resolution of the holders of such Notes).

(b) At any time after any Series of Senior Notes shall have become due and repayable under paragraph (1)(a) above, the Trustee may at its discretion and without Further notice institute such proceedings as it may think fit against the Issuer to enforce payment.

(2) The provisions of this Condition 9(2) shall have effect in relation to any Series of Dated Capital Notes:

(a) In the event that any principal or interest on such Notes has not been paid within 14 days from the due date for payment and such sum has not been duly paid within a further 14 days following written notice from the Trustee to the Issuer requiring the non-payment to be made good then, subject as provided below, the Trustee may at its discretion and without further notice, institute proceedings for the winding up of the Issuer, provided that the Issuer shall not be in default if during the 14 days after the Trustee's notice it satisfies the Trustee that such Withheld Amounts were not paid in order to comply with a mandatory law, regulation or order of any court of competent jurisdiction. Where there is doubt as to the validity or applicability of any such law, regulation or order, the Issuer will not be in default if it acts on the advice given to it during such 14 day period by independent legal advisers approved by the Trustee.

(b) The Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce any obligation, condition or provision binding on the Issuer under such Notes or Coupons or the terms of the Trust Deed relating thereto (other than any obligation for the payment of any principal or interest in respect of the Notes or Coupons or any other payment obligation in relation thereto) provided that the Issuer shall not by virtue of the institution of any such proceedings be obliged to pay any sum or sums representing principal or interest in respect of such Notes or Coupons sooner than the same would otherwise have been payable by it.

(c) In the event of an order being made or an effective resolution being passed for the winding up of the Issuer which is not successfully appealed within 30 days (otherwise than in connection with a scheme of reconstruction, merger or amalgamation the terms of which shall previously have been approved by the Trustee in writing or by an Extraordinary Resolution of the holders of such Notes), the Trustee at its discretion may declare such Notes to be due and repayable immediately (and such Notes shall thereby become so due and repayable) at their outstanding principal amount (or at such other repayment amount as may be specified in or determined in accordance with the relevant Final Terms) together with any Deferred Payments and accrued interest as provided in the Trust Deed.

(3) The provisions of this Condition 9(3) shall have effect in relation to any Series of Undated Capital Notes:

(a) If the Issuer shall not make payment in respect of the Notes (in the case of any payment of principal) for a period of 7 days or more after the due date for the same or (in the case of any payment of interest) for a period of 14 days or more after an Interest Payment Date unless the Issuer has opted not to pay interest on such Interest Payment Date, the Trustee may at its discretion and without further notice institute proceedings in England for the winding up of the Issuer, provided that the Issuer shall not be in default if during the 14 days after the date on which the Trustee instituted proceedings it satisfies the Trustee that such Withheld Amounts were not paid in order to comply with a mandatory law, regulation or order of any court of competent jurisdiction. Where there is doubt as to the validity or applicability of any such law, regulation or order, the Issuer will not be in default if it acts on the advice given to it during such 7 or 14 day period as the case may be by independent legal advisers approved by the Trustee.

(b) The Trustee may at its discretion and without further notice institute such proceedings against the Issuer as it may think fit to enforce any obligation, condition or provision binding on the Issuer under the Trust Deed, the Notes or the Coupons (other than any

obligation for the payment of any principal or interest in respect of the Notes or Coupons or any other payment obligation in relation thereto) provided that the Issuer shall not by virtue of the institution of any such proceedings be obliged to pay any sum or sums representing principal or interest in respect of such Notes or Coupons sooner than the same would otherwise have been payable by it.

(4) The provisions of this Condition 9(4) shall have effect in relation to any Series of Senior Notes, Dated Capital Notes or Undated Capital Notes:

(a) The Trustee shall not be obliged to take any of the actions referred to in Condition 9(1)(a) or (b) above or in Condition 9(2)(a), (b) or (c) above or in Condition 9(3)(a) or (b) above unless (i) it shall have been so requested in writing by the holders of at least 25 per cent, in outstanding principal amount of the relevant Series of Notes then outstanding or so directed by an Extraordinary Resolution of the holders of such Notes and (ii) it shall have been indemnified to its satisfaction.

(b) No holder of any such Notes and no holder of the Coupons (if any) appertaining thereto shall be entitled to institute any of the proceedings referred to in Condition 9(1)(b) above or in Condition 9(2)(a) or (b) above or in Condition 9(3)(a) or (b) above or to prove in the winding up of the Issuer except that if the Trustee, having become bound to proceed against the Issuer as aforesaid, fails to do so or, being able to prove in such winding up, fails to do so, in each case within a reasonable period, and in each such case such failure shall be continuing, then any such holder may, on giving an indemnity satisfactory to the Trustee, in the name of the Trustee (but not otherwise), himself institute such proceedings and/or prove in such winding up to the same extent (but not further or otherwise) than the Trustee would have been entitled so to do in respect of his Notes and/or Coupons. In the case of Dated Capital Notes and Undated Capital Notes no remedy against the Issuer other than the institution of the proceedings referred to in Condition 9(2)(a) or, as the case may be, 9(2)(b) or Condition 9(3)(a) or, as the case may be, 9(3)(b) above or proving in the winding up of the Issuer, shall be available to the Trustee or the holders of such Notes or the Coupons (if any) appertaining thereto whether for the recovery of amounts owing in respect of such Notes or Coupons or under the Trust Deed in relation thereto or in respect of any breach by the Issuer of any of its other obligations under or in respect of such Notes or Coupons or under the Trust Deed in relation thereto.

(c) If lawful, Withheld Amounts or a sum equal to Withheld Amounts shall be placed promptly on interest bearing deposit as described in the Trust Deed. The Issuer will give notice in accordance with Condition 15 if at any time it is lawful to pay any Withheld Amount to Noteholders or Couponholders or if such payment is possible as soon as any doubt as to the validity or applicability of any such law, regulation or order as is mentioned in Condition 9(1)(a)(i) above or Condition 9(2)(a) or Condition 9(3)(a) above is resolved. The notice will give the date on which such Withheld Amount and the interest accrued on it will be paid. This date will be the earliest day after the day on which it is decided Withheld Amounts can be paid on which such interest bearing deposit falls due for repayment or may be repaid without penalty. On such date, the Issuer shall be bound to pay such Withheld Amount together with interest accrued on it. For the purposes of Condition 9(1)(a)(i) above or, as the case may be, Condition 9(2)(a) or Condition 9(3)(a) above this date shall be the due date for such sums. The obligations of the Issuer under this Condition 9(4)(c) shall be in lieu of any other remedy against it in respect of Withheld Amounts. Payment will be subject to applicable laws, regulations or court orders, but, in the case of payment of any Withheld Amount, without prejudice to Condition 7. Interest accrued on any Withheld Amount shall be paid net of any taxes required by applicable law to be withheld or deducted and the Issuer shall not be obliged to pay any additional amount in respect of any such withholding or deduction.

**10. Prescription**

Subject, in relation to any Series of Undated Capital Notes, to the provisions of Condition 8, Notes and Coupons will become void unless presented for payment within a period of 10 years and five years, respectively, from the Relevant Date (as defined in Condition 7) in respect thereof. Any monies paid by the Issuer to the Principal Paying Agent or the Trustee for the payment of the principal or interest in respect of any Notes or Coupons and remaining unclaimed when such Notes or

Coupons become void will then revert to the Issuer and all liability of the Principal Paying Agent and Trustee with respect thereto will thereupon cease.

There shall not be included in any Coupon sheet issued in exchange for a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition 10 or Condition 8 or any Talon which would be void pursuant to Condition 8.

**11. Transfer and Paying Agents and Agent Bank**

The Agency Agreement contains provisions indemnifying the Transfer and Paying Agents and the Agent Bank and absolving them from responsibility in connection with certain matters. The Agency Agreement may be amended by the parties thereto in relation to any Series of Notes if in the opinion of the Trustee the amendment will not materially adversely affect the interests of the relevant Noteholders.

The Issuer reserves the right at any time with the approval of the Trustee to vary or terminate the appointment of any Paying Agent or the Agent Bank and to appoint additional or other Transfer and Paying Agents or a substitute or other Agent Bank in respect of any one or more Series of Notes, provided that it will, so long as any Notes are outstanding, maintain (i) an Agent Bank; (ii) a Transfer and Paying Agent having a specified office in a city approved by the Trustee (such approval not to be unreasonably withheld or delayed) in Europe which, so long as any Notes are listed on the official list (the "Official List") of the FSA in its capacity as the competent authority under the Financial Services and Markets Act 2000 and traded on the Regulated Market of the London Stock Exchange, shall be London and (iii) a Transfer and Paying Agent with a specified office in a European Union member state that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other directive implementing the conclusions of the ECOFIN Council meeting of 26-27th November, 2000 or any law implementing or complying with, or introduced in order to conform to, such directive.

**12. Replacement of Notes, Coupons and Talons**

Should any Note, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Principal Paying Agent (in the case of Bearer Notes) and the Registrar (in the case of Registered Notes) or such other Paying Agent or office as the Trustee may approve upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

**13. Modification of Terms, Waiver and Substitution**

The Trust Deed contains provisions for convening meetings of the holders of the Notes of any Series to consider any matter affecting their interests, including, subject to the agreement of the Issuer, the modification by Extraordinary Resolution of the conditions of such Notes or the provisions of the Trust Deed with respect to such Notes except that the provisions relating to subordination of Dated Capital Notes or Undated Capital Notes shall not be so capable of modification. The quorum at any such meeting for passing an Extraordinary Resolution for modifying certain provisions (including, inter alia, those concerning the amount, currency and due dates of payment of principal and interest in respect of Notes and the determination thereof) will be one or more persons holding or representing not less than two-thirds, or at any adjourned meeting not less than one-third, in outstanding principal amount of the Notes of such Series for the time being outstanding. In other cases, the quorum for passing an Extraordinary Resolution will be one or more persons holding or representing not less than a clear majority in outstanding principal amount of the Notes of the relevant Series for the time being outstanding, or at any adjourned meeting one or more persons being or representing holders of such Notes whatever the outstanding principal amount of such Notes held or represented by that person or persons. Any resolution duly passed at any such meeting shall be binding on all the holders of such Notes, whether or not present, and on all the holders of the Coupons (if any) appertaining thereto. The Trust Deed also provides for a resolution in writing signed by or on behalf of all the holders of the Notes of any Series to be as valid and effective as if it were an Extraordinary Resolution duly passed at a meeting of Noteholders duly convened and held.

The Trust Deed contains provisions for convening a single meeting of the holders of Notes of more than one Series in certain circumstances where the Trustee so decides.

Subject to certain exceptions, the Trustee may agree, without the consent of the holders of Notes of any Series or holders of the Coupons (if any) appertaining thereto, to:

(i) any modification of the conditions of such Notes or any of the provisions of the Trust Deed in relation to such Notes; and

(ii) any waiver or authorisation of any breach or proposed breach of the conditions of such Notes or any of the provisions of the Trust Deed in relation to such Notes,

which, in either case, is not in the opinion of the Trustee materially prejudicial to the interests of the holders of Notes of that Series or to any modification which is of a formal or technical nature or which is made to correct a manifest error. In addition, the Trustee may determine (without the consent of the holders of Notes of any Series or holders of the Coupons (if any) appertaining thereto) that any Event of Default or Potential Event of Default (both as defined in the Trust Deed) shall not be treated as such for the purpose of the Trust Deed and such Notes if, in the opinion of the Trustee, the interests of the relevant Noteholders would not be materially prejudiced thereby.

Subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, but without the consent of the holders of Notes of any Series or the holders of the Coupons (if any) appertaining thereto, the Trustee may also agree, subject to such Notes and Coupons being or, where appropriate, remaining irrevocably guaranteed by the Issuer (on a subordinated basis in the case of Dated Capital Notes and Undated Capital Notes), to the substitution of any subsidiary of the Issuer in place of the Issuer as principal debtor under such Notes and in each case the Coupons (if any) appertaining thereto and the Trust Deed in so far as it relates to such Notes.

Any such modification, waiver, authorisation or substitution shall be binding on the holders of Notes of the relevant Series and the holders of the Coupons (if any) appertaining thereto and, unless the Trustee agrees otherwise, shall be notified to the holders of Notes of that Series as soon as practicable thereafter in accordance with Condition 15.

In connection with the exercise of its powers, trusts, authorities or discretions (including, but not limited to, those in relation to any such modification, waiver, authorisation or substitution as aforesaid) the Trustee shall have regard to the interests of the holders of the Notes of the relevant Series as a class and in particular, but without limitation, shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders resulting from the individual Noteholders or Couponholders being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders or Couponholders.

*In the case of any Dated Capital Note or Undated Capital Note, under the practice of the FSA prevailing as at 8th June, 2009, no amendment to the terms and conditions of any such Note may be made unless at least one month before the amendment is due to take effect, the Issuer has given the FSA notice in writing (in the form required by the FSA) of the proposed amendment and the FSA has not objected to such amendment.*

### 14. Further issues

Subject to applicable law, the Issuer of any Series of Notes shall be at liberty from time to time without the consent of the holders of such Notes or holders of the Coupons (if any) appertaining thereto to create and issue further notes ranking equally in all respects (or in all respects save as specified in the Final Terms relating thereto) with the Notes of such Series and so that the same shall be consolidated and form a single series with such Notes for the time being outstanding.

### 15. Notices

(1) To holders of Bearer Notes

(a) All notices to the holders of Bearer Notes will be valid if published in one leading national daily newspaper circulating in the United Kingdom (which is expected to be the *Financial Times*) or, if this is not possible and subject to any required listing authority, stock exchange and/or quotation system approval, in one other leading English language daily newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on

the date of such publication or, if published more than once, on the date of the first such publication in such newspaper or, as the case may be, in both such newspapers.

If publication as provided above is not practicable, notice will be given in such other manner, and shall be deemed to have been given on such date, as the Trustee may approve.

Holders of any Coupons appertaining to Notes will be deemed for all purposes to have notice of the contents of any notice given to the holders of such Notes in accordance herewith.

(b) Notices given by any holder of Bearer Notes shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Principal Paying Agent or any other Transfer and Paying Agent at its specified office.

