

# BARCLAYS

## BARCLAYS BANK PLC

*(Incorporated with limited liability in England)*

as Issuer

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## £10,000,000,000 Debt Issuance Programme

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*This Information Memorandum is issued in respect of the increase in size, to £10,000,000,000 (or its equivalent in other currencies), and renewal of the Debt Issuance Programme of Barclays Bank PLC. This Information Memorandum supersedes all previous 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 Information Memorandum will be subject to the provisions set out herein.*

Application has been made to the United Kingdom Financial Services Authority (the "Financial Services Authority") in its capacity as competent authority under the Financial Services Act 1986 (the "UK Listing Authority") for Notes (the "Notes") issued under the Debt Issuance Programme (the "Programme") during the period of 12 months from the date of the accompanying Information Memorandum Addendum to be admitted to the official list of the UK Listing Authority (the "Official List"). Application has also been made to the London Stock Exchange plc (the "London Stock Exchange") for such Notes to be admitted to trading on the London Stock Exchange's market for listed securities. Admission to the Official List together with admission to trading on the London Stock Exchange's market for listed securities constitutes official listing on a stock exchange. The Information Memorandum (which includes the accompanying Information Memorandum Addendum) comprises listing particulars issued in compliance with the listing rules made under Section 142 of the Financial Services Act 1986 for the purpose of giving information about the issue of Notes during the above 12 month period and with regard to Barclays Bank PLC. A copy of this document and the accompanying Information Memorandum Addendum, which together constitute listing particulars, have been delivered for registration to the Registrar of Companies in England and Wales in accordance with Section 149 of the above Act.

*Arranger*

**Barclays Capital**

*Dealers*

Barclays Capital  
Dresdner Kleinwort Wasserstein  
JPMorgan  
Merrill Lynch International  
Schroder Salomon Smith Barney

BNP PARIBAS  
Goldman Sachs International  
Lehman Brothers  
Morgan Stanley Dean Witter  
UBS Warburg

Barclays Bank PLC (the "Bank" or the "Issuer"), accepts responsibility for the information contained in the Information Memorandum. To the best of the knowledge and belief of the Issuer which has taken all reasonable care to ensure that such is the case, the information contained in the Information Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

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

References herein to the "Information Memorandum Addendum" are to the Information Memorandum Addendum dated as of the Programme Date, being the date specified on the front cover of the Information Memorandum Addendum.

References herein to the "Information Memorandum" are to this document together with (unless the context otherwise requires) the Information Memorandum Addendum.

The Information Memorandum should be read and construed with any amendment or supplement thereto and with any other documents incorporated by reference therein and, in relation to any Series of the Notes, should be read and construed together with the relevant Pricing Supplement(s) (the "Pricing Supplement(s)"). Any such amendment or supplement and any documents incorporated by reference do not form part of the listing particulars issued in compliance with the listing rules made under Section 142 of the Financial Services Act 1986.

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) and the Trustee have not separately verified the information contained in this document. None of the Dealers or the Trustee makes any representation, express or implied, or accepts any responsibility as to the accuracy or completeness of this document or any documents incorporated by reference herein or any further information supplied in connection with any Notes or their distribution. The statements made in this paragraph are without prejudice to the responsibilities of the Issuer 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 the Information Memorandum or any documents incorporated by reference therein and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or Barclays Capital (the "Arranger") or any of the Dealers. Neither the Information Memorandum nor any documents incorporated by reference therein 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 Issuer, the Trustee, the Arranger or any of the Dealers that any recipient of the Information Memorandum 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 Issuer and its purchase of Notes should be based on such investigation as it deems necessary. Neither the Information Memorandum nor any documents incorporated by reference therein constitute an offer or invitation by or on behalf of the Issuer, the Arranger or the Dealers to any person to subscribe for or to purchase any of the Notes.

The delivery of the Information Memorandum or any documents incorporated by reference therein does not at any time imply that the information contained therein concerning the Issuer is correct as of any time subsequent to the date thereof 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 Issuer 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 Issuer when evaluating the Notes.

The distribution of the Information Memorandum or any Pricing Supplement and the offering, sale or delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession the Information Memorandum or any Pricing Supplement comes are required by the Issuer 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 the Information Memorandum 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 United States Securities Act of 1933 (as amended) and are instruments in bearer form which are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons. Neither the Information Memorandum nor any Pricing Supplement 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.

The Issuer has not authorised any offer of Notes to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 (as amended by the Public Offers of Securities (Amendment) Regulations 1999 and by the Public Offers of Securities (Amendment) (No. 2) Regulations 1999) (as so amended, the “POS Regulations”). Notes may not lawfully be offered or sold to persons in the United Kingdom except in circumstances which do not result in an offer to the public in the United Kingdom within the meaning of the POS Regulations or otherwise in compliance with all applicable provisions of the POS Regulations, see “Plan of Distribution” below.

In the Information Memorandum, references to “euro” and “€” are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community as amended by the Treaty on European Union (together, the “Treaty”), references to “U.S.\$” and “U.S. dollars” are to United States dollars, references to “£” and “sterling” are to pounds sterling, references to “¥” and “Yen” are to Japanese Yen, references to “DM” are to Deutsche Marks, references to “FRF” are to French francs, and references to “ITL” are to Italian lire.

**In connection with the issue of Notes under the Programme, the Dealer which is specified for the purpose in the Pricing Supplement in relation to the relevant Tranche of Notes may over-allot or effect transactions which stabilise or maintain the market price of the Notes of such Tranche at a level which might not otherwise prevail. Such stabilising, if commenced, may be discontinued at any time. Such stabilising shall be carried out in accordance with all applicable laws and regulations.**

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## TABLE OF CONTENTS

	<i>Page</i>
Documents Incorporated by Reference	4
Summary of the Programme	5
Issue Procedure	9
Summary of Provisions Relating to Notes while in Global Form	9
Form of Pricing Supplement	12
Conditions of the Notes	19
Use of Proceeds	36
United Kingdom Taxation	37
Plan of Distribution	39
General Information	42

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated in, and to form part of, the Information Memorandum:

- (1) the most recent Annual Report and Accounts and Interim Report of the Issuer published from time to time by it; and
- (2) all amendments and supplements to the Information Memorandum prepared from time to time by the Issuer,

save that (a) any statement in the Information Memorandum or in any Annual Report and Accounts or Interim Report of the Issuer shall be deemed to be modified or superseded for the purposes of the Information Memorandum to the extent that a statement contained in any subsequently published Annual Report and Accounts or Interim Report expressly or impliedly modifies or supersedes such earlier statement, provided that any such modifying or superseding statement shall not form part of the listing particulars issued in compliance with the listing rules made under Section 142 of the Financial Services Act 1986 and (b) any documents incorporated by reference do not form part of the listing particulars issued in compliance with the listing rules made under Section 142 of the Financial Services Act 1986.

