

## GSSP BASE PROSPECTUS 5



### BARCLAYS BANK PLC

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

### Pursuant to the Global Structured Securities Programme

#### What is this document?

This document (the "**Base Prospectus**") constitutes a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (and amendments thereto), (the "**Prospectus Directive**") and is one of a number of prospectuses which relate to the Global Structured Securities Programme (the "**Programme**").

This Base Prospectus is valid for one year and may be supplemented from time to time to reflect any significant new factor, material mistake or inaccuracy relating to the information included in it.

#### What type of Securities does this Base Prospectus relate to?

This particular Base Prospectus ("**GSSP Base Prospectus 5**") relates to the issuance of securities (the "**Securities**"), which upon maturity will pay a redemption amount that is linked to the change in value of one or more specified warrants which may fluctuate up or down depending on the performance of one or more specified reference assets.

The Securities will not bear interest.

#### Who is the Issuer?

The Securities will be issued by Barclays Bank PLC (the "**Issuer**") which means that payments of principal are subject to the Issuer's financial position and its ability to meet its obligations. This Base Prospectus contains information describing the Issuer's business activities as well as certain financial information and material risks faced by the Issuer.

#### How do I use this Base Prospectus?

This Base Prospectus, together with certain other documents listed within, is intended to provide investors with information necessary to enable them to make an informed investment decision before purchasing any Securities.

The contractual terms of any particular issuance of Securities will be comprised of the terms and conditions set out at pages 59 – 81 of this Base Prospectus (the "**General Conditions**"), as completed by a separate Final Terms document, which is specific to that issuance of Securities (the "**Final Terms**").

The General Conditions are comprised of five sections (A to E):

- Sections A (INTRODUCTION), B (FORM, TITLE, TRANSFER, CALCULATIONS AND PAYMENTS UNDER THE SECURITIES) and E (GENERAL PROVISIONS) are generic provisions that apply to Securities generally;
- Section C (FINAL REDEMPTION) contains certain optional provisions that will only apply to certain issuances of Securities. The applicable Final Terms document will specify which conditions from Section C apply to your Securities.
- Section D (WARRANT TERMINATION EVENTS) applies to all Securities.

The provisions from Section C that are specified to be applicable in the Final Terms will contain the relevant economic terms applicable to your Securities. General Condition 7 will specify how the redemption amount is calculated upon maturity.

Worked examples of hypothetical Securities are set out in the section called 'How the return on your investment is calculated' which explains how the calculations in Section C of the General Conditions will be made.

This Base Prospectus also includes other general information such as information relating to the Issuer, information about the material risks relating to investing in Securities and information on selling and transfer restrictions.

All capitalised terms used will be defined in this Base Prospectus or the Final Terms and are set out in the Index to this Base Prospectus.

### **What other documents do I need to read?**

This Base Prospectus contains all information which is necessary to enable investors to make an informed decision regarding the financial position and prospects of the Issuer and the rights attaching to the Securities. Some of this information is incorporated by reference from other publicly available documents and some of this information is completed in an issue-specific document called the Final Terms. You should read the documents incorporated by reference, as well as the Final Terms in respect of such Securities, together with this Base Prospectus.

Documents will be made available at the registered office of the Issuer and at <http://www.barclays.com/InvestorRelations/DebtInvestors>.

### **What information is included in the Final Terms?**

While this Base Prospectus includes general information about all Securities, the Final Terms is the document that sets out the specific details of each particular issuance of Securities.

The Final Terms will contain, for example:

- the issue date;
- the scheduled redemption date; and
- any other information needed to complete the terms of this Base Prospectus (identified by the words "as specified in the Final Terms" or other equivalent wording).

Wherever the General Conditions provide optional provisions, the Final Terms will specify which of those provisions apply to a specific issuance of Securities.