(2) To holders of Registered Notes

(a) Notices to the Registered Holders will be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register. Any such notice shall be deemed to have been given on the fourth weekday (being a day other than a Saturday or Sunday) after the date of mailing. In addition, so long as the Notes are listed on the Official List and admitted to trading on the London Stock Exchange and the rules of that Exchange so require, notices to Registered Holders will be published on the date of such mailing in a daily newspaper of general circulation in London (which is expected to be the Financial Times) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe.

(b) Notices given by any Registered Holder shall be in writing and given by lodging the same with the Registrar at its specified office.

**16. Trustee**

As more particularly described in the Trust Deed, the Trustee is entitled, inter alia, to enter into business transactions with the Issuer and/or any of the Issuer's subsidiaries and to act as trustee for the holders of any other securities issued by the Issuer or any of the Issuer's subsidiaries, in each case without accounting for any profit resulting therefrom.

**17. Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Notes by virtue of the Contracts (Rights of Third Parties) Act 1999.

**18. Governing Law**

The Trust Deed, the Notes, the Coupons (if any) and the Talons (if any) and any non-contractual obligations arising out of or in connection with the Trust Deed, the Notes, the Coupons (if any) and the Talons (if any) are governed by, and construed in accordance with, English law.

In the case of a substitution under Condition 13, the Trustee may agree, without the consent of the holders of the Notes of the relevant Series or of the Coupons (if any) appertaining thereto, to a change of the law governing such Notes and/or Coupons and/or the Trust Deed in so far as it relates to such Notes provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the holders of the Notes of such Series.

## USE OF PROCEEDS

The net proceeds of the issue of each Series of Senior Notes will be used in the conduct of the business of the relevant Issuer and its subsidiaries.

The net proceeds of the issue of each Series of Dated Capital Notes and Undated Capital Notes will be used for the development and expansion of the business of the Group and to strengthen further the capital base of the Issuers and/or the Group.

If in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

The Company is a public limited company registered in England under number 48839. The liability of the members of the Company is limited. It has its registered head office at 1 Churchill Place, London E14 5HP (telephone number +44 (0) 20 7116 1000). Tracing its origins to seventeenth century London, the Company has evolved from a group of English partnerships into a global bank. The Company was incorporated on 20th July, 1896 under the Companies Acts 1862 to 1890.

The Bank is a public limited company registered in England and Wales under number 1026167. The liability of the members of the Bank is limited. It has its registered and head office at 1 Churchill Place, London, E14 5HP (telephone number +44 (0)20 7116 1000). The Bank was incorporated on 7th August, 1925 under the Colonial Bank Act 1925 and on 4th October, 1971 was registered as a company limited by shares under the Companies Act 1948 to 1967. Pursuant to The Barclays Bank Act 1984, on 1st January, 1985, the Bank was re-registered as a public limited company and its name was changed from "Barclays Bank International Limited" to "Barclays Bank PLC".

The Group is a major global financial services provider engaged in retail and commercial banking, credit cards, investment banking, wealth management and investment management services with an extensive international presence in Europe, United States, Africa and Asia. The whole of the issued ordinary share capital of the Bank is beneficially owned by the Company, which is the ultimate holding company of the Group.

The short term unsecured obligations of the Company are rated A-1 by Standard & Poor's, P-1 by Moody's and F1+ by Fitch Ratings Limited and the long-term obligations of the Company are rated A+ by Standard & Poor's, A1 by Moody's and AA- by Fitch Ratings Limited.

The short term unsecured obligations of the Bank are rated A-1+ by Standard & Poor's, P-1 by Moody's and F1+ by Fitch Ratings Limited and the long-term obligations of the Bank are rated AA- by Standard & Poor's, Aa3 by Moody's and AA- by Fitch Ratings Limited.

Based on the Group's audited financial information for the year ended 31st December, 2008, the Group had total assets of £2,052,980 million (2007: £1,227,361 million), total net loans and advances[1] of £509,522 million (2007: £385,518 million), total deposits[2] of £450,415 million (2007: £385,533 million), and total shareholders equity of £47,411 million (2007: £32,476 million) (including minority interests of £10,793 million (2007: £9,185 million)). The profit before tax of the Group for the year ended 31st December, 2008 was £6,077 million (2007: £7,076 million) after impairment charges on loans and advances and other credit provisions of £5,419 million (2007: £2,795 million). The financial information in this paragraph is extracted from the Joint Annual Report.

Based on the audited financial information of the Bank and its consolidated subsidiaries for the year ended 31st December, 2008, the Bank and its consolidated subsidiaries had total assets of £2,053,029 million (2007: £1,227,583 million), total net loans and advances[1] of £509,522 million (2007: £385,518 million), total deposits[2] of £450,443 million (2007: £386,395 million), and total shareholders' equity of £43,574 million (2007: £31,821 million) (including minority interests of £2,372 million (2007: £1,949 million)). The profit before tax of the Bank and its consolidated subsidiaries for the year ended 31st December, 2008 was £6,035 million (2007: £7,107 million) after impairment charges on loans and advances and other credit provisions of £5,419 million (2007: £2,795 million). The financial information in this paragraph is extracted from the 2008 Bank Annual Report.

## Acquisitions, Disposals and Recent Developments

*Acquisitions*

2009

On 2nd February, 2009, the Bank completed the acquisition of PT Bank Akita, which was announced initially on 17 September, 2008, following the approval of the Central Bank of Indonesia. As at 31st December, 2008, PT Bank Akita had total assets of £53.7 million.

2008

On 6th November, 2008, the Bank purchased the Italian residential mortgage business of Macquarie Bank Limited. The acquired business includes a mortgage portfolio with a total outstanding

1 Total net loans and advances include balances relating to both banks and customers.
2 Total deposits include deposits from banks and accounts.

balance of approximately £813 million as well as Macquarie's operational support functions, including staff. The total consideration paid was £765 million.

On 22nd September, 2008, the Bank completed the acquisition of Lehman Brothers North American businesses. The Lehman Brothers North American businesses include Lehman Brothers North American fixed income and equities sales, trading and research and investment banking businesses, Lehman Brothers New York Head Office at 745 Seventh Avenue and two data centres in New Jersey. The total consideration paid was £874 million.

On 1st July, 2008, the Group acquired 100 per cent. of the ordinary shares of Expobank. Expobank is based in Moscow and its main products and services are issuance and servicing of debt and credit cards, mortgages and loans, currency transactions, internet banking, retail discount cards and other services. The total consideration paid was £393 million.

On 31st March, 2008, the Group completed the acquisition of Discover Financial Services' UK credit card businesses, Goldfish. The total consideration paid was £38 million.

*Disposals*

2008

On 31st October, 2008, the Group completed the sale of Barclays Life Assurance Company Limited to Swiss Reinsurance Company for a net consideration of £729 million.

*Recent developments*

Sale of iShares

On 9th April, 2009 the Company announced agreement for the sale of its iShares business ("**iShares**") to a new limited partnership established by CVC Capital Partners Group SICAV-FIS S.A. for a total consideration of approximately U.S.$ 4.4 billion (£3.0 billion). Under the transaction agreement, for a period of at least 45 business days from 15th April, 2009, the Company may solicit proposals for iShares and potentially other related businesses from third parties. On 15th May, 2009, the Company announced that it had received a number of expressions of interest, including unsolicited interest in the broader BGI business. There can be no assurance that any of these approaches will result in a different transaction. The transaction is subject to receipt of regulatory and other approvals.

*Asset Protection Scheme*

On 30th March, 2009, the Company announced that following discussions with major shareholders and careful assessment of the potential benefits and costs of participation in HM Treasury's Asset Protection Scheme, the Board of the Company has determined that it would not be in the interests of its investors, depositors and clients to participate in the Asset Protection Scheme.

*UK Government measures concerning its financial support to the banking sector*

On 8th October, 2008 and 13th October, 2008 the UK Government announced a package of measures and schemes designed to provide financial support to the banking industry. The Group has participated and continues to participate in certain of these schemes, including the credit guarantee scheme. Following these UK Government announcements, the Group conducted the Capital Raising described in more detail below.

On 19th January, 2009 the UK Government announced a further package of measures and schemes designed to inject liquidity in the UK economy and restore confidence in the financial system. These include, among others, the extension of the credit guarantee scheme and the implementation of an asset protection scheme to protect participating banks from credit losses, beyond and up to an agreed point, on eligible assets placed within the scheme. The FSA also published considerations relating to appropriate long-term changes to the bank capital regulatory framework, including a programme of work to reduce the requirement for additional capital resulting from the pro-cyclical effects of the International Basel Accord and a preference for the capital regime to incorporate counter-cyclical measures which would lead to banks building up capital buffers in good years which can be drawn down during economic downturns. However, this continues to be a supervisory framework and not a new set of rules.

*The Capital Raising*

On 31st October, 2008, the Board made an announcement of a proposal to raise more than £7 billion of additional capital (the "**Capital Raising**") from existing and new strategic and institutional investors. The Capital Raising satisfied the target capital levels agreed with the FSA.

The Capital Raising includes:

- An issue of £3 billion of Reserve Capital Instruments (the "**RCIs**") by the Bank to Qatar Holding LLC and entities representing the beneficial interests of HH Sheikh Mansour Bin Zayed Al Nahyan, a member of the Royal Family of Abu Dhabi ("**HH Sheikh Mansour Bin Zayed Al Nahyan**"). The RCIs will pay an annual coupon of 14 per cent. until June, 2019. In conjunction with this issue, Qatar Holding LLC and HH Sheikh Mansour Bin Zayed Al Nahyan have also subscribed (for a nominal consideration) for warrants (the "**Warrants**") to subscribe at their option for up to 1,516,875,236 new ordinary shares of the Company with an exercise price of 197.775 pence per share or £3 billion in aggregate, representing 18.1 per cent. of the existing issued ordinary share capital. The Warrants are exercisable at any time for a five-year term from the date of issue of the RCIs until 31st October, 2013.
- An issue of £2.8 billion of Mandatorily Convertible Notes (the "**MCNs**") by the Bank to Qatar Holding LLC, Challenger Universal Limited (a company representing the beneficial interests of His Excellency Sheikh Hamad Bin Jassim Bin Jabr Al-Thani, the chairman of Qatar Holding LLC, and his family) ("**Challenger**") and HH Sheikh Mansour Bin Zayed Al Nahyan, and a further issue of £1.25 billion of MCNs to existing institutional shareholders and other institutional investors by way of an accelerated non-underwritten bookbuild placing implemented on 31st October, 2008. The MCNs will pay an annual coupon of 9.75 per cent. until conversion into Barclays PLC ordinary shares, which will occur on or before 30th June, 2009. Assuming no adjustment of the conversion ratio, conversion will result in the issue of 2,642,292,334 new Barclays PLC ordinary shares, representing 31.6 per cent. of the issued ordinary share capital as at 31st October, 2008. The conversion price for the MCNs is 153.276 pence, a discount of 22.5 per cent. of the average closing middle market quotations of a Barclays PLC ordinary share as derived from the Daily Official List on 29th and 30th October, 2008.
- Ordinary shares to be issued upon conversion of the MCNs and, as the case may be, exercise of the Warrants will increase the Company's equity Tier 1 ratio. The equity component of the proceeds from the RCIs and Warrants, representing the fair value of the Warrants, will be included in equity Tier 1 capital and the debt component of the proceeds of the RCIs and the Warrants will be included as innovative Tier 1 capital to the extent it is within the innovative Tier 1 allowance as defined by the FSA.

Qatar Holding LLC agreed to invest £500 million in the MCNs and £1.5 billion in RCIs, and subscribed for Warrants to purchase up to £1.5 billion of Barclays PLC ordinary shares. Challenger agreed to invest £300 million in the MCNs. Assuming the conversion of their MCNs and the full exercise of their Warrants, Qatar Holding LLC would hold approximately 1,607 million ordinary shares, representing 12.8 per cent. of the fully diluted share capital of the Company and Challenger would hold approximately 354 million ordinary shares, representing 2.8 per cent. of the fully diluted share capital of the Company. In addition to any other fees and commissions payable in connection with the issue of the securities, Qatar Holding LLC will receive a fee of £66 million for having arranged certain of the subscriptions in the Capital Raising.

HH Sheikh Mansour Bin Zayed Al Nahyan agreed to invest £2 billion in the MCNs and £1.5 billion in RCIs, and subscribed for Warrants to purchase up to £1.5 billion of Barclays PLC ordinary shares. Assuming the conversion of his MCNs and the full exercise of his Warrants, HH Sheikh Mansour Bin Zayed Al Nahyan would be beneficially entitled to approximately 2,063 million ordinary shares, representing 16.5 per cent. of the fully diluted share capital of the Company. HH Sheikh Mansour Bin Zayed Al Nahyan has arranged for his investment in the Warrants, the MCNs and the RCIs to be funded by an Abu Dhabi governmental investment vehicle, which will become the indirect shareholder of the entities which are subscribing for the Warrants, the MCNs and the RCIs.

On 18th November, 2008, the Board announced that Qatar Holding LLC and HH Sheikh Mansour Bin Zayed Al Nahyan had each offered to make available up to £250 million of RCIs for clawback by existing Barclays PLC institutional investors at par. By consequence £500 million of RCIs (excluding

Warrants) were placed with Barclays PLC institutional investors by way of a bookbuild placing on 18th November, 2008.

The necessary shareholder resolutions required in order to effect the Capital Raising were passed by the shareholders of Barclays PLC on 24th November, 2008.

On 2nd June 2009, the Abu Dhabi governmental investment vehicle which funded HH Sheikh Mansour Bin Zayed Al Nahyan's investment in the Warrants, MCNs and the RCIs, International Petroleum Investment Company ("**IPIC**"), announced its intention to dispose of 1,304,835,721 Company shares for which its entire holding of MCNs are exchangeable. IPIC continues to hold Warrants exercisable into a further 758,437,618 Company shares at a price of 197.775 pence per share.

*Dividend Policy*

On 13th October, 2008 the Company announced that its Board would not be recommending the payment of a final dividend on the Company's ordinary shares for 2008. This dividend, amounting to approximately £2 billion, would otherwise have been payable in April, 2009. The Company intends to resume dividend payments on its ordinary shares in the second half of 2009.