## SUMMARY OF THE PROGRAMME

The following summary is qualified in its entirety by the remainder of this document and, in relation to the terms and conditions of any particular Series of Notes, the relevant Pricing Supplement(s).

**Issuer:** The Bank.

**Arranger:** Barclays Bank PLC.

**Dealers:** Barclays Bank PLC, BNP Paribas, Dresdner Bank Aktiengesellschaft, Goldman Sachs International, Lehman Brothers International (Europe), Merrill Lynch International, J.P. Morgan Securities Ltd., Morgan Stanley & Co. International Limited, Salomon Brothers International Limited and UBS AG, acting through its business group UBS Warburg.

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:** Royal & Sun Alliance Trust Company Limited.

**Principal Paying Agent and Agent Bank:** The Bank of New York.

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

**Initial Programme Amount:** The total principal amount of Notes outstanding at any time under the Programme may not exceed £10,000,000,000 (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.

**Issue in Series:** Notes will be issued in Series. Each Series may comprise one or more Tranches 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.

Issues of Notes denominated in Swiss francs or carrying a Swiss franc related element with a maturity of more than one year (other than Notes privately placed with a single investor with no publicity) will be effected in compliance with the relevant regulations of the Swiss National Bank based on article 7 of the Federal Law on Banks and Savings Banks of 8th November, 1934 (as amended) and article 15 of the Federal Law on Stock Exchanges and Securities Trading of 24th March, 1995 in connection with article 2, paragraph 2 of the Ordinance of the Federal Banking Corporation

on Stock Exchanges and Securities Trading of 2nd December, 1996. Under the said regulations, the relevant Dealer or, in the case of a syndicated issue the lead manager (the “Swiss Dealer”), must be a bank domiciled in Switzerland (which includes branches or subsidiaries of a foreign bank located in Switzerland) or a securities dealer duly licensed by the Swiss Federal Banking Commission as per the Federal Law on Stock Exchanges and Securities Trading of 24th March, 1995. The Swiss Dealer must report certain details of the relevant transaction to the Swiss National Bank no later than the relevant issue date for such a transaction.

<b>Maturities:</b>	Subject to all applicable legal and regulatory requirements, Notes may have any maturity subject to a minimum maturity of three months and provided that the Issuer may not issue perpetual Notes. Under current requirements in the case of Capital Notes which qualify as Lower Tier 2 or Tier 3 capital in accordance with the requirements of the Financial Services Authority, the minimum maturity will be five years and one day (Lower Tier 2 capital) or two years (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.
<b>Status of Senior Notes:</b>	The Notes of each Series issued on an unsubordinated basis (“Senior Notes”) will constitute direct and unsecured obligations of the Issuer ranking <i>pari passu</i> with all other unsecured and unsubordinated obligations of the Issuer other than obligations preferred by law.
<b>Status of Capital Notes:</b>	<p>The Notes of each Series issued by the Issuer on a subordinated basis (“Capital Notes”) will constitute direct and unsecured obligations of the Issuer. The rights of the holders of such Capital Notes will, in the event of the winding up of the Issuer, be subordinated in right of payment to the claims of depositors and other unsecured and unsubordinated creditors of the Issuer, in the manner provided in the Trust Deed.</p> <p>In certain circumstances, payment of principal and interest due in respect of Capital Notes qualifying as Tier 3 capital in accordance with Financial Services Authority requirements may be deferred.</p>
<b>Issue Price:</b>	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.
<b>Interest:</b>	Notes may bear interest on a fixed rate basis or a floating rate basis or may be non-interest bearing.
<b>Fixed Rate Notes:</b>	Interest on Fixed Rate Notes will be payable on the date or dates specified in the relevant Pricing Supplement. Interest will be calculated on the basis of the day count fraction specified in the relevant Pricing Supplement.
<b>Floating Rate Notes:</b>	Floating Rate Notes will bear interest calculated by reference to the rate or as otherwise specified in the relevant Pricing Supplement plus or minus the Relevant Margin (if any) also so specified. The aforementioned reference rate may, <i>inter alia</i> , be a rate determined on a screen rate basis or on the same basis as the floating rate under a notional interest rate swap transaction in the relevant currency governed by an agreement incorporating the 2000 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series). Floating Rate Notes may also have a maximum interest rate, a minimum interest

rate or both. Interest Periods will be as specified in the relevant Pricing Supplement.

Interest on Floating Rate Notes will be payable on interest payment dates as specified in the relevant Pricing Supplement and will be calculated on the basis of the day count fraction specified in the relevant Pricing Supplement.

- Zero Coupon Notes:** Zero Coupon Notes may be issued at their principal amount or at a discount to it and will not bear interest (other than in the case of late payment).
- Dual Currency Notes:** Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as are specified in the relevant Pricing Supplement.
- Index Linked Notes:** Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Index Linked Notes will be calculated by reference to such index and/or formula as is specified in, or on such other terms as are specified in, the relevant Pricing Supplement.
- Final Redemption:** 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 Pricing Supplement. The relevant Pricing Supplement 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 prior to their stated maturity, except for taxation reasons or where the relevant Pricing Supplement provides for early redemption at the option of the Issuer and/or the relevant Noteholders.
- The early redemption of Capital Notes at any time requires the prior written consent of the Financial Services Authority.
- Denominations:** Such denomination in such currency as may be specified in the relevant Pricing Supplement.
- Redenomination:** If an issue of Notes is denominated in the national currency unit of a country that may subsequently participate in the third stage of European economic and monetary union or otherwise participate in European economic and monetary union in a manner with similar effect to such third stage, the Issuer may specify in the relevant Pricing Supplement that such Notes may be redenominated in euro and the terms upon which such redenomination may occur.
- Form of Notes:** Unless otherwise specified in the relevant Pricing Supplement, each Series of Notes with an original maturity of more than one year will initially be represented by one or more temporary global Notes in bearer form and each Series of Notes with an original maturity of one year or less will initially be represented by one or more permanent global Notes in bearer form. Interests in a temporary global Note will be exchangeable, in the circumstances set out under "Summary of Provisions Relating to Notes while in Global Form" below, either for interests in a permanent global Note or, if so specified in the relevant Pricing Supplement, for Notes in definitive bearer form. Interests in a permanent global Note will only be exchangeable for Notes in definitive form in limited circumstances.
- 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.

**Listing:**

Application has been made to list the Notes issued under the Programme on the Official List and to admit them to trading on the London Stock Exchange’s market for listed securities or otherwise as specified in the relevant Pricing Supplement. The Issuer may issue unlisted Notes as part of the Programme.

**Governing Law:**

The Trust Deed, the Notes, the Coupons (if any), the Talons (if any) and all related contractual documentation will be governed by, and construed in accordance with, English law.

**Selling Restrictions:**

Restrictions on the sale of Notes and the distribution of offering material are set out under “Plan of Distribution” below.