### **What type of Underlying Assets may the Securities be linked to?**

The repayment terms of the Securities issued under this Base Prospectus will be linked to movements in the change in value of one or more specified warrants (each an "**Underlying Warrant**") which may fluctuate up or down depending on the performance of one or more reference assets (each an "**Underlying Warrant Reference Asset**"), each specified warrant together with the relevant specified underlying reference asset(s), being an "**Underlying Asset**".

As the Securities are linked to movements in the change in value of one or more specified warrants, they are 'derivative securities' for the purposes of the Prospectus Directive.

The Issuer will also be the issuer of the Underlying Warrants. The Underlying Warrant Reference Asset(s) may be (i) one or more specified equity indices, common shares, depository receipts and/or exchange traded funds; or (ii) one or more specified commodities and/or commodity indices, as may be specified in the terms and conditions of the relevant series of Underlying Warrants.

The Final Terms will indicate where information relating to the Underlying Warrant(s) and the Underlying Warrant Reference Assets is available. It is recommended that investors review such information together with the Final Terms and this Base Prospectus.



**10 June 2013**

## IMPORTANT INFORMATION

**THE TERMS AND CONDITIONS OF SOME SECURITIES WILL PROVIDE THAT THE AMOUNT REPAYABLE ON MATURITY MAY BE LESS THAN THE ORIGINAL INVESTED AMOUNT (AND IN SOME CASES MAY BE ZERO), IN WHICH CASE INVESTORS MAY LOSE SOME OR ALL OF THEIR ORIGINAL INVESTMENT.**

**FOR ALL SECURITIES, IF THE ISSUER BECOMES INSOLVENT OR BANKRUPT OR OTHERWISE FAILS TO MAKE ITS PAYMENT OBLIGATIONS ON THE SECURITIES, INVESTORS WILL LOSE SOME OR ALL OF THEIR ORIGINAL INVESTMENT.**

**INVESTING IN SECURITIES INVOLVES CERTAIN RISKS, AND INVESTORS SHOULD FULLY UNDERSTAND THESE BEFORE THEY INVEST. SEE "RISK FACTORS" ON PAGES 23 TO 43 OF THIS BASE PROSPECTUS.**

### **No Investment Advice**

Neither this Base Prospectus nor any Final Terms is or purports to be investment advice. Unless expressly agreed otherwise with a particular investor, neither the Issuer nor any Manager is acting as an investment adviser, providing advice of any other nature, or assuming any fiduciary obligation to any investor in Securities.

### **Responsibility and Consent**

The Issuer accepts responsibility for the information contained in this Base Prospectus and any Final Terms. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Base Prospectus and any Final Terms is in accordance with the facts and contains no omission likely to affect the import of such information.

Certain tranches of Securities may, subject as provided below, be subsequently resold, placed or otherwise offered by financial intermediaries in circumstances where there is no exemption from the requirement to publish a prospectus under the Prospectus Directive. Any such resale, placement or offer is referred to in this Base Prospectus as a "**Public Offer**".

The Issuer consents to the use of this Base Prospectus and Final Terms (and accepts responsibility for the information contained in this Base Prospectus and Final Terms) with respect to any Public Offer of Securities which satisfies all of the following conditions:

- (i) the Public Offer is only made in respect of the tranche of Securities specified in the Final Terms;
- (ii) the Public Offer is only made in the United Kingdom;
- (iii) the Public Offer is only made during the offer period specified in the Final Terms (the "**Offer Period**"); and
- (iv) the Public Offer is made by a financial intermediary (an "**Authorised Offeror**") which either:
  - (a) is expressly named as an Authorised Offeror in the Final Terms; or
  - (b) such other financial intermediary whose name and address is published on the Issuer's website (<http://www.barclays.com/InvestorRelations/DebtInvestors>); or
  - (c) any financial intermediary which is authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2004/39/EC) and satisfies all of the "Other conditions for use of this Prospectus by the Authorised Offeror(s)" set out in the Final Terms.