*The Placing*

On 18th September, 2008, the Board announced the completion of a placing. A total of 226 million new Barclays PLC ordinary shares of 25 pence each (the "**Placing Shares**") issued by the Company were placed with certain institutions at a price of 310 pence per Placing Share. Based on the placing price, the gross proceeds were £701 million.

*The Firm Placing and Placing and Open Offer*

On 25th June, 2008, the Company announced a share issue to raise approximately £4.5 billion through the issue of 1,576 million new Barclays PLC ordinary shares (the "**Firm Placing and Placing and Open Offer**"). The Firm Placing and Placing and Open Offer includes:

- approximately £500 million raised through a firm placing of 169 million new Barclays PLC ordinary shares at 296 pence per new Barclays PLC ordinary share to Sumitomo Mitsui Banking Corporation;
- approximately £4.0 billion raised through a placing of 1,407 million new Barclays PLC ordinary shares at 282 pence per new Barclays PLC ordinary share to Qatar Investment Authority, Challenger, China Development Bank, Temasek Holdings (Private) Limited and certain leading institutional shareholders and other investors, which shares were available for clawback in full by means of an open offer to existing shareholders. Pursuant to such open offer, existing shareholders were offered the opportunity to subscribe for up to a maximum of their pro rata entitlement on the basis of three open offer shares for every 14 existing ordinary shares they held.

The firm placing of 169 million new Barclays PLC ordinary shares was completed on 4th July, 2008 and the placing and open offer was completed on 22nd July, 2008. Valid applications under the open offer were received from qualifying shareholders in respect of approximately 267 million Barclays PLC shares in aggregate, representing 19.0 per cent. of the Barclays PLC shares offered pursuant to the open offer. Accordingly, the remaining 1,140,310,966 Barclays PLC shares were allocated to the various investors with whom they had been conditionally placed.

*Other*

On 17th February, 2009 the Group announced that Barclays Capital will discontinue operations at its Equifirst subsidiary.

*Competition and regulatory matters*

The scale of regulatory change remains challenging, arising in part from the implementation of some key European Union ("**EU**") directives. Many changes to financial services legislation and regulation have come into force in recent years and further changes will take place in the near future. Concurrently, there is continuing political and regulatory scrutiny of the operation of the retail banking

and consumer credit industries in the UK and elsewhere. The nature and impact of future changes in policies and regulatory action are not predictable and beyond the Group's control but could have an impact on the Group's businesses and earnings.

In September 2005, the Office of Fair Trading ("**OFT**") received a super-complaint from the Citizens Advice Bureau relating to payment protection insurance ("**PPI**"). As a result, the OFT commenced a market study on PPI in April 2006. In October 2006 the OFT announced the outcome of the market study and the OFT referred the PPI market to the UK Competition Commission ("**CC**") for an in-depth inquiry in February 2007. In June 2008, the CC published its provisional findings. The CC published its final report into the PPI market on 29th January, 2009. The CC's conclusion is that the businesses which offer PPI alongside credit face little or no competition when selling PPI to their credit customers. The CC has set out a package of measures which it considers will introduce competition into the market (the "**Remedies**"). The Remedies, which are expected to be implemented (following consultation) in 2010, are: a ban on sale of PPI at the point of sale; a prohibition on the sale of single premium PPI; mandatory personal PPI quotes to customers; annual statements for all regular premium policies, including the back book (for example credit card and mortgage protection policies); measures to ensure that improved information is available to customers; obliging providers to give information to the OFT to monitor the Remedies and to provide claims ratios to any person on request. The Group is reviewing the report and considering the next steps, including how this might affect the Group's different products. In March 2009, the Bank submitted an appeal of part of the CC's final report to the Competition Appeal Tribunal ("**CAT**"). The targeted appeal is focussed on the point of sale prohibition remedy which it is felt is not based on sound analysis, and is unduly draconian. The Bank is also challenging the technical aspects of the CC's PPI market definition. A case management conference was held at the CAT on 28th April, 2009 at which Lloyds Banking Group, Shop Direct and the FSA were granted permission to intervene. The hearing is listed for 4 days starting 7th September, 2009.

In October 2006, the FSA published the outcome of its broad industry thematic review of PPI sales practices in which it concluded that some firms fail to treat customers fairly and that the FSA would strengthen its actions against such firms. Tackling poor PPI sales practices remains a priority for the FSA, with their most recent update on their thematic work published in September 2008. The Group voluntarily complied with the FSA's request to cease selling single premium PPI by the end of January 2009. There has been no enforcement action against the Group in respect of its PPI products. The Group has cooperated fully with these investigations into PPI and will continue to do so.

The OFT has carried out investigations into Visa and MasterCard credit card interchange rates. The decision by the OFT in the MasterCard interchange case was set aside by the Competition Appeals Tribunal in June 2006. The OFT is progressing its investigations in the Visa interchange case and a second MasterCard interchange case in parallel and both are ongoing. The outcome is not known but these investigations may have an impact on the consumer credit industry in general and therefore on the Group's business in this sector. In February 2007, the OFT announced that it was expanding its investigation into interchange rates to include debit cards.

In September 2006, the OFT announced that it had decided to undertake a fact find on the application of its statement on credit card fees to current account unauthorised overdraft fees. The fact find was completed in March 2007. On 29th March, 2007, the OFT announced its decision to conduct a formal investigation into the fairness of bank current account charges. The OFT initiated a market study into personal current accounts ("**PCAs**") in the UK on 26th April, 2007. The study's focus was PCAs but it also included an examination of other retail banking products, in particular savings accounts, credit cards, personal loans and mortgages in order to take into account the competitive dynamics of UK retail banking. On 16th July, 2008, the OFT published its market study report, in which it concluded that certain features of the UK PCA market were not working well for consumers. The OFT reached the provisional view that some form of regulatory intervention is necessary in the UK PCA market. On 16th July, 2008, the OFT also announced a consultation to seek views on the findings and possible measures to address the issues raised in its report. The consultation period closed on 31st October, 2008. The Group has participated fully in the market study process and will continue to do so.

US laws and regulations require compliance with US economic sanctions, administered by the Office of Foreign Assets Control, against designated foreign countries, nationals and others. HM Treasury regulations similarly require compliance with sanctions adopted by the UK government. The Group has been conducting an internal review of its conduct with respect to U.S. dollar payments

involving countries, persons and entities subject to these sanctions and has been reporting to governmental authorities about the results of that review. The Group received inquiries relating to these sanctions and certain US Dollar payments processed by its New York branch from the New York County District Attorney's Office and the US Department of Justice, which along with other authorities, has been reported to be conducting investigations of sanctions compliance by non-US financial institutions. The Group has responded to those inquiries and is cooperating with the regulators, the Department of Justice and the District Attorney's Office in connection with their investigations of the Group's conduct with respect to sanctions compliance. The Group has also received a formal notice of investigation from the FSA, and has been keeping the FSA informed of the progress of the US investigations and the Group's internal review. The Group's review is ongoing. It is currently not possible to predict the ultimate resolution of the issues covered by the Group's review and the investigations, including the timing and potential financial impact of any resolution, which could be substantial.

The FSCS provides compensation to customers of financial institutions in the event that an institution is unable, or is likely to be unable, to pay claims against it. During 2008, a number of institutions failed, including Bradford & Bingley plc, Heritable Bank plc, Kaupthing Singer & Friedlander Limited, Landsbanki 'Icesave' and London Scottish Bank plc. In order to meet its obligations to the depositors of these institutions, the FSCS has borrowed £19.7 billion from HM Treasury, which is on an interest only basis until September 2011. These borrowings are anticipated to be repaid wholly or substantially from the realisation of the assets of the above named institutions. The FSCS raises annual levies from the banking industry to meet its management expenses and compensation costs. Individual institutions make payments based on their level of market participation (in the case of deposits, the proportion that their protected deposits represent of total market protected deposits) at 31st December each year. If an institution is a market participant on this date it is obligated to pay a levy. The Bank was a market participant at 31st December, 2007 and 2008. The Group has accrued £101m for its share of levies that will be raised by the FSCS including the interest on the loan from HM Treasury in respect of the levy years to 31st March, 2010. The accrual includes estimates for the interest FSCS will pay on the loan and estimates of the Group's market participation in the relevant periods. Interest will continue to accrue on the HM Treasury loan to the FSCS until September 2011 and will form part of future FSCS management expenses levies. If the assets of the failed institutions are insufficient to repay the HM Treasury loan in 2011, the FSCS will agree a schedule of repayments with HM Treasury, which will be recouped from the industry in the form of additional levies. It is not currently possible to estimate whether there will ultimately be additional levies on the industry, the level of the Group's market participation or other factors that may affect the amounts or timing of amounts that may ultimately become payable, nor the effect that such levies may have upon operating results in any particular financial period.

**Directors**

The Directors of the Company and the Bank, each of whose business address is 1 Churchill Place, London E14 5HP, their functions in relation to the Group and their principal outside activities (if any) of significance to the Group are as follows:

| *Name* | *Function(s) within the Group* | *Principal outside activities* |
|---|---|---|
| Marcus Agius | Group Chairman | Non-Executive Director, British Broadcasting Corporation |
| John Varley | Group Chief Executive | Non-Executive Director, AstraZeneca PLC |
| Chris Lucas | Group Finance Director | — |
| Robert E Diamond Jr | President, Barclays PLC, Chief Executive, Investment Banking and Investment Management | Chairman, Old Vic Productions PLC |
| Frederik (Frits) Seegers | Chief Executive, Global Retail and Commercial Banking | — |
| Sir Richard Broadbent | Senior Independent Director and Non-Executive Director | Chairman, Arriva plc |
| David Booth | Non-Executive Director | — |

| | | |
|---|---|---|
| Leigh Clifford | Non-Executive Director | Chairman, Qantas Airways Limited |
| Fulvio Conti | Non-Executive Director | Chief Executive Officer, Enel SpA, Director, AON Corporation |
| *Name* | *Function(s) within the Group* | *Principal outside activities* |
| Simon Fraser | Non-Executive Director | Non-Executive Director, Fidelity Japanese Values Plc and Fidelity European Values Plc |
| Sir Andrew Likierman | Non-Executive Director | Professor of Management Practice in Accounting, London Business School, Chairman, National Audit Office |
| Sir Michael Rake | Non-Executive Director | Chairman, BT Group PLC, Director, McGraw-Hill Companies, Director, Financial Reporting Council, Chairman, UK Commission for Employment and Skills |
| Stephen Russell | Non-Executive Director | Non-Executive Director, Network Rail Limited |
| Sir John Sunderland | Non-Executive Director | Director, Financial Reporting Council |
| Patience Wheatcroft | Non-Executive Director | Non-Executive Director, Shaftesbury PLC |

No potential conflicts of interest exist between any duties to the Issuers of the Board of Directors listed above and their private interests or other duties.

**Employees**

The average number of persons employed by the Group worldwide during 2008, excluding agency staff, was 151,500 (2007: 128,900).

## UNITED KINGDOM TAXATION

*The following is a summary of the United Kingdom withholding taxation treatment at the date hereof in relation to payments of principal and interest in respect of the Notes. It is based on current law and the practice of Her Majesty's Revenue & Customs ("**HMRC**"), which may be subject to change, sometimes with retrospective effect. The comments do not deal with other United Kingdom tax aspects of acquiring, holding or disposing of Notes. The comments relate only to the position of persons who are absolute beneficial owners of the Notes. Prospective Noteholders should be aware that the particular terms of issue of any series of Notes as specified in the relevant Final Terms may affect the tax treatment of that and other series of Notes. The following is a general guide and should be treated with appropriate caution. Noteholders who are in any doubt as to their tax position should consult their professional advisers. Noteholders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of the Notes are particularly advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation aspects of payments in respect of the Notes. In particular, Noteholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Notes even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.*

### UK Withholding Tax on UK Source Interest

1. Notes issued by any of the Bank or the Company which carry a right to interest will constitute "quoted Eurobonds" within the meaning of section 987 of the Income Tax Act 2007 as long as they are and continue to be "listed on a recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007. In the case of Notes to be traded on the London Stock Exchange, which is a recognised stock exchange, the Notes will be treated as "listed" on a recognised stock exchange if the Notes are included in the Official List of the UK Listing Authority and admitted to trading on the London Stock Exchange. Notes to be traded on a recognised stock exchange outside the United Kingdom will be treated as "listed" on a recognised stock exchange if (and only if) they are admitted to trading on an exchange designated as a recognised stock exchange by an order made by the Commissioners for HMRC and they are officially listed, in accordance with provisions corresponding to those generally applicable in European Economic Area states, in a country outside the United Kingdom in which there is a recognised stock exchange. Whilst the Notes are and continue to be quoted Eurobonds, payments of interest on the Notes may be made without withholding or deduction for or on account of United Kingdom income tax.

2. All Notes

In relation to any Notes issued by the Bank only, in addition to the exemption set out in 1 above, interest on the Notes may be paid without withholding or deduction for or on account of United Kingdom income tax so long as the Bank is a "bank" for the purposes of section 878 of the Income Tax Act 2007 and so long as such payments are made by the Bank in the ordinary course of its business. In accordance with the published practice of HMRC, such payments will be accepted as being made by the Bank in the ordinary course of its business unless either:

(i) the borrowing in question conforms to any of the definitions of tier 1, 2 or 3 capital adopted by the FSA whether or not it actually counts towards tier 1, 2 or 3 capital for regulatory purposes; or

(ii) the characteristics of the transaction giving rise to the interest are primarily attributable to an intention to avoid United Kingdom tax.

3. Interest on the Notes may also be paid without withholding or deduction for or on account of United Kingdom income tax so long as the Bank is authorised for the purposes of the Financial Services and Markets Act 2000 and its business consists wholly or mainly of dealing in financial instruments (as defined by section 984 of the Income Tax Act 2007) as principal and so long as such payments are made by the Bank in the ordinary course of that business.

4. It should be noted that the exemption described in 2 and 3 above will not apply to any Notes issued by the Company.

5. In all cases falling outside the exemptions described in 1, 2 and 3 above, interest on the Notes may fall to be paid under deduction of United Kingdom income tax at the basic rate (currently 20 per cent.) subject to such relief as may be available under the provisions of any applicable double taxation treaty or to any other exemption which may apply. However, this withholding will not apply if the relevant interest is paid on Notes with a maturity of less than one year from the date of issue and which are not issued under arrangements the effect of which is to render such Notes part of a borrowing with a total term of a year or more.