## ISSUE PROCEDURE

Notes may be issued from time to time if so agreed between the Issuer and any of the Dealers or any third party purchaser of such Notes from the Issuer (any such Dealer or third party being referred to herein as a "Purchaser"). The terms and conditions of each Series of Notes or a Tranche thereof as agreed between the Issuer and the Purchaser(s) will be recorded in a Pricing Supplement prepared or caused to be prepared by the Issuer at or prior to the issue date of the Series or Tranche together with such other information relating to the Issuer (including, where applicable, supplementary listing particulars required under Section 147 of the Financial Services Act 1986) as may be agreed between the Issuer and the Purchaser(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 Pricing Supplement. A copy of each relevant Pricing Supplement, in the case of a Series to be listed on the Official List, will be lodged by or on behalf of the Issuer with the UK Listing Authority.

Notes may not be issued under the Programme in an amount which would result in the aggregate principal amount of Notes outstanding on the date of issue of the Notes so issued (and immediately after the issue thereof) exceeding £10,000,000,000 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 NOTES WHILE IN GLOBAL FORM

Unless otherwise specified in the relevant Pricing Supplement, each Series of Notes having an original maturity of more than one year will initially be represented by one or more temporary global Notes (each, a "Temporary Global Note") and each Series of Notes having an original maturity of one year or less will initially be represented by one or more permanent global Notes (each, a "Permanent Global Note" and, together with a Temporary Global Note, a "Global Note"), in each case in bearer form, without Coupons or Talons, which will be deposited on or about the issue date of the relevant Notes with a common depository for Clearstream Banking, société anonyme ("Clearstream, Luxembourg") and/or Euroclear Bank S.A./N.V. as operator of the Euroclear System ("Euroclear") and/or any other relevant clearing system or depository specified in the relevant Pricing Supplement.

Upon deposit of the Global Note(s) with the common depository, 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.

Each of the persons shown in the records of Clearstream, Luxembourg or Euroclear as the holder of a Note represented by a Global Note must look solely to Clearstream, Luxembourg or Euroclear (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note, subject to and in accordance with the respective rules and procedures of Clearstream, Luxembourg or Euroclear (as the case may be).

Interests in a Temporary Global Note will be exchangeable (free of charge) 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 Note in bearer form and in substantially the form (subject to completion and amendment and as supplemented or varied in accordance with the relevant Pricing Supplement) scheduled to the Trust Deed or (ii) if so specified in the relevant Pricing Supplement, for Notes in definitive bearer form ("Definitive Notes") and in substantially the form (subject to completion and amendment and as

supplemented or varied in accordance with the relevant Pricing Supplement) scheduled to the Trust Deed.

The Global 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 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 Issuer, the Trustee and the 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 Issuer, the Trustee and the Paying Agents, solely in the bearer of the Global 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 Notes which are represented by a Global 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 Note or a Permanent Global Note will be paid to Clearstream, Luxembourg and/or Euroclear with respect to that portion of such Global Note which is held for its account (subject, in the case of a Temporary Global 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 Note to the persons credited in its records with interests in such Global Note.

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 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 Note or in such other form as is customarily issued in such circumstances by the relevant clearing system or depository) has been received by Clearstream, Luxembourg or Euroclear. Payment of amounts due in respect of a Permanent Global Note will be made through Clearstream, Luxembourg or Euroclear without any requirement for certification.

An exchange of a Temporary Global Note for a Permanent Global Note or, where applicable, Definitive Notes will be made only on or after the Exchange Date (as set out in the relevant Pricing Supplement) 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 Note or in such other form as is customarily issued in such circumstances by the relevant clearing system or depository) has been received.

The holder of any Temporary Global Note shall not (unless, upon due presentation of such Temporary Global Note for exchange (in whole or in part) for a Permanent Global Note or, where applicable, for delivery of Definitive 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 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 Note will be exchanged by the Issuer (free of charge) in whole (but not in part only) for Definitive Notes (a) if any Note of the relevant Series becomes immediately repayable in accordance with Condition 8 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 Issuer or any of the 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 Notes will be borne by the Issuer.

For so long as a Series of Notes is represented in its entirety by one or more Global Note(s) and such Global 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 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 listed Notes. Unless otherwise specified in the relevant Pricing Supplement, 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 (other than under "United Kingdom Taxation" below) 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 depository as is specified in the relevant Pricing Supplement.

The following legend will appear on all Permanent Global Notes with maturities of more than one year and on all Definitive Notes and Coupons: "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".



This Pricing Supplement, under which the Notes described herein (the "Notes") are issued, is supplementary to, and should be read in conjunction with, the Information Memorandum as defined in the Information Memorandum dated 16th March, 2001 (which includes the Information Memorandum Addendum dated 16th March, 2001) issued in relation to the £10,000,000,000 Debt Issuance Programme of Barclays Bank PLC (the "Programme"). The Notes will be issued on the terms of this Pricing Supplement read together with the Information Memorandum. Terms defined in the Information Memorandum have the same meaning in this Pricing Supplement.

This Pricing Supplement does not constitute, and may not 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, and no action is being taken to permit an offering of the Notes or the distribution of this Pricing Supplement in any jurisdiction where such action is required.

*[Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Pricing Supplement.]*

1. Issuer: Barclays Bank PLC
2. [(i) Series Number: [            ]  
 [(ii) Tranche Number: [            ]  
 [If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).]
3. Specified Currency or Currencies: [euro/U.S. dollars/pounds sterling/Japanese yen/Swiss francs/others]
4. Aggregate Principal Amount:  
 [(i) Series: [            ]  
 [(ii) Tranche: [            ]]
5. [(i) Issue Price: [            ] per cent. of the Aggregate Principal Amount [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)]  
 [(ii) Net proceeds: [            ] (Required only for listed issues)]
6. Specified Denomination[s]: [            ]  
 [            ]
7. [(i) Issue Date: [            ]  
 [(ii) Interest Commencement Date (if different from the Issue Date): [            ]]
8. Maturity Date: [specify date or (for Floating Rate Notes) Interest Payment Date falling in the relevant month and year]
9. Interest Basis: [[    ]% Fixed Rate]  
 [[specify reference rate] +/- [    ]% Floating Rate]  
 [Zero Coupon]  
 [Index Linked Interest]  
 [Other (specify)]  
 (further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]  
 [Index Linked Redemption]  
 [Dual Currency]  
 [Partly Paid]  
 [Instalment]  
 [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]  
 [Issuer Call]  
 [(further particulars specified below)]

13. [(i)] Status of the Notes: [Senior/Capital Notes]  
 [(ii)] Condition 3(3) — Deferral of payments to apply (Capital Notes): [Yes/No]
14. Listing: [London/Luxembourg/other (specify)/None]
15. Method of distribution: [Syndicated/Non-syndicated]