The consent referred to above relates to Offer Periods occurring within 12 months from the date of this Base Prospectus.

The Issuer may give consent to one or more additional Authorised Offerors in respect of a Public Offer after the date of the Final Terms, discontinue or change the Offer Period, and/or remove or add

conditions to consent and, if it does so, such information will be published at <http://www.barclays.com/InvestorRelations/DebtInvestors>. Any new information with respect to Authorised Offerors unknown at the time of the approval of this Base Prospectus or the filing of the Final Terms will be published and can be found at <http://www.barclays.com/InvestorRelations/DebtInvestors>.

Neither the Issuer nor any Manager has any responsibility for any of the actions of any Authorised Offeror, including their compliance with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to an offer.

Other than as set out above, neither the Issuer nor any of the Managers has authorised (nor do they authorise or consent to the use of this Base Prospectus in connection with) the making of any public offer of the Securities by any person in any circumstances. Any such unauthorised offers are not made on behalf of the Issuer or any of the Managers or Authorised Offerors and none of the Issuer or any of the Managers or Authorised Offerors has any responsibility or liability for the actions of any person making such offers. Investors should enquire whether a financial intermediary is an Authorised Offeror. If an investor is offered Securities by a person or entity which is not an Authorised Offeror, the investor should check with such person or entity whether any entity is responsible for this Base Prospectus for the purposes of section 90 of the Financial Services and Markets Act 2000 (as amended from time to time, "FSMA") in the context of an offer of Securities to the public. If the investor is in doubt about whether it can rely on this Base Prospectus and/or who is responsible for its contents, it should take legal advice.

No person has been authorised to give any information or to make any representation not contained in or inconsistent with this Base Prospectus or any Final Terms. If given or made, it must not be relied upon as having been authorised by the Issuer or any Manager. The Issuer does not accept responsibility for any information not contained in this Base Prospectus or any Final Terms.

**In the event of an offer being made by an Authorised Offeror, the Authorised Offeror will provide information to investors on the terms and conditions of the offer at the time the offer is made.**

**Any offer or sale of Securities to an investor by an Authorised Offeror will be made in accordance with any terms and other arrangements in place between such Authorised Offeror and such investor including as to price, allocations and settlement arrangements. Where such information is not contained in this Base Prospectus or Final Terms, it will be the responsibility of the applicable financial intermediary at the time of such offer to provide the investor with that information and neither the Issuer, nor any Manager or other Authorised Offeror has any responsibility or liability for such information.**

**Any Authorised Offeror using this Base Prospectus in connection with a Public Offer as set out above is required, for the duration of the relevant Offer Period, to publish on its website that it is using this Base Prospectus for such Public Offer in accordance with the consent of the Issuer and the conditions attached thereto.**

### **Ratings**

The credit ratings included or referred to in this Base Prospectus, any Final Terms or any document incorporated by reference are, for the purposes of Regulation (EC) No 1060/2009 on credit rating agencies (the "CRA Regulation") issued by Fitch Ratings Limited ("Fitch"), Moody's Investors Service Ltd. ("Moody's") and Standard & Poor's Credit Market Services Europe Limited ("Standard & Poor's"), each of which is established in the European Union and has been registered under the CRA Regulation.

As of the date of this Base Prospectus, the short term unsecured obligations of the Issuer are rated A-1 by Standard & Poor's, P-1 by Moody's, and F1 by Fitch and the long-term obligations of the Issuer are rated A+ by Standard & Poor's, A2 by Moody's, and A by Fitch.

### **Independent Evaluation**

Nothing set out or referred to in this Base Prospectus is intended to provide the basis of any credit or other evaluation (except in respect of any purchase of Securities described herein) or should be

considered as a recommendation by the Issuer or any Manager that any recipient of this Base Prospectus (or any document referred to herein) should purchase any Securities.