**Provision of Information**

6. Noteholders should note that where any interest on Notes is paid to them (or to any person acting on their behalf) by any of the Bank, the Company or any person in the United Kingdom acting on behalf of the Bank or the Company (a "**paying agent**"), or is received by any person in the United Kingdom acting on behalf of the relevant Noteholder (other than solely by clearing or arranging the clearing of a cheque) (a "**collecting agent**"), then any of the Bank, the Company, the paying agent or the collecting agent (as the case may be) may, in certain cases, be required to supply to HMRC details of the payment and certain details relating to the Noteholder (including the Noteholder's name and address). These provisions will apply whether or not the interest has been paid subject to withholding or deduction for or on account of United Kingdom income tax and whether or not the Noteholder is resident in the United Kingdom for United Kingdom taxation purposes. In certain circumstances, the details provided to HMRC may be passed by HMRC to the tax authorities of certain other jurisdictions.

With effect from 6th April, 2010, the provisions referred to above may also apply, in certain circumstances, to payments made on redemption of certain Notes where the amount payable on redemption is greater than the issue price of the Notes.

7. EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other Member State; however, for a transitional period, Austria, Belgium and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35 per cent. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

Also, a number of non-EU countries including Switzerland, and certain dependent or associated territories of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

On 13th November, 2008 the European Commission published a proposal for amendments to the Directive, which included a number of suggested changes which, if implemented, would broaden the scope of the requirements described above. Investors who are in any doubt as to their position should consult their professional advisers.

**Other Rules Relating to United Kingdom Withholding Tax**

8. Notes may be issued at an issue price of less than 100 per cent. of their principal amount. Any discount element of such Notes will not generally be subject to any United Kingdom withholding tax pursuant to the provisions mentioned in 1 to 5 above, but may be subject to the reporting requirements outlined in 6 and 7 above.

9. Where Notes are to be, or may fall to be, redeemed at a premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest. Payments of interest are subject to United Kingdom withholding tax and reporting requirements as outlined above.

10. Where interest has been paid under deduction of United Kingdom income tax, Noteholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.

11. The references to “interest” above mean “interest” as understood in United Kingdom tax law. The statements above do not take any account of any different definitions of “interest” or “principal” which may prevail under any other law or which may be created by the terms and conditions of the Notes or any related documentation.

12. The above description of the United Kingdom withholding tax position assumes that there will be no substitution of the Bank or the Company as issuer pursuant to Condition 13 of the Notes or otherwise and does not consider the tax consequences of any such substitution.

# UNITED STATES TAXATION

*To ensure compliance with Internal Revenue Service Circular 230, U.S. Holders are hereby notified that: (a) any discussion of federal tax issues in this Prospectus is not intended or written by us to be relied upon, and cannot be relied upon by U.S. Holders for the purpose of avoiding penalties that may be imposed on U.S. Holders under the Internal Revenue Code; (b) such discussion is written to support the promotion or marketing of the transactions or matters addressed herein; and (c) U.S. Holders should seek advice based on their particular circumstances from an independent tax adviser.*

The following is a summary of certain material U.S. federal income tax consequences of the acquisition, ownership and disposition of Notes by a U.S. Holder (as defined below). This summary does not address the material U.S. federal income tax consequences of every type of Note which may be issued under the Programme, and the relevant Final Terms will contain additional or modified disclosure concerning the material U.S. federal income tax consequences relevant to such type of Note as appropriate. This summary deals only with purchasers of Notes that are U.S. Holders and that will hold the Notes as capital assets. The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Notes by particular investors, and does not address state, local, foreign or other tax laws. In particular, this summary does not address tax considerations applicable to investors that own or are treated as owning (directly or indirectly) 10 per cent. or more of the voting stock of either Issuer, nor does this summary discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (such as financial institutions, insurance companies, investors liable for the alternative minimum tax, individual retirement accounts and other tax-deferred accounts, tax-exempt organisations, dealers in securities or currencies, investors that will hold the Notes as part of straddles, hedging transactions or conversion transactions for U.S. federal income tax purposes or investors whose functional currency is not the U.S. dollar). Moreover, the summary does not address the U.S. federal income tax treatment of any Notes for which payments of principal or interest are denominated in, or determined by reference to, more than one currency. The U.S. federal income tax consequences of owning any such Notes will be discussed in the applicable Final Terms.

As used herein, the term "U.S. Holder" means a beneficial owner of Notes that is, for U.S. federal income tax purposes, (i) a citizen or resident of the United States, (ii) a corporation created or organised under the laws of the United States or any State thereof, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust if a court within the United States 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 the trust has elected to be treated as a domestic trust for U.S. federal income tax purposes.

The U.S. federal income tax treatment of a partner in a partnership that holds Notes will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are partnerships should consult their tax adviser concerning the U.S. federal income tax consequences to their partners of the acquisition, ownership and disposition of Notes by the partnership.

The summary is based on the tax laws of the United States including the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, all as currently in effect and all subject to change at any time, possibly with retroactive effect.

Bearer Notes are not being offered to U.S. Holders. A U.S. Holder who owns a Bearer Note may be subject to limitations under United States income tax laws, including limitations provided in sections 165(j) and 1287(a) of the United States Internal Revenue Code.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF OWNING THE NOTES, THE APPLICABILITY AND EFFECT OF STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

### Characterisation of the Notes

The determination whether an obligation represents a debt or equity interest is based on all the relevant facts and circumstances, and courts at times have held that obligations purporting to be debt constituted equity for U.S. federal income tax purposes. There are no regulations, published rulings or judicial decisions addressing the characterisation for U.S. federal income tax purposes of securities with terms substantially the same as the Dated Capital Notes and Undated Capital Notes. The relevant Issuer expects to treat any Undated Capital Notes as equity for U.S. federal income tax purposes, and the applicable Final Terms will indicate whether the relevant Issuer intends to treat a particular series of Dated Capital Notes as equity for U.S. federal income tax purposes.

Prospective purchasers should consult their tax advisers regarding the appropriate characterisation of any Dated Capital Notes or Undated Capital Notes.

### Notes Treated as Debt of the relevant Issuer

The following discussion applies to Notes that are properly treated as debt obligations of the relevant Issuer.

### Payments of Interest

General

Interest on a Note, whether payable in U.S. dollars or a currency, composite currency or basket of currencies other than U.S. dollars (a "foreign currency"), other than interest on a "Discount Note" that is not "qualified stated interest" (each as defined below under "Original Issue Discount — General"), will be taxable to a U.S. Holder as ordinary income at the time it is received or accrued, depending on the holder's method of accounting for tax purposes. Interest paid by an Issuer on the Notes and OID, if any, accrued with respect to the Notes (as described below under "Original Issue Discount") generally will constitute income from sources outside the United States.

Effect of United Kingdom Withholding Taxes

As discussed in "United Kingdom Taxation," under current law payments of interest in respect of certain Notes may be subject to United Kingdom withholding taxes. As discussed under "Conditions of the Notes — Taxation", an Issuer may become liable for the payment of additional amounts to U.S. Holders so that U.S. Holders receive the same amounts they would have received had no United Kingdom withholding taxes been imposed. For U.S. federal income tax purposes, U.S. Holders would be treated as having actually received the amount of United Kingdom taxes withheld by the Issuer with respect to a Note, and as then having actually paid over the withheld taxes to the United Kingdom taxing authorities. As a result of this rule, the amount of interest income included in gross income for U.S. federal income tax purposes by a U.S. Holder with respect to a payment of interest may be greater than the amount of cash actually received (or receivable) by the U.S. Holder from an Issuer with respect to the payment.

Subject to certain limitations, a U.S. Holder will generally be entitled to a credit against its U.S. federal income tax liability, or a deduction in computing its U.S. federal taxable income, for United Kingdom income taxes withheld by an Issuer. For purposes of the foreign tax credit limitation, foreign source income is classified by "baskets", and the credit for foreign taxes on income in a basket is limited to U.S. federal income tax allocable to that income. The foreign tax credit rules are very complex and prospective purchasers should consult their tax advisers concerning the foreign tax credit implications of the payment of these United Kingdom taxes.

### Original Issue Discount

General

The following is a summary of the principal U.S. federal income tax consequences of the ownership of Notes issued with original issue discount ("**OID**").

A Note, other than a Note with a term of one year or less (a "**Short-Term Note**"), will be treated as issued with OID (a "**Discount Note**") if the excess of the Note's "stated redemption price at maturity" over its issue price is equal to or more than a *de minimis* amount (0.25 per cent. of the Note's stated redemption price at maturity multiplied by the number of complete years to its

maturity). An obligation that provides for the payment of amounts other than qualified stated interest before maturity (an "**instalment obligation**") will be treated as a Discount Note if the excess of the Note's stated redemption price at maturity over its issue price is greater than 0.25 per cent. of the Note's stated redemption price at maturity multiplied by the weighted average maturity of the Note. A Note's weighted average maturity is the sum of the following amounts determined for each payment on a Note (other than a payment of qualified stated interest): (i) the number of complete years from the issue date until the payment is made multiplied by (ii) a fraction, the numerator of which is the amount of the payment and the denominator of which is the Note's stated redemption price at maturity. Generally, the issue price of a Note will be the first price at which a substantial amount of Notes included in the issue of which the Note is a part is sold to persons other than bond houses, brokers, or similar persons or organisations acting in the capacity of underwriters, placement agents, or wholesalers. The stated redemption price at maturity of a Note is the total of all payments provided by the Note that are not payments of "qualified stated interest." A qualified stated interest payment is generally any one of a series of stated interest payments on a Note that are unconditionally payable at least annually at a single fixed rate (with certain exceptions for lower rates paid during some periods), or a variable rate (in the circumstances described below under "Variable Interest Rate Notes"), applied to the outstanding principal amount of the Note. Solely for the purposes of determining whether a Note has OID, an Issuer will be deemed to exercise any call option that has the effect of decreasing the yield on the Note, and the U.S. Holder will be deemed to exercise any put option that has the effect of increasing the yield on the Note.

U.S. Holders of Discount Notes must include OID in income calculated on a constant-yield method before the receipt of cash attributable to the income, and generally will have to include in income increasingly greater amounts of OID over the life of the Discount Notes. The amount of OID includible in income by a U.S. Holder of a Discount Note is the sum of the daily portions of OID with respect to the Discount Note for each day during the taxable year or portion of the taxable year on which the U.S. Holder holds the Discount Note ("**accrued OID**"). The daily portion is determined by allocating to each day in any "accrual period" a pro rata portion of the OID allocable to that accrual period. Accrual periods with respect to a Note may be of any length selected by the U.S. Holder and may vary in length over the term of the Note as long as (i) no accrual period is longer than one year and (ii) each scheduled payment of interest or principal on the Note occurs on either the final or first day of an accrual period. The amount of OID allocable to an accrual period equals the excess of (a) the product of the Discount Note's adjusted issue price at the beginning of the accrual period and the Discount Note's yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of the payments of qualified stated interest on the Note allocable to the accrual period. The "adjusted issue price" of a Discount Note at the beginning of any accrual period is the issue price of the Note increased by (x) the amount of accrued OID for each prior accrual period and decreased by (y) the amount of any payments previously made on the Note that were not qualified stated interest payments.

Because the Issuers are entitled to defer interest payments on Dated Capital Notes, interest payable on those Notes (including any interest on accrued but unpaid interest) will not be considered to be "unconditionally payable", and thus will not be treated as a payment of "qualified stated interest" as described above, if there is more than a remote likelihood that the payment will be deferred. There is no authority addressing when the likelihood of a contingency such as the deferral of interest payments should be considered "remote" for this purpose. If the Internal Revenue Service (the "**IRS**") successfully contended that the deferral of interest payments on any Dated Capital Notes was not remote, then the Dated Capital Notes would be treated as issued with OID as of the date of issue. If the likelihood of deferral on any Dated Capital Note was remote, but the relevant Issuer did in fact defer interest payments, then, for purposes of calculating OID, the Dated Capital Note would be treated as retired on the date the deferral occurred, and then reissued for an amount equal to the Dated Capital Note's adjusted issue price on that date. In either case, OID on the Dated Capital Note would be calculated by treating all remaining stated interest payments on the Dated Capital Note as part of the Dated Capital Note's stated redemption price at maturity and not as payments of qualified stated interest. U.S. Holders should consult their tax advisers concerning the U.S. federal income tax consequences of the potential or actual deferral of interest payments on any Dated Capital Notes. This paragraph only applies to Dated Capital Notes on which payments of deferred interest also accrue interest. Any other Dated Capital Notes may be treated as contingent payment debt instruments for U.S. federal income tax purposes.

### Acquisition Premium

A U.S. Holder that purchases a Discount Note for an amount less than or equal to the sum of all amounts payable on the Note after the purchase date, other than payments of qualified stated interest, but in excess of its adjusted issue price (any such excess being "**acquisition premium**") and that does not make the election described below under "Election to Treat All Interest as Original Issue Discount", is permitted to reduce the daily portions of OID by a fraction, the numerator of which is the excess of the U.S. Holder's adjusted basis in the Note immediately after its purchase over the Note's adjusted issue price, and the denominator of which is the excess of the sum of all amounts payable on the Note after the purchase date, other than payments of qualified stated interest, over the Note's adjusted issue price.

### Market Discount

A Note, other than a Short-Term Note, generally will be treated as purchased at a market discount (a "**Market Discount Note**") if the Note's stated redemption price at maturity or, in the case of a Discount Note, the Note's "revised issue price", exceeds the amount for which the U.S. Holder purchased the Note by at least 0.25 per cent. of the Note's stated redemption price at maturity or revised issue price, respectively, multiplied by the number of complete years to the Note's maturity (or, in the case of a Note that is an instalment obligation, the Note's weighted average maturity). If this excess is not sufficient to cause the Note to be a Market Discount Note, then the excess constitutes "*de minimis* market discount". For this purpose, the "revised issue price" of a Note generally equals its issue price, increased by the amount of any OID that has accrued on the Note and decreased by the amount of any payments previously made on the Note that were not qualified stated interest payments.