**PROVISIONS RELATING TO INTEREST(IF ANY) PAYABLE**

16. Fixed Rate Note Provisions [Applicable/Not Applicable]  
 (If not applicable, delete the remaining subparagraphs 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
- (iii) Fixed Coupon Amount[(s)]: [ ] per [ ] in Principal Amount
- (iv) Broken Amount(s): [Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount[(s)]]
- (v) Other terms relating to the method of calculating interest for Fixed Rate Notes (including Day Count Fraction): [Not Applicable/give details] (Actual/Actual – ISMA basis or 30/360 or specify other. If on an Actual/Actual – ISMA basis, specify an Interest Payment Date.)
17. Floating Rate Note Provisions [Applicable/Not Applicable]  
 (If not applicable, delete the remaining subparagraphs of this paragraph. Also consider whether EURO BBA LIBOR or EURIBOR is the appropriate reference rate.)
- (i) Specified Period(s)/Specified Interest Payment Dates: [ ]
- (ii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
- (iii) Additional Business Centre(s): [ ]
- (iv) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/other (give details)]
- (v) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Agent Bank): [ ]
- (vi) Screen Rate Determination:
- Reference Rate: [ ]
- Interest Determination Date(s): [ ]
- Relevant Screen Page: [ ]
- (vii) ISDA Determination:
- Floating Rate Option: [ ]

					— Designated Maturity:	[ ]
					— Reset Date:	[ ]
					(viii) Margin(s):	[ +/– ] [ ] per cent. per annum
					(ix) Minimum Rate of Interest:	[ ] per cent. per annum
					(x) Maximum Rate of Interest:	[ ] per cent. per annum
					(xi) Day Count Fraction:	[ ]
					(xii) 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:	
18.	Zero Coupon Note Provisions					
					(i) [Amortisation/Accrual] Yield:	[ ] per cent. per annum
					(ii) Reference Price:	[ ]
					(iii) Any other formula/basis of determining	[ ]
					amount payable:	
19.	Index Linked Interest Note Provisions					
					(i) Index/Formula:	[ ]
					(ii) Calculation Agent responsible for	[ ]
					calculating the interest due:	
					(iii) Provisions for determining Coupon	[ ]
					where calculation by reference to Index	
					and/or Formula is impossible or	
					impracticable:	
					(iv) Specified Period(s)/Specified Interest	[ ]
					Payment Dates:	
					(v) Business Day Convention:	
					[Floating Rate Convention/Following Business	
					Day Convention/Modified Following Business	
					Convention/Preceding Business Day Convention/	
					other (give details)]	
					(vi) Additional Business Centre(s):	[ ]
					(vii) Minimum Rate of Interest:	[ ] per cent. per annum
					(viii) Maximum Rate of Interest:	[ ] per cent. per annum
					(ix) Day Count Fraction:	[ ]
20.	Dual Currency Note Provisions					
					(i) Rate of Exchange/method of calculating	[ ]
					Rate of Exchange:	
					(ii) Calculation Agent, if any, responsible for	[ ]
					calculating the principal and/or interest	
					due:	



- (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**

21. 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) and method, if any, of calculation of such amount(s): [       ]
  - (iii) If redeemable in part:
    - (a) Minimum Redemption Amount: [       ]
    - (b) Maximum Redemption Amount: [       ]
  - (iv) Notice period (if other than as set out in the Conditions): [       ]
22. 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) and method, if any, of calculation of such amount(s): [       ]
  - (iii) Notice period (if other than as set out in the Conditions): [       ]
23. Final Redemption Amount [Par/other/see Appendix]
24. Early Redemption Amount [       ]
- Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions):

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

25. Form of Notes: Temporary Global Note exchangeable for a Permanent Global Note [which is exchangeable for Definitive Notes on [       ] days' notice in the following circumstances:  
[       ]]
26. Additional Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/give details. Note that this item relates to the place of payment, and not interest period end dates, to which item 17(iii) relates]
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. Redenomination, renominatisation and reconventioning provisions: [Not Applicable/The provisions annexed to this Pricing Supplement apply]
31. Consolidation provisions: [Not Applicable/The provisions annexed to this Pricing Supplement apply]
32. Other terms or special conditions: [Not Applicable/give details]

#### DISTRIBUTION

33. (i) If syndicated, names of Managers: [Not Applicable/give names]  
(ii) Stabilising Manager (if any): [Not Applicable/give name]
34. If non-syndicated, name of Dealer: [Not Applicable/give name]
35. Additional selling restrictions: [Not Applicable/give details]

#### OPERATIONAL INFORMATION

36. ISIN Code: [ ]
37. Common Code: [ ]
38. Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
39. Delivery: Delivery [against/free of] payment
40. Additional Paying Agent(s) (if any): [ ]

#### [LISTING APPLICATION

This Pricing Supplement comprises the details required to list the issue of Notes described herein pursuant to the listing of the £10,000,000,000 Debt Issuance Programme of Barclays Bank PLC.]

#### RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

By:

.....  
Duly authorised

## 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 relevant Pricing Supplement(s), will be incorporated by reference in each Global Note and which will be attached to or endorsed on the Definitive Notes (if any) issued in exchange for the Global Note representing each Tranche, details of the relevant Tranche being as set out in the relevant Pricing Supplement. The Pricing Supplement 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 of Notes (as defined below) issued pursuant to the Debt Issuance Programme (the "Programme") established by Barclays Bank PLC (the "Bank" or the "Issuer"), Barclays Overseas Capital Corporation B.V. ("BOCC") and Barclays Overseas Investment Company B.V. ("BOIC") on 10th October, 1995 and is constituted by a Trust Deed dated 10th October, 1995, as amended and restated on 8th October, 1997, as supplemented by a First Supplemental Trust Deed dated 29th October, 1998 and by a Second Supplemental Trust Deed dated 28th October, 1999, as further modified and restated by a Third Supplemental Trust Deed dated 30th October, 2000 and as further modified and restated by a Fourth Supplemental Trust Deed dated 16th March, 2001 (as so amended, restated, modified and supplemented and as further amended, restated, modified and/or supplemented from time to time, the "Trust Deed") each between, *inter alios*, the Bank and Royal & Sun Alliance Trust Company Limited (formerly called Sun Alliance Trust Company Limited) (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 amended and restated on 16th March, 2001 (as amended or supplemented from time to time, the "Agency Agreement") made between, *inter alios*, the Bank, 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 paying agent(s) appointed in respect of any Notes, the "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), each named therein, and the Trustee. The initial 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 during normal business hours at the office for the time being of the Trustee (being at 16th March, 2001 Phoenix House, 18 King William Street, London EC4N 7HE) and at the specified office of each of the Paying Agents appointed from time to time pursuant to the terms of the Agency Agreement. The holders for the time being of Notes (the "Noteholders") and 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 the Agency Agreement applicable to them.

The term "Notes" means debt instruments, by whatever name called, issued under the Programme. 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 a pricing supplement (each, a "Pricing Supplement"), a copy of which will be attached to or endorsed on each Note of such Tranche. The Pricing Supplement 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 Pricing Supplement" are to the Pricing Supplement attached hereto or endorsed hereon. Subject as set out in the relevant Pricing Supplement, 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

#### (a) Form

The Notes of this Series are in bearer form serially numbered.