Under current law, any gain recognised on the maturity or disposition of a Market Discount Note (including any payment on a Note that is not qualified stated interest) will be treated as ordinary income to the extent that the gain does not exceed the accrued market discount on the Note. Alternatively, a U.S. Holder of a Market Discount Note may elect to include market discount in income currently over the life of the Note. This election shall apply to all debt instruments with market discount acquired by the electing U.S. Holder on or after the first day of the first taxable year to which the election applies. This election may not be revoked without the consent of the IRS. A U.S. Holder of a Market Discount Note that does not elect to include market discount in income currently will generally be required to defer deductions for interest on borrowings incurred to purchase or carry a Market Discount Note that is in excess of the interest and OID on the Note includible in the U.S. Holder's income, to the extent that this excess interest expense does not exceed the portion of the market discount allocable to the days on which the Market Discount Note was held by the U.S. Holder.

Under current law, market discount will accrue on a straight-line basis unless the U.S. Holder elects to accrue the market discount on a constant-yield method. This election applies only to the Market Discount Note with respect to which it is made and is irrevocable.

### Election to Treat All Interest as Original Issue Discount

A U.S. Holder may elect to include in gross income all interest that accrues on a Note using the constant-yield method described above under "Original Issue Discount — General," with certain modifications. For purposes of this election, interest includes stated interest, OID, de minimis OID, market discount, *de minimis* market discount and unstated interest, as adjusted by any amortisable bond premium (described below under "Notes Purchased at a Premium") or acquisition premium. This election will generally apply only to the Note with respect to which it is made and may not be revoked without the consent of the IRS. If the election to apply the constant-yield method to all interest on a Note is made with respect to a Market Discount Note, the electing U.S. Holder will be treated as having made the election discussed above under "Market Discount" to include market discount in income currently over the life of all debt instruments with market discount held or thereafter acquired by the U.S. Holder. U.S. Holders should consult their tax advisers concerning the propriety and consequences of this election.

### Variable Interest Rate Notes

Notes that provide for interest at variable rates ("**Variable Interest Rate Notes**") generally will bear interest at a "qualified floating rate" and thus will be treated as "variable rate debt instruments" under Treasury regulations governing accrual of OID. A Variable Interest Rate Note will qualify as a

"variable rate debt instrument" if (a) its issue price does not exceed the total noncontingent principal payments due under the Variable Interest Rate Note by more than a specified *de minimis* amount and (b) it provides for stated interest, paid or compounded at least annually, at (i) one or more qualified floating rates, (ii) a single fixed rate and one or more qualified floating rates, (iii) a single objective rate, or (iv) a single fixed rate and a single objective rate that is a qualified inverse floating rate.

A "qualified floating rate" is any variable rate where variations in the value of the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the Variable Interest Rate Note is denominated. A fixed multiple of a qualified floating rate will constitute a qualified floating rate only if the multiple is greater than 0.65 but not more than 1.35. A variable rate equal to the product of a qualified floating rate and a fixed multiple that is greater than 0.65 but not more than 1.35, increased or decreased by a fixed rate, will also constitute a qualified floating rate. In addition, two or more qualified floating rates that can reasonably be expected to have approximately the same values throughout the term of the Variable Interest Rate Note (e.g., two or more qualified floating rates with values within 25 basis points of each other as determined on the Variable Interest Rate Note's issue date) will be treated as a single qualified floating rate. Notwithstanding the foregoing, a variable rate that would otherwise constitute a qualified floating rate but which is subject to one or more restrictions such as a maximum numerical limitation (i.e., a cap) or a minimum numerical limitation (i.e., a floor) may, under certain circumstances, fail to be treated as a qualified floating rate unless the cap or floor is fixed throughout the term of the Note.

An "objective rate" is a rate that is not itself a qualified floating rate but which is determined using a single fixed formula and which is based on objective financial or economic information (e.g., one or more qualified floating rates or the yield of actively traded personal property). A rate will not qualify as an objective rate if it is based on information that is within the control of an Issuer (or a related party) or that is unique to the circumstances of an Issuer (or a related party), such as dividends, profits or the value of an Issuer's stock (although a rate does not fail to be an objective rate merely because it is based on the credit quality of an Issuer). Other variable interest rates may be treated as objective rates if so designated by the IRS in the future. Despite the foregoing, a variable rate of interest on a Variable Interest Rate Note will not constitute an objective rate if it is reasonably expected that the average value of the rate during the first half of the Variable Interest Rate Note's term will be either significantly less than or significantly greater than the average value of the rate during the final half of the Variable Interest Rate Note's term. A "qualified inverse floating rate" is any objective rate where the rate is equal to a fixed rate minus a qualified floating rate, as long as variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the qualified floating rate. If a Variable Interest Rate Note provides for stated interest at a fixed rate for an initial period of one year or less followed by a variable rate that is either a qualified floating rate or an objective rate for a subsequent period and if the variable rate on the Variable Interest Rate Note's issue date is intended to approximate the fixed rate (e.g., the value of the variable rate on the issue date does not differ from the value of the fixed rate by more than 25 basis points), then the fixed rate and the variable rate together will constitute either a single qualified floating rate or objective rate, as the case may be.

A qualified floating rate or objective rate in effect at any time during the term of the instrument must be set at a "current value" of that rate. A "current value" of a rate is the value of the rate on any day that is no earlier than 3 months prior to the first day on which that value is in effect and no later than 1 year following that first day.

If a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof qualifies as a "variable rate debt instrument", then any stated interest on the Note which is unconditionally payable in cash or property (other than debt instruments of the relevant Issuer) at least annually will constitute qualified stated interest and will be taxed accordingly. Thus, a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof and that qualifies as a "variable rate debt instrument" will generally not be treated as having been issued with OID unless the Variable Interest Rate Note is issued at a "true" discount (i.e., at a price below the Note's stated principal amount) in excess of a specified *de minimis* amount. OID on a Variable Interest Rate Note arising from "true" discount is allocated to an accrual period using the constant yield method described above by assuming that the variable rate is a fixed rate equal to (i) in the case of a qualified floating rate or qualified inverse floating rate, the value, as of the issue date, of the qualified floating rate or qualified inverse floating rate, or (ii) in the case of an objective rate (other

than a qualified inverse floating rate), a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note.

In general, any other Variable Interest Rate Note that qualifies as a "variable rate debt instrument" will be converted into an "equivalent" fixed rate debt instrument for purposes of determining the amount and accrual of OID and qualified stated interest on the Variable Interest Rate Note. Such a Variable Interest Rate Note must be converted into an "equivalent" fixed rate debt instrument by substituting any qualified floating rate or qualified inverse floating rate provided for under the terms of the Variable Interest Rate Note with a fixed rate equal to the value of the qualified floating rate or qualified inverse floating rate, as the case may be, as of the Variable Interest Rate Note's issue date. Any objective rate (other than a qualified inverse floating rate) provided for under the terms of the Variable Interest Rate Note is converted into a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note. In the case of a Variable Interest Rate Note that qualifies as a "variable rate debt instrument" and provides for stated interest at a fixed rate in addition to either one or more qualified floating rates or a qualified inverse floating rate, the fixed rate is initially converted into a qualified floating rate (or a qualified inverse floating rate, if the Variable Interest Rate Note provides for a qualified inverse floating rate). Under these circumstances, the qualified floating rate or qualified inverse floating rate that replaces the fixed rate must be such that the fair market value of the Variable Interest Rate Note as of the Variable Interest Rate Note's issue date is approximately the same as the fair market value of an otherwise identical debt instrument that provides for either the qualified floating rate or qualified inverse floating rate rather than the fixed rate. Subsequent to converting the fixed rate into either a qualified floating rate or a qualified inverse floating rate, the Variable Interest Rate Note is converted into an "equivalent" fixed rate debt instrument in the manner described above.

Once the Variable Interest Rate Note is converted into an "equivalent" fixed rate debt instrument pursuant to the foregoing rules, the amount of OID and qualified stated interest, if any, are determined for the "equivalent" fixed rate debt instrument by applying the general OID rules to the "equivalent" fixed rate debt instrument and a U.S. Holder of the Variable Interest Rate Note will account for the OID and qualified stated interest as if the U.S. Holder held the "equivalent" fixed rate debt instrument. In each accrual period, appropriate adjustments will be made to the amount of qualified stated interest or OID assumed to have been accrued or paid with respect to the "equivalent" fixed rate debt instrument in the event that these amounts differ from the actual amount of interest accrued or paid on the Variable Interest Rate Note during the accrual period.

If a Variable Interest Rate Note, such as a Note the payments on which are determined by reference to an index, does not qualify as a "variable rate debt instrument", then the Variable Interest Rate Note will be treated as a contingent payment debt obligation.

Short-Term Notes

In general, an individual or other cash basis U.S. Holder of a Short-Term Note is not required to accrue OID (as specially defined below for the purposes of this paragraph) for U.S. federal income tax purposes unless it elects to do so (but may be required to include any stated interest in income as the interest is received). Accrual basis U.S. Holders and certain other U.S. Holders are required to accrue OID on Short- Term Notes on a straight-line basis or, if the U.S. Holder so elects, under the constant-yield method (based on daily compounding). In the case of a U.S. Holder not required and not electing to include OID in income currently, any gain realised on the sale or retirement of the Short-Term Note will be ordinary income to the extent of the OID accrued on a straight-line basis (unless an election is made to accrue the OID under the constant-yield method) through the date of sale or retirement. U.S. Holders who are not required and do not elect to accrue OID on Short-Term Notes will be required to defer deductions for interest on borrowings allocable to Short-Term Notes in an amount not exceeding the deferred income until the deferred income is realised.

For purposes of determining the amount of OID subject to these rules, all interest payments on a Short-Term Note are included in the Short-Term Note's stated redemption price at maturity. A U.S. Holder may elect to determine OID on a Short-Term Note as if the Short-Term Note had been originally issued to the U.S. Holder at the U.S. Holder's purchase price for the Short-Term Note. This election shall apply to all obligations with a maturity of one year or less acquired by the U.S. Holder on or after the first day of the first taxable year to which the election applies, and may not be revoked without the consent of the IRS.

### Fungible Issue

An Issuer may, without the consent of the holders of outstanding Notes, issue additional Notes with identical terms. These additional Notes, even if they are treated for non-tax purposes as part of the same series as the original Notes, in some cases may be treated as a separate series for U.S. federal income tax purposes. In such a case, the additional Notes may be considered to have been issued with OID even if the original Notes had no OID, or the additional Notes may have a greater amount of OID than the original Notes. These differences may affect the market value of the original Notes if the additional Notes are not otherwise distinguishable from the original Notes.

### Notes Purchased at a Premium

A U.S. Holder that purchases a Note for an amount in excess of its principal amount, or for a Discount Note, its stated redemption price at maturity, may elect to treat the excess as "amortisable bond premium", in which case the amount required to be included in the U.S. Holder's income each year with respect to interest on the Note will be reduced by the amount of amortisable bond premium allocable (based on the Note's yield to maturity) to that year. Any election to amortise bond premium shall apply to all bonds (other than bonds the interest on which is excludable from gross income for U.S. federal income tax purposes) held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and is irrevocable without the consent of the IRS. See also "Original Issue Discount — Election to Treat All Interest as Original Issue Discount".

### Contingent Payment Debt Instruments

If the terms of the Notes provide for certain contingencies that affect the timing and amount of payments (including Notes with a variable rate or rates that do not qualify as "variable rate debt instruments" as described above) they will be "contingent payment debt instruments" for U.S. federal income tax purposes. Under the rules that govern the treatment of contingent payment debt instruments, no payment on such Notes qualifies as qualified stated interest. Rather, a U.S. Holder must account for interest for U.S. federal income tax purposes based on a "comparable yield" and the differences between actual payments on the Note and the Note's "projected payment schedule" as described below. The comparable yield is determined by the relevant Issuer at the time of issuance of the Notes. The comparable yield may be greater than or less than the stated interest, if any, with respect to the Notes. Solely for the purpose of determining the amount of interest income that a U.S. Holder will be required to accrue on a contingent payment debt instrument, the relevant Issuer will be required to construct a "projected payment schedule" that represents a series of payments the amount and timing of which would produce a yield to maturity on the contingent payment debt Instrument equal to the comparable yield.

**Neither the comparable yield nor the projected payment schedule constitutes a representation by the Issuers regarding the actual amount, if any, that the contingent payment debt instrument will pay.**

A U.S. Holder, regardless of the U.S. Holder's method of accounting for U.S. federal income tax purposes, will be required to accrue interest income on a contingent payment debt instrument at the comparable yield, adjusted upward or downward to reflect the difference, if any, between the actual and the projected amount of any contingent payments on the contingent payment instrument (as set forth below).

A U.S. Holder will be required to recognise interest income equal to the amount of any net positive adjustment, *i.e.*, the excess of actual payments over projected payments, in respect of a contingent payment debt instrument for a taxable year. A net negative adjustment, i.e., the excess of projected payments over actual payments, in respect of a contingent payment debt instrument for a taxable year:

- will first reduce the amount of interest in respect of the contingent payment debt instrument that a U.S. Holder would otherwise be required to include in income in the taxable year; and
- to the extent of any excess, will give rise to an ordinary loss equal to so much of this excess as does not exceed the excess of:

- the amount of all previous interest inclusions under the contingent payment debt instrument over
- the total amount of the U.S. Holder's net negative adjustments treated as ordinary loss on the contingent payment debt instrument in prior taxable years.

A net negative adjustment is not subject to the two per cent. floor limitation imposed on miscellaneous deductions. Any net negative adjustment in excess of the amounts described above will be carried forward to offset future interest income in respect of the contingent payment debt instrument or to reduce the amount realised on a sale, exchange or retirement of the contingent payment debt instrument. Where a U.S. Holder purchases a contingent payment debt instrument for a price other than its adjusted issue price, the difference between the purchase price and the adjusted issue price must be reasonably allocated to the daily portions of interest or projected payments with respect to the contingent payment debt instrument over its remaining term and treated as a positive or negative adjustment, as the case may be, with respect to each period to which it is allocated.

Upon a sale, exchange or retirement of a contingent payment debt instrument, a U.S. Holder generally will recognise taxable gain or loss equal to the difference between the amount realised on the sale, exchange or retirement and the U.S. Holder's adjusted basis in the contingent payment debt instrument. A U.S. Holder's adjusted basis in a Note that is a contingent payment debt instrument generally will be the acquisition cost of the Note, increased by the interest previously accrued by the U.S. Holder on the Note under these rules, disregarding any net positive and net negative adjustments, and decreased by the amount of any noncontingent payments and the projected amount (regardless of the actual amount) of any contingent payments previously made on the Note. A U.S. Holder generally will treat any gain as interest income, and any loss as ordinary loss to the extent of the excess of previous interest inclusions in excess of the total net negative adjustments previously taken into account as ordinary losses, and the balance as capital loss. The deductibility of capital losses is subject to limitations.

A U.S. Holder will have a tax basis in any property, other than cash, received upon the retirement of a contingent payment debt instrument including in satisfaction of a conversion right or a call right equal to the fair market value of the property, determined at the time of retirement. The U.S. Holder's holding period for the property will commence on the day immediately following its receipt.

**Foreign Currency Notes**

Interest

If an interest payment is denominated in, or determined by reference to, a foreign currency, the amount of income recognised by a cash basis U.S. Holder will be the U.S. dollar value of the interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars.

An accrual basis U.S. Holder may determine the amount of income recognised with respect to an interest payment denominated in, or determined by reference to, a foreign currency in accordance with either of two methods. Under the first method, the amount of income accrued will be based on the average exchange rate in effect during the interest accrual period (or, in the case of an accrual period that spans two taxable years of a U.S. Holder, the part of the period within the taxable year).

Under the second method, the U.S. Holder may elect to determine the amount of income accrued on the basis of the exchange rate in effect on the last day of the accrual period (or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within the taxable year). Additionally, if a payment of interest is actually received within five business days of the last day of the accrual period, an electing accrual basis U.S. Holder may instead translate the accrued interest into U.S. dollars at the exchange rate in effect on the day of actual receipt. Any such election will apply to all debt instruments held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and will be irrevocable without the consent of the IRS.

Upon receipt of an interest payment (including a payment attributable to accrued but unpaid interest upon the sale or retirement of a Note) denominated in, or determined by reference to, a foreign currency, the U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at

the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

OID

OID for each accrual period on a Discount Note that is denominated in, or determined by reference to, a foreign currency, will be determined in the foreign currency and then translated into U.S. dollars in the same manner as stated interest accrued by an accrual basis U.S. Holder, as described above. Upon receipt of an amount attributable to OID (whether in connection with a payment on the Note or a sale of the Note), a U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

Market Discount

Market Discount on a Note that is denominated in, or determined by reference to, a foreign currency, will be accrued in the foreign currency. If the U.S. Holder elects to include market discount in income currently, the accrued market discount will be translated into U.S. dollars at the average exchange rate for the accrual period (or portion thereof within the U.S. Holder's taxable year). Upon the receipt of an amount attributable to accrued market discount, the U.S. Holder may recognise U.S. source exchange gain or loss (which will be taxable as ordinary income or loss) determined in the same manner as for accrued interest or OID. A U.S. Holder that does not elect to include market discount in income currently will recognise, upon the disposition or maturity of the Note, the U.S. dollar value of the amount accrued, calculated at the spot rate on that date, and no part of this accrued market discount will be treated as exchange gain or loss.

Bond Premium

Bond premium (including acquisition premium) on a Note that is denominated in, or determined by reference to, a foreign currency, will be computed in units of the foreign currency, and any such bond premium that is taken into account currently will reduce interest income in units of the foreign currency. On the date bond premium offsets interest income, a U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) measured by the difference between the spot rate in effect on that date, and on the date the Notes were acquired by the U.S. Holder. A U.S. Holder that does not elect to take bond premium (other than acquisition premium) into account currently will recognise a market loss when the Note matures.

Sale or Retirement

As discussed above under "Purchase, Sale and Retirement of Notes", a U.S. Holder will generally recognise gain or loss on the sale or retirement of a Note equal to the difference between the amount realised on the sale or retirement and its tax basis in the Note. A U.S. Holder's tax basis in a Note that is denominated in a foreign currency will be determined by reference to the U.S. dollar cost of the Note. The U.S. dollar cost of a Note purchased with foreign currency will generally be the U.S. dollar value of the purchase price on the date of purchase or, in the case of Notes traded on an established securities market, as defined in the applicable Treasury regulations, that are purchased by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), on the settlement date for the purchase.

The amount realised on a sale or retirement for an amount in foreign currency will be the U.S. dollar value of this amount on the date of sale or retirement or, in the case of Notes traded on an established securities market, as defined in the applicable Treasury regulations, sold by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), on the settlement date for the sale. Such an election by an accrual basis U.S. Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS.

A U.S. Holder will recognise U.S. source exchange rate gain or loss (taxable as ordinary income or loss) on the sale or retirement of a Note equal to the difference, if any, between the U.S. dollar values of the U.S. Holder's purchase price for the Note (or, if less, the principal amount of the Note) (i) on the date of sale or retirement and (ii) the date on which the U.S. Holder acquired the Note. Any such exchange rate gain or loss will be realised only to the extent of total gain or loss realised on the sale or retirement. A U.S. Holder that does not determine its amount realised on the settlement date of the sale or exchange (as discussed in the preceding paragraph) will also recognise U.S. source

exchange rate gain or loss on the difference between the U.S. dollar amount realised and the U.S. dollar value of the foreign currency on the date of receipt.

Disposition of Foreign Currency

Foreign currency received as interest on a Note or on the sale or retirement of a Note will have a tax basis equal to its U.S. dollar value at the time it is received. Foreign currency that is purchased will generally have a tax basis equal to the U.S. dollar value of the foreign currency on the date of purchase. Any gain or loss recognised on a sale or other disposition of a foreign currency (including its use to purchase Notes or upon exchange for U.S. dollars) will be U.S. source ordinary income or loss.

**Foreign Currency Contingent Notes**

Special rules apply to determine the accrual of interest, and the amount, timing, source and character of any gain or loss on a contingent debt instrument that is denominated in, or determined by reference to, a foreign currency (a "Foreign Currency Contingent Note"). The rules applicable to Foreign Currency Contingent Notes are complex, and U.S. Holders are urged to consult their tax advisers concerning the application of these rules.

Under these rules, a U.S. Holder of a Foreign Currency Contingent Note will generally be required to accrue interest in the foreign currency in which the Foreign Currency Contingent Note is denominated (i) at a yield at which the Issuer would issue a fixed rate debt instrument denominated in the same foreign currency with terms and conditions similar to those of the Foreign Currency Contingent Note, and (ii) in accordance with a projected payment schedule determined by the Issuer, under rules similar to those described above under "Contingent Payment Debt Instruments". The amount of interest on a Foreign Currency Contingent Note that accrues in any accrual period will be the product of the comparable yield of the Foreign Currency Contingent Note (adjusted to reflect the length of the accrual period) and the adjusted issue price of the Foreign Currency Contingent Note. The adjusted issue price of a Foreign Currency Contingent Note will generally be determined under the rules described above, and will be denominated in the foreign currency of the Foreign Currency Contingent Note.

Interest accrued on a Foreign Currency Contingent Note will be translated into U.S. dollars under translation rules similar to those described above under "Foreign Currency Notes". Any positive adjustment (i.e. the excess of actual payments over projected payments) in respect of a Foreign Currency Contingent Note for a taxable year will be translated into U.S. dollars at the spot rate on the last day of the taxable year in which the adjustment is taken into account, or if earlier, the date on which the Foreign Currency Contingent Note is disposed of. The amount of any negative adjustment on a Foreign Currency Contingent Note (i.e. the excess of projected payments over actual payments) that is offset against accrued but unpaid interest will be translated into U.S. dollars at the same rate at which the interest was accrued. To the extent a net negative adjustment exceeds the amount of accrued but unpaid interest, the negative adjustment will be treated as offsetting interest that has accrued and been paid on the Foreign Currency Contingent Note, and will be translated into U.S. dollars at the spot rate on the date the Foreign Currency Contingent Note was issued. Any net negative adjustment carry forward will be carried forward in the relevant foreign currency.

**Purchase, Sale and Retirement of Notes — Other than Contingent Payment Debt Instruments**

A U.S. Holder's tax basis in a Note will generally be its cost, increased by the amount of any OID or market discount included in the U.S. Holder's income with respect to the Note and the amount, if any, of income attributable to *de minimis* OID and *de minimis* market discount included in the U.S. Holder's income with respect to the Note, and reduced by (i) the amount of any payments that are not qualified stated interest payments, and (ii) the amount of any amortisable bond premium applied to reduce interest on the Note.

A U.S. Holder will generally recognise gain or loss on the sale or retirement of a Note equal to the difference between the amount realised on the sale or retirement and the tax basis of the Note. The amount realised does not include the amount attributable to accrued but unpaid interest, which will be taxable as interest income to the extent not previously included in income. Except to the extent described above under "Original Issue Discount — Market Discount" or "Original Issue Discount — Short Term Notes" or attributable to changes in exchange rates (as discussed below),

gain or loss recognised on the sale or retirement of a Note will be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder's holding period in the Notes exceeds one year.

Gain or loss realised by a U.S. Holder on the sale or retirement of a Note generally will be U.S. source. Therefore, a U.S. Holder may have insufficient foreign source income to utilise foreign tax credits attributable to any United Kingdom capital gains tax imposed on a sale or disposition. Prospective purchasers should consult their tax advisers as to the availability of and limitations on any foreign tax credit attributable to this United Kingdom capital gains tax.

For Notes that are contingent payment debt instruments (other than "Foreign Currency Contingent Notes"), see treatment above under "Contingent Payment Debt Instruments".

**Purchase, Sale and Retirement of Notes — Foreign Currency Contingent Notes**

Upon a sale, exchange or retirement of a Foreign Currency Contingent Note, a U.S. Holder will generally recognise taxable gain or loss equal to the difference between the amount realised on the sale, exchange or retirement and the U.S. Holder's tax basis in the Foreign Currency Contingent Note, both translated into U.S. dollars as described below. A U.S. Holder's tax basis in a Foreign Currency Contingent Note will equal (i) the cost thereof (translated into U.S. dollars at the spot rate on the issue date), (ii) increased by the amount of interest previously accrued on the Foreign Currency Contingent Note (disregarding any positive or negative adjustments and translated into U.S. dollars using the exchange rate applicable to such interest) and (iii) decreased by the projected amount of all prior payments in respect of the Foreign Currency Contingent Note. The U.S. dollar amount of the projected payments described in clause (iii) of the preceding sentence is determined by (i) first allocating the payments to the most recently accrued interest to which prior amounts have not already been allocated and translating those amounts into U.S. dollars at the rate at which the interest was accrued and (ii) then allocating any remaining amount to principal and translating such amount into U.S. dollars at the spot rate on the date the Foreign Currency Contingent Note was acquired by the U.S. Holder. For this purpose, any accrued interest reduced by a negative adjustment carry forward will be treated as principal.

The amount realised by a U.S. Holder upon the sale, exchange or retirement of a Foreign Currency Contingent Note will equal the amount of cash and the fair market value (determined in foreign currency) of any property received. If a U.S. Holder holds a Foreign Currency Contingent Note until its scheduled maturity, the U.S. dollar equivalent of the amount realised will be determined by separating such amount realised into principal and one or more interest components, based on the principal and interest comprising the U.S. Holder's basis, with the amount realised allocated first to interest (and allocated to the most recently accrued amounts first) and any remaining amounts allocated to principal. The U.S. dollar equivalent of the amount realised upon a sale, exchange or unscheduled retirement of a Foreign Currency Contingent Note will be determined in a similar manner, but will first be allocated to principal and then any accrued interest (and will be allocated to the earliest accrued amounts first). Each component of the amount realised will be translated into U.S. dollars using the exchange rate used with respect to the corresponding principal or accrued interest. The amount of any gain realised upon a sale, exchange or unscheduled retirement of a Foreign Currency Contingent Note will be equal to the excess of the amount realised over the holder's tax basis, both expressed in foreign currency, and will be translated into U.S. dollars using the spot rate on the payment date. Gain from the sale or retirement of a Foreign Currency Contingent Note will generally be treated as interest income taxable at ordinary income (rather than capital gains) rates. Any loss will be ordinary loss to the extent that the U.S. Holder's total interest inclusions to the date of sale or retirement exceed the total net negative adjustments that the U.S. Holder took into account as ordinary loss, and any further loss will be capital loss. Gain or loss realised by a U.S. Holder on the sale or retirement of a Foreign Currency Contingent Note will generally be foreign source. Prospective purchasers should consult their tax advisers as to the foreign tax credit implications of the sale or retirement of Foreign Currency Contingent Notes.

A U.S. Holder will also recognise U.S. source exchange rate gain or loss (taxable as ordinary income or loss) on the receipt of foreign currency in respect of a Foreign Currency Contingent Note if the exchange rate in effect on the date the payment is received differs from the rate applicable to the principal or accrued interest to which such payment relates.

### Reportable Transactions

A U.S. taxpayer that participates in a "reportable transaction" will be required to disclose this participation to the IRS. The scope and application of these rules is not entirely clear. A U.S. Holder may be required to treat a foreign currency exchange loss from the Notes as a reportable transaction if the loss exceeds U.S.$50,000 in a single taxable year, if the U.S. Holder is an individual or trust, or higher amounts for other non-individual U.S. Holders. In the event the acquisition, holding or disposition of Notes constitutes participation in a "reportable transaction" for purposes of these rules, a U.S. Holder will be required to disclose its investment by filing Form 8886 with the IRS. Pursuant to U.S. tax legislation enacted in 2004, a penalty in the amount of U.S.$10,000 in the case of a natural person and U.S.$50,000 in all other cases is generally imposed on any taxpayer that fails to timely file an information return with the IRS with respect to a transaction resulting in a loss that is treated as a reportable transaction. Accordingly, if a U.S. Holder realises a loss on any Note (or, possibly, aggregate losses from the Notes) satisfying the monetary thresholds discussed above, the U.S. Holder could be required to file an information return with the IRS, and failure to do so may subject the U.S. Holder to the penalties described above. In addition, an Issuer and its advisers may also be required to disclose the transaction to the IRS and maintain a list of U.S. Holders, and to furnish this list and certain other information to the IRS upon written request. Prospective purchasers are urged to consult their tax advisers regarding the application of these rules to the acquisition, holding or disposition of Notes.