The Notes are either Senior Notes or Capital Notes, as specified in the relevant Pricing Supplement. In addition, the Notes are issued in any one or more of the following forms as specified in the relevant Pricing Supplement: (i) Notes bearing interest on a fixed rate basis ("Fixed Rate

Notes”); (ii) Notes bearing interest on a floating or variable rate basis (“Floating Rate Notes”); (iii) Notes issued on a non-interest bearing basis (“Zero Coupon Notes”); (iv) 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”); (v) 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 Pricing Supplement (“Index Linked Notes”); (vi) Notes the principal amount of which is repayable by instalments (“Instalment Notes”); and (vii) 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 Notes, if so specified in the relevant Pricing Supplement, 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 Pricing Supplement, 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.

(b) Denomination

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

(c) Title

Title to the Notes and Coupons shall pass by delivery.

To the extent permitted by law, the Issuer, each Paying Agent, the Agent Bank and the Trustee 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 notice of any trust or previous loss or theft thereof) for the purpose of making payment and for all other purposes.

## 2. Currency

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

## 3. Status and Subordination

(1) 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.

(2) Capital Notes

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 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.

(3) Capital Notes: Deferral of Payments

In the case of Capital Notes in relation to which this Condition 3(3) is specified in the relevant Pricing Supplement as applying, the Issuer shall be entitled, 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 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 3(3). The Issuer may not give a Deferral Notice except in circumstances where the United Kingdom Financial Services Authority (the "Financial Services Authority") 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 the Financial Services Authority 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 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 14 of any Deferral Notice or Payment Notice.

*NB: In the case of Capital Notes which constitute Tier 3 capital, the Financial Services Authority requires to be notified by a bank if its total eligible capital falls below its target capital requirement and the Financial Services Authority may require deferral of payments of principal and interest in respect of such Notes in such circumstances.*

#### 4. Interest

##### (1) Certain Defined Terms

As used in these Conditions:

"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 4 and/or as specified in the relevant Pricing Supplement.

"Interest Commencement Date" means the date specified as such in the relevant Pricing Supplement.

"Maturity Date" means 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 Pricing Supplement.

##### (2) Interest on Fixed Rate Notes

Unless otherwise provided in the relevant Pricing Supplement, each Fixed Rate Note shall bear interest in accordance with the provisions of this Condition 4(2).

(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 Pricing Supplement, the principal amount for the time being paid up thereon) at the fixed rate or rates per annum specified in the relevant Pricing Supplement 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 Pricing Supplement (each, a "Fixed Interest Payment Date") and on the Maturity Date of such Note if other than a Fixed Interest Payment Date. 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 5) unless, upon due presentation, payment of principal 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 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 Pricing Supplement.

(3) Interest on Floating Rate Notes

Unless otherwise provided in the relevant Pricing Supplement, each Floating Rate Note shall bear interest in accordance with the applicable provisions of this Condition 4(3).

(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 Pricing Supplement, 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. 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 be payable in arrear on either:

- (i) the Specified Interest Payment Date(s) as is/are specified in the relevant Pricing Supplement for such purpose (each, an "Interest Payment Date"); or
- (ii) if no Specified Interest Payment Date(s) is/are specified in the relevant Pricing Supplement for such purpose, each date (each, an "Interest Payment Date") which falls the number of months or other period specified as the Specified Period in the relevant Pricing Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in these Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Pricing Supplement and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any 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 4(3)(b)(ii) above, the Floating Rate Convention, such 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 Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment occurred; or
- (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such 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 Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (4) the Preceding Business Day Convention, such 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 Pricing Supplement; 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, a day on which the Trans-European Automated Real Time Gross Settlement Express Transfer (TARGET) system (the “TARGET System”) is operating.

(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 Pricing Supplement.

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

Where so specified in the relevant Pricing Supplement, 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 inter-bank offered rate (“LIBOR”) or 11.00 a.m. (Brussels time), in the case of the Euro inter-bank offered rate (“EURIBOR”) on the applicable Interest Determination Date (as indicated in the relevant Pricing Supplement) (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 inter-bank 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 Pricing Supplement) 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 Pricing Supplement on Reuters Markets 3000 or Bridge/Telerate (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 (together, the "Treaty") 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 Pricing Supplement.

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

(e) *Rate of Interest: ISDA Basis*

Where so specified in the relevant Pricing Supplement, 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 Pricing Supplement) 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 Pricing Supplement;
- (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 Pricing Supplement; and
- (v) all other terms are as specified in the relevant Pricing Supplement.

"ISDA Definitions" means the 2000 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. (unless otherwise specified in the relevant Pricing Supplement, 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 4(3)(e) applies, the Agent Bank shall determine the Rate of Interest for each Interest Period in accordance with this Condition 4(3)(e).

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

If the relevant Pricing Supplement 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 in respect of



each denomination of 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 the outstanding principal amount (or, in the case of a Partly Paid Note unless otherwise specified in the relevant Pricing Supplement, the principal amount for the time being paid up thereon) of the relevant Note of each denomination, multiplying the product by the Day Count Fraction specified in the relevant Pricing Supplement and rounding the resulting figure to the nearest applicable sub-unit of the currency in which such Note is denominated or, as the case may be, in which such interest is payable (such sub-unit being the smallest size customarily used in the settlement of inter-bank payments of such currency and one half of any such sub-unit being rounded upwards).

“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 Pricing Supplement:

- (i) if “Actual/365” or “Actual/Actual – ISDA” is specified in the relevant Pricing Supplement, 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 Pricing Supplement, the actual number of days in the Calculation Period divided by 365;
- (iii) if “Actual/360” is specified in the relevant Pricing Supplement, 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 Pricing Supplement, 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 Pricing Supplement, 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 an 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 Pricing Supplement, 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 – ISMA” is specified in the relevant Pricing Supplement:
  - (i) 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 (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
  - (ii) 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 Interest Payment Date and any other item determined or calculated by it in accordance with the relevant Pricing Supplement to be notified to the Issuer, the Principal Paying Agent and (in the case of listed Notes) the stock exchange or other relevant authority on which such Notes are for the time being listed or by which they have been admitted to listing 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 Interest Payment Date in accordance with Condition 14 as soon as possible after the determination or calculation thereof. The Interest Amount and the Interest Payment Date so notified in respect of any Notes may subsequently be amended (or appropriate alternative arrangements made 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 stock exchange or other relevant authority on which such Notes are for the time being listed or by which they have been admitted to listing.

(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 Pricing Supplement, 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 4(3) and, where applicable, the relevant Pricing Supplement, 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 4(3)(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 4 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 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 Paying Agents or any of them in connection with the exercise or non-exercise by them of their powers, duties and discretions hereunder.

(4) *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 Pricing Supplement.

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.

#### (5) Zero Coupon Notes

Unless otherwise specified in the relevant Pricing Supplement, 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 Pricing Supplement. 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.