### Notes Treated as Equity in an Issuer

The applicable Final Terms will indicate whether any particular Series of Dated Notes should properly be treated as equity interests in the relevant Issuer for U.S. federal income tax purposes. The following discussion applies to Notes that are properly treated as equity of the relevant Issuer.

### Payments of Interest

#### General

Subject to the PFIC rules discussed below, payments of interest paid by an Issuer out of current or accumulated earnings and profits (as determined for U.S. federal income tax purposes), before reduction for any United Kingdom withholding tax paid by the Issuer with respect thereto, will generally be taxable to a U.S. Holder as foreign source dividend income, and will not be eligible for the dividends received deduction allowed to corporations. Payments of interest in excess of current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of the U.S. Holder's basis in the Notes and thereafter as capital gain. However, the Issuers do not maintain calculations of their earnings and profits in accordance with U.S. federal income tax accounting principles. U.S. Holders should therefore assume that any payments of interest by an Issuer with respect to Notes will constitute ordinary dividend income. U.S. Holders should consult their own tax advisors with respect to the appropriate U.S. federal income tax treatment of any payments of interest received from an Issuer.

For taxable years that begin before 2011, payments of interest that are treated as dividends paid by an Issuer will be taxable to a non-corporate U.S. Holder at the special reduced rate normally applicable to capital gains, provided the relevant Issuer qualifies for the benefits of the income tax treaty between the United States and the United Kingdom. A U.S. Holder will be eligible for this reduced rate only if it satisfies certain holding period requirements. A U.S. Holder will not be able to claim the reduced rate for any year in which the Issuer is treated as a PFIC. See "Passive Foreign Investment Company Considerations" below.

#### Foreign Currency Interest

Interest paid in a foreign currency will be included in income in a U.S. dollar amount calculated by reference to the exchange rate in effect on the day the payment is received by the U.S. Holder, regardless of whether the foreign currency is converted into U.S. dollars at that time. If interest received in a foreign currency is converted into U.S. dollars on the day it is received, the U.S. Holder generally will not be required to recognise foreign currency gain or loss in respect of the interest income.

#### Effect of United Kingdom Withholding Taxes

As discussed in "United Kingdom Taxation", under current law payments of interest in respect of certain Notes may be subject to United Kingdom withholding taxes. As discussed under "Conditions

of the Notes — Taxation", an Issuer may become liable for the payment of additional amounts to U.S. Holders so that U.S. Holders receive the same amounts they would have received had no United Kingdom withholding taxes been imposed. For U.S. federal income tax purposes, U.S. Holders will be treated as having received the amount of United Kingdom taxes withheld by the relevant Issuer, and as then having paid over the withheld taxes to the United Kingdom taxing authorities. As a result of this rule, the amount of income included in gross income for U.S. federal income tax purposes by a U.S. Holder with respect to a payment of interest may be greater than the amount of cash actually received (or receivable) by the U.S. Holder from the relevant Issuer with respect to the payment.

A U.S. Holder will generally be entitled, subject to certain limitations, to a credit against its U.S. federal income tax liability, or a deduction in computing its U.S. federal taxable income, for United Kingdom income taxes withheld by an Issuer. For purposes of the foreign tax credit limitation, foreign source income is classified by "baskets", and the credit for foreign taxes on income in a basket is limited to U.S. federal income tax allocable to that income. The foreign tax credit rules are very complex and prospective purchasers should consult their tax advisers concerning the foreign tax credit implications of the payment of United Kingdom taxes, and of receiving a payment of interest from an Issuer that is treated as a dividend eligible for the special reduced rate described above under "Payments of Interest — General".

#### Sale or other Disposition

A U.S. Holder's tax basis in a Note will generally be its U.S. dollar cost. The U.S. dollar cost of a Note purchased with foreign currency will generally be the U.S. dollar value of the purchase price on the date of purchase or, in the case of Notes traded on an established securities market, as defined in the applicable Treasury Regulations, that are purchased by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), on the settlement date for the purchase. Such an election by an accrual basis U.S. Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS.

Subject to the PFIC rules discussed below, upon a sale or other disposition of Notes, a U.S. Holder generally will recognise capital gain or loss for U.S. federal income tax purposes equal to the difference, if any, between the amount realised on the sale or other disposition and the U.S. Holder's adjusted tax basis in the Notes. This capital gain or loss will be long-term capital gain or loss if the U.S. Holder's holding period in the Notes exceeds one year. However, regardless of a U.S. Holder's actual holding period, in certain circumstances any loss may be long-term capital loss to the extent the U.S. Holder receives a payment of interest treated as a dividend that qualifies for the reduced rate described above under "Payments of Interest — General". Any gain or loss will generally be U.S. source.

The amount realised on a sale or other disposition of Notes for an amount in foreign currency will be the U.S. dollar value of this amount on the date of sale or disposition. On the settlement date, the U.S. Holder will recognise U.S. source foreign currency gain or loss (taxable as ordinary income or loss) equal to the difference (if any) between the U.S. dollar value of the amount received based on the exchange rates in effect on the date of sale or other disposition and the settlement date. However, in the case of Notes traded on an established securities market that are sold by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), the amount realised will be based on the exchange rate in effect on the settlement date for the sale, and no exchange gain or loss will be recognised at that time.

#### Disposition of Foreign Currency

Foreign currency received on the sale or other disposition of a Note will have a tax basis equal to its U.S. dollar value on the settlement date. Foreign currency that is purchased will generally have a tax basis equal to the U.S. dollar value of the foreign currency on the date of purchase. Any gain or loss recognised on a sale or other disposition of a foreign currency (including its use to purchase Notes or upon exchange for U.S. dollars) will be U.S. source ordinary income or loss.

#### Passive Foreign Investment Company Considerations

A foreign corporation will be a "passive foreign investment company" (a "PFIC") in any taxable year in which, after taking into account the income and assets of the corporation and certain subsidiaries pursuant to applicable "look-through rules," either (i) at least 75 per cent. of its gross

income is "passive income" or (ii) at least 50 per cent. of the average value of its assets is attributable to assets which produce passive income or are held for the production of passive income. The Issuers do not believe that they should be treated as PFICs. Although interest income is generally passive income, a special rule allows banks to treat their banking business income as non-passive. To qualify for this rule, a bank must satisfy certain requirements regarding its licensing and activities. The Issuers believe that they currently meet these requirements. The Issuers' possible status as PFICs must be determined annually, however, and may be subject to change if the Issuers fail to qualify under this special rule for any year in which a U.S. Holder holds Notes. If the Issuers were to be treated as PFICs in any year, U.S. Holders of Notes would be required (i) to pay a special U.S. addition to tax on certain payments of interest and gains on sale and (ii) to pay tax on any gain from the sale of Notes at ordinary income (rather than capital gains) rates in addition to paying the special addition to tax on this gain. Additionally, payments of interest treated as dividends paid by the relevant Issuer would not be eligible for the special reduced rate of tax described above under "Payments of Interest — General". Prospective purchasers should consult their tax advisers regarding the potential application of the PFIC regime.

### Substitution of Issuer

The terms of the Notes provide that, in certain circumstances, the obligations of the relevant Issuer under the Notes may be assumed by another entity. Any such assumption might be treated for U.S. federal income tax purposes as a deemed disposition of Notes by a U.S. Holder in exchange for new notes issued by the new obligor. As a result of this deemed disposition, a U.S. Holder could be required to recognise capital gain or loss for U.S. federal income tax purposes equal to the difference, if any, between the fair market value at that time of the U.S. Holder's Notes, and the U.S. Holder's tax basis in those Notes. U.S. Holders should consult their tax advisors concerning the U.S. federal income tax consequences to them of a change in obligor with respect to the Notes.

### Backup Withholding and Information Reporting

In general, payments of interest and accrued OID on, and the proceeds of a sale, redemption or other disposition of, the Notes, payable to a U.S. Holder by a U.S. paying agent or other U.S. intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable regulations. Backup withholding will apply to these payments and to accruals of OID if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to report all interest and dividends required to be shown on its U.S. federal income tax returns. Certain U.S. Holders (including, among others, corporations) are not subject to backup withholding. U.S. Holders should consult their tax advisers as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption.

## PLAN OF DISTRIBUTION

Subject to the terms and conditions set out in the Distribution Agreement dated 10th October, 1995, as most recently amended and restated on 8th June, 2009 (as amended or restated from time to time, the "**Distribution Agreement**"), the Notes may be offered from time to time on a continuing basis by the Company or the Bank, as the case may be, to all or any of Barclays Bank PLC, BNP Paribas, Citigroup Global Markets Limited, Goldman Sachs International, J.P. Morgan Securities Ltd., Merrill Lynch International, Morgan Stanley & Co. International plc and UBS Limited (the "**Dealers**"). Each Issuer has reserved the right, however, to issue Notes directly on its own behalf to Purchasers which are not Dealers, provided that any such issues are made upon the terms of the Distribution Agreement. Notes so subscribed under the Distribution Agreement may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be issued by the Company or the Bank, as the case may be, through all or any of the Dealers acting as agents. In addition, the Distribution Agreement provides for Notes to be issued in syndicated Tranches which are jointly and severally underwritten by two or more Dealers.

The relevant Issuer will pay each relevant Dealer a commission, to be agreed from time to time and depending on maturity, in respect of Notes issued under the Programme to or through it.

Each Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Distribution Agreement may be terminated in relation to all or any of the Dealers by any Issuer or, in relation to itself and the Company or the Bank or both, as the case may be, by any Dealer, at any time on giving not less than 10 business days' notice.

### United States of America

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Each Dealer has represented and agreed (and each additional Dealer named in the Final Terms will be required to represent and agree) that in addition to the relevant U.S. Selling Restrictions set forth below:

(a) except to the extent permitted under U.S. Treasury Regulations section 1.163-5(c)(2)(i)(D) (the "**D Rules**"), it has not offered or sold, and during the restricted period it will not offer or sell, Notes in bearer form to a person who is within the United States or its possessions or to a U.S. person and it has not delivered and shall not deliver within the United States or its possessions definitive Notes in bearer form that are sold during the restricted period;

(b) it has and throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes are aware that Notes in bearer form may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a U.S. person (except to the extent permitted under the D Rules);

(c) if it is a U.S. person, it is acquiring the Notes in bearer form for purposes of resale in connection with their original issuance, and if it retains Notes in bearer form for its own account, it will do so in accordance with the requirements of the D Rules;

(d) with respect to each affiliate or distributor that acquires Notes in bearer form from the Dealer for the purpose of offering or selling such Notes during the restricted period, the Dealer either repeats and confirms the representations and agreements contained in paragraphs (a), (b) and (c) above on such affiliate's or distributor's behalf or agrees that it will obtain from such distributor for the benefit of the relevant Issuer the representations and agreements contained in such paragraphs; and

(e) it shall obtain for the benefit of the Issuer the representations, undertakings and agreements contained in sub-clauses (a), (b), (c), (d) and (e) of this paragraph from any person other than its affiliate with whom it enters into a written contract, (a "distributor" as defined in U.S. Treasury Regulation section 1.163-5(c)(2)(i)(D)(4)), for the offer or sale during the restricted period of the Notes.

Terms used in this section shall have the meanings given to them by the Internal Revenue Code and the regulations thereunder, including the D Rules.

Where the rules under U.S. Treasury Regulations section 1.163-5(c)(2)(i)(C) (the "**C Rules**") are specified in the relevant final terms as being applicable in relation to any Notes, the Notes must, in accordance with their original issuance, be issued and delivered outside the United States and its possessions and, accordingly, each Dealer has represented and agreed (and each additional Dealer named in the Final Terms will be required to represent and agree) that, in connection with the original issuance of the Notes:

(a) it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, any Notes within the United States or its possessions; and

(b) it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if such Dealer or such prospective purchaser is within the United States or its possessions and will not otherwise involve the United States office of such Dealer in the offer and sale of Notes.

Each Dealer has represented and agreed that and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Distribution Agreement, it has not offered, sold or delivered and will not offer, sell or deliver the Notes of any identifiable Tranche (i) as part of their distribution at any time, or (ii) otherwise until 40 days after the completion of the distribution of such Tranche, as determined and certified to the Principal Paying Agent or the relevant Issuer by the relevant Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to the Notes of such Tranche purchased by or through it, in which case the Principal Paying Agent or the relevant Issuer shall notify each such Dealer when all such Dealers have so certified), within the United States or to, or for the account or benefit of, U.S. persons, and that it will have sent to each dealer to which it sells Notes during the distribution compliance period other than pursuant to Rule 144A relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. In addition, until 40 days after the commencement of the offering of any identifiable Tranche of Notes, an offer or sale of Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such sale is made otherwise than in accordance with Rule 144A. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Each Dealer represents, warrants and undertakes that neither it nor any of its affiliates, nor any person acting on its or their behalf has engaged or will engage in any form of "general solicitation" or "general advertising" (within the meaning of Regulation D) in connection with any offer and sale of Notes in the United States.

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S. Notwithstanding the foregoing, Dealers nominated by the relevant Issuer may arrange, through their U.S.-registered broker-dealer affiliates, for the offer and resale of Registered Notes to QIBs in the United States pursuant to Rule 144A under the Securities Act. Each purchaser of such Notes is hereby notified that the offer and sale of such Notes may be made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A.

In addition, certain Series of Notes in respect of which any payment is determined by reference to an index or formula, or to changes in prices of securities or commodities, or certain other Notes will be subject to such additional U.S. selling restrictions as the relevant Issuer and the relevant Dealers may agree, as indicated in the relevant Final Terms. Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will offer, sell and deliver such Notes only in compliance with such additional U.S. selling restrictions.

Each issuance of index, commodity or currency-linked Notes, including the Index Linked Notes, shall be subject to such additional U.S. selling restrictions as the relevant Issuer and the relevant Dealer or Dealers may agree in connection with the issue and purchase of such Notes. Each Dealer

has agreed that it will offer, sell and deliver such Notes only in compliance with such additional U.S. selling restrictions.

This Base Prospectus has been prepared by the Issuers for use in connection with the offer and sale of the Notes outside the United States and for the resale of the Notes in the United States. The Issuers and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Base Prospectus does not constitute an offer to any person in the United States or to any U.S. person, other than any qualified institutional buyer within the meaning of Rule 144A to whom an offer has been made directly by one of the Dealers or its U.S. broker-dealer affiliate. Distribution of this Base Prospectus by any non-U.S. person outside the United States or by any qualified institutional buyer in the United States to any U.S. person or to any other person within the United States, other than any qualified institutional buyer and those persons, if any, retained to advise such non-U.S. person or qualified institutional buyer with respect thereto, is unauthorised and any disclosure without the prior written consent of the Issuers of any of its contents to any such U.S. person or other person within the United States, other than any qualified institutional buyer and those persons, if any, retained to advise such non-U.S. person or qualified institutional buyer, is prohibited.

**Public Offer Selling Restriction Under the Prospectus Directive**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

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

(b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;

(c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than EUR 43,000,000 and (3) an annual net turnover of more than EUR 50,000,000, as shown in its last annual or consolidated accounts;

(d) at any time to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Issuer for any such offer; or

(e) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Notes referred to in (b) to (e) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression

"**Prospectus Directive**" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

### Selling Restrictions Addressing Additional United Kingdom Securities Laws

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Notes issued by the Company which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes issued by the Company other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Company;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the relevant Issuer; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

### Selling Restrictions Addressing Additional French Securities Laws

Each of the Dealers and each Issuer has represented and agreed that it has not offered or sold, and will not offer or sell, directly or indirectly, Notes to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Base Prospectus or any other offering material relating to the Notes, and that such offers, sales and distributions have been and shall only be made in France to persons providing investment services relating to portfolio management for the account of third parties, and/or qualified investors (*investisseurs qualifiés*), all as defined in, and in accordance with, articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French Code *monétaire et financier* (the "**Code**"), but excluding individuals referred to in Article D.411-1 II 2 of the Code.

### Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) (the "**Financial Instruments and Exchange Law**") and, accordingly, each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and all other applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. As used in this paragraph, "**resident of Japan**" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

### General

With the exception of the approval by the FSA of this Base Prospectus as a base prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom, no representation is made that any action has been or will be taken in any country or jurisdiction by the Company, the Bank or the Dealers that would permit a public offering of Notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands the Base Prospectus or any Final

Terms comes are required by the Issuers and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or have in their possession, or distribute such offering material, in all cases at their own expense.

The Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that restrictions shall, as a result of change(s) in official interpretation, after the date hereof, in applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the preceding paragraph.

Selling restrictions may be supplemented or modified with the agreement of the relevant Issuer. Any such supplement or modification will be set out in the relevant Final Terms (in the case of a supplement or modification relevant only to a particular Series of Notes) or (in any other case) in a supplement to the Base Prospectus.

Each Issuer has given an undertaking to the Dealers in connection with the listing of any of the Notes on the Official List to the effect that if after preparation of the Base Prospectus for submission to the FSA and at any time during the duration of the Programme it becomes aware that there is a significant new factor, material mistake or inaccuracy relating to the information contained in the Base Prospectus published in connection with the admission to listing, trading and or quotation of any of the Notes which is capable of affecting the assessment of the Notes to be issued under the Programme, it shall give to each Director full information about such change or matter and shall publish a supplementary Base Prospectus as may be required by the FSA, under Section 87G(2) of the FSMA or by the prospectus made by the FSA and shall otherwise comply with section 87G of the FSMA and the listing rules in that regard and shall supply to each Dealer such number of copies of the supplementary Base Prospectus as it may reasonably request.

## GENERAL INFORMATION

1. The establishment of the Programme was authorised by resolutions of a duly constituted Committee of the Board of Directors of the Bank on 21st September, 1995. The increase in the maximum aggregate principal amount of the Programme from £30,000,000,000 to £60,000,000,000 and the renewal of the Programme on 8th June, 2009 were duly authorised by resolutions of each of the Fund Raising Committee of the Board of Directors of the Company and the Fund Raising Committee of the Board of Directors of the Bank on 6th February, 2009 and 5th June, 2009 respectively.

2. The price of a Series of Notes on the price list of the London Stock Exchange will be expressed as a percentage of their principal amount (exclusive of accrued interest, if any). The admission of the Programme to trading on the Regulated Market of the London Stock Exchange is expected to be granted on or around 10th June, 2009 for a period of 12 months. Any Series of Notes intended to be admitted to trading on the Regulated Market of the London Stock Exchange will be so admitted to trading upon submission to the London Stock Exchange of the relevant Final Terms and any other information required by the London Stock Exchange, subject to the issue of the Global Note or Global Note Certificate representing Notes of that Series. If such Global Note is not issued, the issue of such Notes may be cancelled. Prior to admission to trading, dealings in the Notes of the relevant Series will be permitted by the London Stock Exchange in accordance with its rules. Transactions will normally be effected for delivery on the third working day after the day of the transaction.

Notes may, however, be issued under the Programme which will not be admitted to listing, trading and/or quotation by the London Stock Exchange or any other listing authority, stock exchange and/or quotation system or which will be admitted to listing, trading and/or quotation on one or more other listing authorities, stock exchanges and/or quotation systems.

3. The Group has for some time been party to proceedings, including a putative class action, in the United States against a number of defendants following the collapse of Enron; the putative class action claim is commonly known as the Newby litigation. On 19th March, 2007 the United States Court of Appeals for the Fifth Circuit issued a decision that the case could not proceed against the Group as a class action because the plaintiffs had not alleged a proper claim against the Group. On 22nd January, 2008, the United States Supreme Court denied the plaintiffs' request for review of the Fifth Circuit's 19th March, 2007 decision. On 5th March, 2009, the District Court granted summary judgment in the Group's favour on the plaintiffs' claims against the Group. The District Court also denied the plaintiffs' request to amend the complaint to assert revised claims against the Group on behalf of the putative class. The plaintiffs' time in which to file an appeal regarding the District Court's 5th March, 2009 decision has not yet expired. The Group considers that the Enron related claims against it are without merit and is defending them vigorously. It is not possible to estimate the Group's possible loss in relation to these matters, nor the effect that they might have upon operating results in any particular financial period.

Like other UK financial services institutions, the Group faces numerous County Court claims and complaints by customers who allege that its unauthorised overdraft charges either contravene the Unfair Terms in Consumer Contracts Regulations 1999 ("**UTCCR**") or are unenforceable penalties or both. In July 2007, by agreement with all parties, the OFT commenced proceedings against seven banks and one building society, including the Bank, to resolve the matter by way of a "test case" process. Preliminary issues hearings took place in January, July and December 2008 with judgments handed down in April and October 2008 and January 2009 (a further judgment not concerning the Bank's terms). As to current terms, in April 2008 the Court held in favour of the banks on the issue of the penalty doctrine. The OFT did not appeal that decision. In the same judgment the Court held in favour of the OFT on the issue of the applicability of the UTCCR. The banks appealed that decision. As to past terms, in a judgment on 8th October, 2008, the Court held that the Bank's historic terms, including those of Woolwich, were not capable of being penalties. The OFT indicated at the January 2009 hearing that it was not seeking permission to appeal the Court's findings in relation to the applicability of the penalty doctrine to historic terms. Accordingly, it is now clear that no declarations have or will be made against the Bank that any of its unauthorised overdraft terms assessed in the test case constitute unenforceable penalties and that the OFT will not pursue this aspect of the test case further. The proceedings will now concentrate exclusively on UTCCR issues. The banks' appeal against the decision in relation to the applicability of the UTCCR (to current and historic terms) took place at a hearing in late October 2008. On 26th February, 2009, the Court of Appeal dismissed the

banks' appeal, holding, in a judgment of broad application, that the relevant charges were not exempt from the UTCCR. The banks will petition the House of Lords for leave to appeal the decision. It is likely that the proceedings will still take a significant period of time to conclude. Pending resolution of the test case process, existing and new claims in the County Courts remain stayed, and there is an FSA waiver of the complaints handling process (which is reviewable in July 2009) and a standstill of Financial Ombudsman Service decisions. The Group is defending the test case vigorously. It is not practicable to estimate the Group's possible loss in relation to these matters, nor the effect that they may have upon operating results in any particular financial period. The Company will comply with its obligations as a listed company admitted to the Official List in connection with further disclosures in relation to this litigation, including its potential impact on the Group.

The Issuers are engaged in various other litigation proceedings both in the United Kingdom and a number of overseas jurisdictions, including the United States, involving claims by and against them which arise in the ordinary course of business. The Issuers do not expect the ultimate resolution of any of the proceedings to which the Issuers are party to have a significant adverse effect on the financial position of the Group and the Issuers have not disclosed the contingent liabilities associated with these claims either because they cannot reasonably be estimated or because such disclosure could be prejudicial to the conduct of the claims.

Save as disclosed in paragraphs 1 and 2 of this section 3, no member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Bank is aware), which may have or have had during the 12 months preceding the date of this Base Prospectus, a significant effect on the financial position or profitability of the Company, the Group, the Bank and/or, as the case may be, the Bank and its consolidated subsidiaries.

4. There has been no significant change in the financial or trading position of the Company, the Group, the Bank or, as the case may be, the Bank and its consolidated subsidiaries since 31st December, 2008.

5. There has been no material adverse change in the prospects of the Company, the Group, the Bank or, as the case may be, the Bank and its consolidated subsidiaries since 31st December, 2008.

6. The annual consolidated accounts of the Company and the Bank and their respective subsidiaries for the two years ended 31st December, 2008 and 31st December, 2007 have been audited without qualification by PricewaterhouseCoopers LLP, chartered accountants and registered auditors (a member of the Institute of Chartered Accountants in England and Wales).

7. The Notes may be accepted for clearance through the Clearstream, Luxembourg and Euroclear systems and DTC (which are entities in charge of keeping the records). The common code and/or CINS or CUSIP number for each Series of Notes allocated by Clearstream, Luxembourg and Euroclear or DTC will be contained in the relevant Final Terms, along with the International Securities Identification Number for that Series. Transactions will normally be effected for settlement not earlier than three days after the date of the transaction. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of The Depository Trust Company is 55 Water Street, New York, NY10041-0099, USA. The address of any alternative clearing system will be specified in the applicable Final Terms.

The issue price and the amount of the relevant Notes will be determined before filing of the relevant Final Terms of each Tranche, based on then prevailing market conditions. The Issuers do not intend to provide any post-issuance information in relation to any issues of Notes.

8. For so long as any of the Notes are admitted to trading on the London Stock Exchange and the rules of the FSA so require, for the life of the Base Prospectus, copies of the following documents may be inspected during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) at Barclays Treasury, 1 Churchill Place, London E14 5HP and at the specified office of the Principal Paying Agent, currently located at One Canada Square, London E14 5AL:

(i) the Memorandum and Articles of Association of each Issuer;

(ii) the Joint Annual Report, the 2007 Bank Annual Report, the 2008 Bank Annual Report, the Interim Management Statement and the Capitalisation and Indebtedness Table;

(iii) the Distribution Agreement;

(iv) the Trust Deed;

(v) the Agency Agreement;

(vi) the current Base Prospectus in respect of the Programme;

(vii) any supplementary base prospectus published since the most recent base prospectus was published and any documents incorporated therein by reference;

(viii) any Final Terms issued in respect of Notes admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system since the most recent base prospectus was published; and

(ix) in the case of a syndicated issue of Notes admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, the syndication agreement (or equivalent document).

9. The following legend will appear on all Permanent Global Bearer Notes with maturities of more than 365 days and on all Definitive Bearer Notes, Coupons and Talons: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Internal Revenue Code".

## THE ISSUERS

L.C. Dickinson
Company Secretary
Barclays PLC
1 Churchill Place
London E14 5HP
United Kingdom

L.C. Dickinson and P.A. Gonsalves
Joint Company Secretaries
Barclays Bank PLC
1 Churchill Place
London E14 5HP
United Kingdom

## TRUSTEE FOR THE NOTEHOLDERS

The Bank of New York Mellon, acting through its London branch
One Canada Square
London E14 5AL
United Kingdom

## AUDITORS

*To the Issuers*

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
1 Embankment Place
London WC2N 6RH
United Kingdom

## LEGAL ADVISERS

*To the Issuers:*

Clifford Chance LLP
10 Upper Bank Street
London E14 5JJ
United Kingdom

*To the Dealers and the Trustee:*

Linklaters LLP
One Silk Street
London EC2Y 8HQ
United Kingdom

## ARRANGER

Barclays Bank PLC
5 The North Colonnade
Canary Wharf
London E14 4BB
United Kingdom

## PRINCIPAL PAYING AGENT, REGISTRAR, FOREIGN EXCHANGE AGENT AND AGENT BANK

The Bank of New York Mellon, acting through its London branch
One Canada Square
London E14 5AL
United Kingdom

## TRANSFER AND PAYING AGENTS

The Bank of New York Mellon (Luxembourg) S.A.
Aerogolf Center, 1A, Hoehenhof
L-1736 Senningerberg
The Grand Duchy of Luxembourg

BNP PARIBAS Securities Services
Immeuble Tolbiac
25 quai Panhard et Levassor
75013 Paris
France

Credit Suisse
Uetlibergstrasse 231
P.O. Box 900
8070 Zurich
Switzerland

Deutsche Bank
Aktiengesellschaft
Grosse Gallustrasse 10-14
60272 Frankfurt/Main
Germany

## DEALERS

Barclays Bank PLC
5 The North Colonnade
Canary Wharf
London E14 4BB
United Kingdom

BNP PARIBAS
10, Harewood Avenue
London NW1 6AA
United Kingdom

Citigroup Global Markets Limited
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

Goldman Sachs International
Peterborough Court
133 Fleet Street
London EC4A 2BB
United Kingdom

J.P. Morgan Securities Ltd.
125 London Wall
London EC2Y 5AJ
United Kingdom

Merrill Lynch International
Merrill Lynch Financial Centre
2 King Edward Street
London EC1A 1HQ
United Kingdom

Morgan Stanley & Co. International plc
25 Cabot Square
Canary Wharf
London E14 4QA
United Kingdom

UBS Limited
1 Finsbury Avenue
London EC2M 2PP
United Kingdom



*sterling 117493*