### 5. Redemption and Purchase

#### (a) Redemption at Maturity

Unless previously redeemed or purchased and cancelled and subject as otherwise specified in the relevant Pricing Supplement, 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 Pricing Supplement) on their Maturity Date.

#### (b) Redemption for Taxation Reasons

Subject to paragraph (i) of this Condition 5, 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 6 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 14 (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 Pricing Supplement) 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 5(b) 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 (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.

#### (c) Redemption at the Option of the Issuer

Where so specified in the relevant Pricing Supplement and subject to paragraph (i) of this Condition 5, 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 Pricing Supplement, on giving (in accordance with Condition 14) not less than 30 nor more than 60 days' notice (or such other period as is specified in the relevant Pricing Supplement) 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 Pricing Supplement 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 Pricing Supplement) together with, in the case of Notes bearing interest, interest accrued thereon to the date fixed for redemption. Upon the expiry of such notice of redemption, the Issuer shall be bound to redeem such Notes accordingly.

If such Notes are to be redeemed in part only on any date in accordance with this paragraph (c), the 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 stock exchange on which such Notes may be listed.

(d) Redemption at the Option of Noteholders

Where so specified in the relevant Pricing Supplement, Notes of this Series are redeemable at the option of Noteholders (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 Pricing Supplement, 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 Pricing Supplement) 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 Pricing Supplement (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 any Paying Agent together with a duly completed redemption notice in the form which is available from the specified office of any of the 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 (b) or (c) of this Condition 5 and any exercise of the first-mentioned option in such circumstances shall have no effect.

(e) 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 Pricing Supplement 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.

(f) 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 Pricing Supplement.

(g) Purchases

Subject to paragraph (i) of this Condition 5 and to the requirements (if any) of any stock exchange on which the Notes of this Series may for the time being be listed, 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 re-sell 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.

(h) Cancellation

All Notes redeemed or, where applicable, finally redeemed pursuant to this Condition 5 shall, and all Notes purchased by the Issuer pursuant to this Condition 5 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 Paying Agent through which they are redeemed or, where applicable, finally redeemed or by the Principal Paying Agent to which they are surrendered for cancellation. All Notes redeemed or purchased and cancelled as aforesaid may not be re-issued or re-sold.

(i) Restriction on Optional Redemption and Purchases

In the case of 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 the Auditors (as defined in the Trust Deed) 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 8.

*N.B. In the case of any Capital Note, under the practice of the Financial Services Authority prevailing as at 16th March, 2001, no redemption (prior to its stated maturity date) or purchase of any such Note pursuant to this Condition 5 may be made without the prior written consent of the Financial Services Authority.*

## 6. Taxation

Except as otherwise specified in the relevant Pricing Supplement, all payments of principal and 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 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 8(1)(a)(i) or Condition 8(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 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 imposed on a payment to an individual and is required to be made pursuant to any European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26th-27th November, 2000 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 Paying Agent in a member state of the EU.

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 8(1)(a)(i) or Condition 8(2)(a), the date on which the relevant Withheld Amount falls due for payment under Condition 8(3)(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 14.

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 6 or pursuant to any undertakings given in addition thereto or in substitution therefor pursuant to the Trust Deed;
  - (ii) the redemption amount payable on such Notes on their Maturity Date;
  - (iii) the redemption amount payable on redemption of such Notes prior to such Maturity Date;
- and

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

Any reference in these Conditions to 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 8(3)(c)) and any additional amounts which may be payable with respect to interest under this Condition 6 or pursuant to any undertakings given in addition thereto or in substitution therefor pursuant to the Trust Deed.

## 7. Payments and Talons

Payments of principal and interest (if any) in respect of Notes will (subject as provided below) 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 Note or, in the case of payments of interest, surrender of the relevant Coupon at the specified office of any Paying Agent outside the United States (subject to the next sub-paragraph). Subject as otherwise specified in the relevant Pricing Supplement, 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 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 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 6.

Payments of amounts due in respect of interest on Notes and exchanges of Talons for Coupon sheets will not be made at the specified office of any 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 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 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.

If the date for payment of any amount in respect of any Note or Coupon 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 9) 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:
  - (A) the relevant place of presentation;
  - (B) London;
  - (C) any Additional Financial Centre specified in the applicable Pricing Supplement; 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, a day on which the TARGET System is operating.

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.

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 ten years from the Relevant Date (as defined in Condition 6) for the payment of such principal, whether or not such Coupon has become void pursuant to Condition 9 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 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 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 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 9. 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.

## **8. Default and Enforcement**

(1) The provisions of this Condition 8(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 Pricing Supplement) 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 (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 against the Issuer to enforce payment.

(2) The provisions of this Condition 8(2) shall have effect in relation to any Series of 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 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.
- (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) 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 (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 Pricing Supplement) together with accrued interest as provided in the Trust Deed.

- (d) No remedy against the Issuer other than the institution of the proceedings referred to in paragraph (2)(a) or, as the case may be, (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.

Subject to applicable law, none of the holders of such Notes or the Coupons (if any) appertaining thereto may exercise or claim as against the Issuer any right of set-off, or analogous right, in respect of any amount owed to such holder by the Issuer under or in respect of such Notes or Coupons and each holder of such Notes or Coupons shall, by virtue of the acquisition or holding of any such Note or Coupon by such holder, be deemed to have waived all such set-off or analogous rights.

(3) The provisions of this Condition 8(3) shall have effect in relation to any Series of Senior or Capital Notes:

- (a) The Trustee shall not be obliged to take any of the actions referred to in paragraph (1)(a) or (b) above or in paragraph 2(a), (b) or (c) 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 paragraph (1)(b) above or in paragraph (2)(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) that the Trustee would have been entitled so to do in respect of his Notes and/or Coupons.
- (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 14 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 paragraph (1)(a)(i) above or paragraph (2)(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 paragraph (1)(a)(i) above or, as the case may be, paragraph (2)(a) above this date shall be the due date for such sums. The obligations of the Issuer under this paragraph (3)(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 6. 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.

## 9. Prescription

Notes and Coupons will become void unless presented for payment within a period of ten years and five years, respectively, from the Relevant Date (as defined in Condition 6) 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 or the 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 9 or Condition 7 or any Talon which would be void pursuant to Condition 7.

#### **10. Paying Agents and Agent Bank**

The Agency Agreement contains provisions indemnifying the 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 to vary or terminate the appointment of any Paying Agent or the Agent Bank and to appoint additional or other 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 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 Financial Services Authority in its capacity as the competent authority under the Financial Services Act 1986 for listing in the United Kingdom ("UK Listing Authority") and traded on London Stock Exchange plc's market for listed securities, shall be London and (iii) at least one Paying Agent located in a jurisdiction which has opted for exchange of information, rather than withholding or deduction, pursuant to any European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting on 26th-27th November, 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive.

#### **11. 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 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.

#### **12. 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 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 effective as if it were an Extraordinary Resolution duly passed at a meeting.

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 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 insofar 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 14.

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.

### 13. Further issues

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 Pricing Supplement 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.

### 14. Notices

(a) All notices to the holders of 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 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 Noteholder 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 Paying Agent at its specified office.

#### **15. 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.

#### **16. 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.

#### **17. Governing Law**

The Trust Deed, the Notes, the Coupons (if any) and the Talons (if any) are governed by, and shall be construed in accordance with, English law.

In the case of a substitution under Condition 12, 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 insofar 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 Notes will be used in the conduct of the business of the Bank and its subsidiaries (the "Group").

## UNITED KINGDOM TAXATION

*The following is a summary of the current United Kingdom taxation treatment of the Notes. It is not exhaustive. It relates only to the position of persons who are the absolute beneficial owners of their Notes and Coupons and may not apply to certain classes of Noteholders, such as dealers in securities. Noteholders who are in any doubt as to their tax position should consult their professional advisers.*

1. Under provisions contained in the United Kingdom Finance Act 2000, United Kingdom withholding tax (including withholding by issuers, paying and collecting agents) has been abolished in relation to interest payments made (or, in the case of collecting agents, received) on or after 1st April, 2001 on notes issued by companies where those notes are and continue to be listed on a "recognised stock exchange", as defined in section 841 of the Income and Corporation Taxes Act 1988 ("ICTA") (the London Stock Exchange is so recognised). In addition, the Finance Act 2000 introduced new provisions which enable the United Kingdom Inland Revenue to obtain information about United Kingdom savings income of all individuals and, in certain circumstances, to exchange taxpayer information with the tax authorities of other jurisdictions. Interest on Notes issued by the Bank ("UK Notes") having a maturity of less than one year (and which are not issued with such a maturity date pursuant to any arrangement, the effect of which is to render such Note part of a borrowing for a total term of one year or more) may also be paid without withholding or deduction for or on account of United Kingdom income tax. If UK Notes are not listed on a "recognised stock exchange" unless the interest on UK Notes is paid by the Bank while it continues to be a "bank" within the meaning of section 840A of ICTA in the ordinary course of its business for the purposes of section 349 of ICTA, or is paid under another exception to the withholding requirement, interest on UK Notes will be paid under deduction of United Kingdom income tax at the lower rate (currently 20 per cent.) subject to any direction to the contrary by the Inland Revenue under an applicable double tax treaty.

2. The interest on UK Notes will have a United Kingdom source. The profit realised on any disposal (which includes redemption) of any UK Note issued at an issue price of less than the amount payable on redemption is chargeable to United Kingdom income tax but does not attract United Kingdom withholding (see further paragraph 5 below). However, neither such profit nor interest received without deduction or withholding is chargeable to United Kingdom tax in the hands of a Noteholder who is not resident for tax purposes in the United Kingdom unless the Noteholder carries on a trade, profession or vocation in the United Kingdom through a branch or agency in the United Kingdom in connection with which the interest or profit is received or to which the UK Notes are attributable. There are certain exceptions for income received by specified categories of agent (such as some brokers and investment managers).

3. Where interest on UK Notes 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 an applicable double taxation treaty.

4. The provisions relating to additional payments referred to in Condition 6 of "Conditions of the Notes" would not apply if the Inland Revenue sought to assess the person entitled to the relevant interest or (where applicable) profit on any discounted Note directly to United Kingdom income tax. However, exemption from or reduction of such United Kingdom tax liability might be available under an applicable double taxation treaty.

5. For Noteholders chargeable to United Kingdom income tax, rather than corporation tax, Notes issued at an issue price of less than the amount payable on redemption may constitute "relevant discounted securities" for the purposes of section 102 and Schedule 13 of the Finance Act 1996. In such case, a Noteholder may (subject to paragraph 2 above) be liable to United Kingdom income tax on the profit (the amount by which any sum payable on the transfer or redemption of the Note exceeds its acquisition price, less certain costs) realised on any disposal of the Note (which includes redemption). Noteholders will not normally be subject to any United Kingdom withholding tax on any such profit.

6. Notes denominated other than in sterling may be "qualifying assets" for the purposes of the United Kingdom's provisions relating to the taxation of foreign exchange gains and losses (the "FOREX provisions"). A corporate Noteholder which is within the charge to United Kingdom corporation tax may, depending on the movement of the currency in which the Notes are denominated against the "local currency" of the Noteholder, realise an income gain or loss taxable on an accruals basis for United Kingdom tax purposes for each accounting period during which Notes are held, notwithstanding that there has been no disposal of the Notes.

7. For corporate Noteholders within the charge to United Kingdom corporation tax, Notes will normally constitute “qualifying corporate bonds” within section 117 of the Taxation of Chargeable Gains Act 1992, whether or not denominated in sterling. Such corporate Noteholders will normally recognise any gain or loss for corporation tax purposes under the “loan relationship” rules in the Finance Act 1996. Under these rules, all profits, gains and losses, measured and recognised in accordance with an authorised accounting method, are taxed or relieved as income. Corporate Noteholders within the charge to United Kingdom corporation tax are charged to tax in each accounting period on interest by reference either to interest accrued in that period or on a mark to market basis.

8. Index Linked Notes might, depending on their terms, fall outside the FOREX provisions, and might, depending on their terms, also fall outside the “loan relationship” rules except in relation to interest (which will be charged to United Kingdom corporation tax in each accounting period by reference to interest accrued in that period). In such a case, Index Linked Notes will be taxed under the United Kingdom’s rules for the taxation of chargeable gains. Accordingly, on a disposal or redemption of such Notes, United Kingdom corporate taxpayers may realise a chargeable gain or an allowable loss for the purposes of the United Kingdom’s provisions for the taxation of chargeable gains.

9. For Noteholders who are within the charge to United Kingdom income tax, Notes denominated in currencies other than sterling will not normally constitute “qualifying corporate bonds”. Accordingly, on a disposal or redemption of such Notes, such Noteholders may realise a chargeable gain or an allowable loss for United Kingdom capital gains tax purposes. Notes which are denominated in currencies other than sterling which are “relevant discounted securities” within the meaning of Schedule 13 of the Finance Act 1996 and Notes denominated in sterling will be “qualifying corporate bonds”, in which case no chargeable gains and no allowable losses will arise for the purposes of taxation of capital gains.

10. A transfer of Notes by a non-corporate Noteholder resident or ordinarily resident in the United Kingdom or a Noteholder who carries on a trade in the United Kingdom through a branch or agency to which the Notes are attributable, may give rise to a charge to United Kingdom income tax in respect of an amount representing interest on the Notes which has accrued since the preceding interest payment date.

#### **Proposed EU Directive on the Taxation of Savings Income**

The European Union is currently considering proposals for a new directive regarding the taxation of savings income. Subject to a number of important conditions being met, it is proposed that Member States will be 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 an individual resident in that other Member State, subject to the right of certain Member States to opt instead for a withholding system for a transitional period in relation to such payments.

## PLAN OF DISTRIBUTION

Subject to the terms and conditions set out in the Distribution Agreement dated 10th October, 1995, as amended and restated on 16th March, 2001 (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 Issuers to all or any of Barclays Bank PLC, BNP Paribas, Dresdner Bank Aktiengesellschaft, Goldman Sachs International, Lehman Brothers International (Europe), Merrill Lynch International, J.P. Morgan Securities Ltd., Morgan Stanley & Co. International Limited, Salomon Brothers International Limited and UBS AG, acting through its business group UBS Warburg (the "Dealers"). The Issuer has reserved the right, however, to sell Notes directly on its own behalf to Purchasers which are not Dealers, provided that any such sales are made upon the terms of the Distribution Agreement. Notes so purchased under the Distribution Agreement may be re-sold at prevailing market prices, or at prices related thereto, at the time of such re-sale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer 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 Issuer will pay each relevant Dealer a commission, to be agreed from time to time and depending on maturity, in respect of Notes sold to or through it.

The 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 the Issuer or, in relation to itself and the Issuer only, 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 United States Securities Act of 1933, as amended (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 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.

Notes in bearer form (other than any Notes issued with an initial maturity of 365 days or less) 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 U.S. persons, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and the regulations thereunder.

Each Dealer has represented and agreed 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 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 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 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, 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.

Each issue of Index Linked Notes shall be subject to such additional U.S. selling restrictions as the 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.

*United Kingdom:* Each Dealer has represented and agreed that:

- (a) it has not offered or sold and will not offer or sell to persons in the United Kingdom (i) any Notes having a maturity of one year or greater in respect of which admission to listing in accordance with Part IV of the Financial Services Act 1986 (the "Act") is to be sought, prior to admission of such Notes to such listing or (ii) prior to the expiry of the period of six months from the date of issue, any Notes having a maturity of one year or greater in respect of which admission to such listing is not sought, except, in each case, to persons

- whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the POS Regulations or, in the case of Notes in respect of which admission to such listing is to be sought, the Act;
- (b) it has complied and will comply with all applicable provisions of the Act with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom; and
  - (c) it has only issued or passed on and will only issue or pass on in the United Kingdom any document received by it in connection with any issue of Notes, other than any document which consists of or any part of listing particulars, supplementary listing particulars or any other document required or permitted to be published by listing rules under Part IV of the Act, to a person who is of a kind described in Article 11(3) of the Financial Services Act 1986 (Investment Advertisements)(Exemptions) Order 1996 or is a person to whom such document may otherwise lawfully be issued or passed on.

*Federal Republic of Germany:* Each Dealer has confirmed that it is aware of the fact that no German selling prospectus (*Verkaufsprospekt*) has been or will be published in respect of the Programme and that it will comply with the Securities Selling Prospectus Act (the "1998 Act") of the Federal Republic of Germany (*Wertpapier-Verkaufsprospektgesetz*) of 9th September, 1998, as amended. In particular each Dealer has undertaken not to engage in public offering (*Öffentliches Anbieten*) in the Federal Republic of Germany with respect to any Notes issued under the Programme otherwise than in accordance with the 1998 Act and any other legislative act replacing or supplementing the 1998 Act and all other applicable laws and regulations.

*The Republic of France:* Each Dealer has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in the Republic of France and that offers and sales of Notes in the Republic of France will be made only to qualified investors (*investisseurs qualifiés*) and/or a restricted circle of investors (*cercle restreint d'investisseurs*) in accordance with Article 6 of the *ordonnance* dated 28th September, 1967, as amended (the "Ordonnance") and *décret* no. 98-880 dated 1st October, 1998 (the "Decree"). Investors in the Republic of France may only participate in the Issue of the Notes for their own account in accordance with the conditions set out in such Decree. In the case of a restricted circle of investors, such investors must, to the extent that the Notes are offered to 100 or more of such investors, provide certification as to their personal association, of a professional or personal nature, with a member of the management of the Issuer.

In addition, each Dealer has represented and agreed that it has not distributed or caused to be distributed and will not distribute or cause to be distributed in the Republic of France the Information Memorandum or any other offering material relating to any Notes issued under the Programme other than to those investors to whom offers and sales of the Notes may be made as described above.

*Japan:* The Notes have not been and will not be registered under the Securities and Exchange Law of Japan (the "Securities and Exchange Law"). Each Dealer has represented and agreed that in connection with the initial issue of each Tranche of Notes and thereafter, 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 accordance with, the Securities and Exchange Law and other relevant laws and regulations of Japan. 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:* Other than with respect to the listing of Notes on the relevant stock exchange, no action has been or will be taken in any country or jurisdiction by the Issuer 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 Information Memorandum or any Pricing Supplement comes are required by the Issuer 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 such 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 Issuer. Any such supplement or modification will be set out in the relevant Pricing Supplement (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 Information Memorandum.

The 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 listing particulars for submission to the UK Listing Authority and at any time during the duration of the Programme the Issuer becomes aware that (a) there has been a significant change affecting any matter contained in the listing particulars published in connection with the listing of any of the Notes whose inclusion was required by Section 146 of the Financial Services Act 1986 or by the listing rules made by the UK Listing Authority or otherwise; or (b) a significant new matter has arisen the inclusion of information in respect of which would have been so required if it had arisen when the listing particulars were prepared, the Issuer shall give to each Dealer full information about such change or matter and shall publish supplementary listing particulars as may be required by the UK Listing Authority, and shall otherwise comply with Sections 147 and 149 of the Financial Services Act 1986 and the listing rules in that regard and shall supply to each Dealer such number of copies of the supplementary listing particulars 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 size and renewal of the Programme on or around 16th March, 2001 was authorised by a resolution of a duly constituted Committee of the Board of Directors of the Bank passed on 13th March, 2001.

2. The listing of a Series of Notes on the Official List will be expressed as a percentage of their principal amount (exclusive of accrued interest, if any). The admission of the Notes to the Official List of the UK Listing Authority and to trading on the London Stock Exchange's market for listed securities is expected to be granted on or around 20th March, 2001 for a period of 12 months. Any Series of Notes intended to be listed will be admitted to the Official List upon submission to the UK Listing Authority of the relevant Pricing Supplement and any other information required by the UK Listing Authority, subject to the issue of the Global Note representing Notes of that Series. If such Global Note is not issued, the issue of such Notes may be cancelled. Prior to official listing and 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 are not listed or which will be listed on one or more other stock exchanges.

3. The Notes may be accepted for clearance through the Clearstream, Luxembourg and Euroclear systems. The common code for each Series of Notes allocated by Clearstream, Luxembourg and Euroclear will be contained in the relevant Pricing Supplement, 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 Pricing Supplement shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

4. Each Note, Receipt, Coupon and Talon will bear the following legend: "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".

**SECRETARY AND REGISTERED OFFICE**

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