Investors should not purchase the Securities unless they understand the extent of their exposure to potential loss. Investors are urged to read the factors described in the section headed "*Risk Factors*", together with the other information in this Base Prospectus (including any information incorporated by reference), as supplemented from time to time, and the Final Terms, before investing in the Securities.

Investors should note that the risks described in the section headed "*Risk Factors*" are not the only risks that the Issuer faces or that may arise because of the nature of the Securities. The Issuer has described only those risks relating to its operations and to the Securities that it considers to be material. There may be additional risks that the Issuer currently considers not to be material or of which it is not currently aware.

Given the nature, complexity and risks inherent in the Securities (and investments relating to any Underlying Assets), the Securities may not be suitable for an investor's investment objectives in the light of his or her financial circumstances. Investors should consider seeking independent advice to assist them in determining whether the Securities are a suitable investment for them or to assist them in evaluating the information contained or incorporated by reference into this Base Prospectus or set out in the Final Terms.

### **CREST Depository Interests ("CDIs")**

None of the Issuer or any Manager or Agent makes any representation or warranty as to the tax consequences of an investment in CDIs and/or the tax consequences of the acquisition, holding, transfer or disposal of CDIs by any investor (including, without limitation, whether any stamp duty, stamp duty reserve tax, excise, severance, sales, use, transfer, documentary or any other similar tax, duty or charge may be imposed, levied, collected, withheld or assessed by any government, applicable tax authority or jurisdiction on the acquisition, holding, transfer or disposal of CDIs by any investor). Whilst the attention of investors is drawn to the section entitled "*Taxation*", the tax consequences for each investor in CDIs can be different. Therefore, investors and counterparties should consider consulting with their tax advisers as to their specific consequences, including, in particular, whether United Kingdom stamp duty reserve tax will be payable on transfers of CDIs in uncertificated form within CREST.

### **U.S. foreign account tax compliance withholding**

**THE FOREIGN ACCOUNT TAX COMPLIANCE ACT ("FATCA") IS PARTICULARLY COMPLEX AND ITS APPLICATION TO THE ISSUER, THE SECURITIES AND THE INVESTORS IS UNCERTAIN AT THIS TIME. INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISERS TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO LEARN HOW THIS LEGISLATION MIGHT AFFECT EACH INVESTOR IN HIS OR HER PARTICULAR CIRCUMSTANCE, INCLUDING HOW THE FATCA RULES MAY APPLY TO PAYMENTS RECEIVED UNDER THE SECURITIES.**

### **Change of Circumstances**

Neither the delivery of this Base Prospectus or any Final Terms, nor any sale of Securities pursuant thereto shall create any impression that information therein relating to the Issuer is correct at any time subsequent to the date thereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same (the foregoing being without prejudice to the Issuer's obligations under applicable rules and regulations).

### **Representations**

In connection with the issue and sale of Securities, no person has been authorised to give any information or to make any representation not contained in or consistent with this Base Prospectus and the Final Terms and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer. The Issuer does not accept responsibility for any information not contained in this Base Prospectus and the Final Terms. This document does not constitute, and may not be used for the purposes 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 offering or

solicitation and no action is being taken to permit an offering of the Securities or the distribution of this Base Prospectus in any jurisdiction where action is required.

### **Regulatory approval and passporting for the purposes of the EU Prospectus Directive**

This Base Prospectus has been approved by the United Kingdom Financial Conduct Authority (the "FCA") in its capacity as competent authority in the United Kingdom (the "UK Listing Authority") as a base prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom for the purpose of giving information with regard to the issue of Securities under the Programme on and during the period of twelve months after the date hereof.

The contents of this Base Prospectus have not been reviewed or approved by any regulatory authority other than the UK Listing Authority.

### **Listing and Admission to Trading**

Applications may be made for the listing of Securities on the Official List of the UK Listing Authority and for the admission to trading on the Regulated Market of the London Stock Exchange plc (the "London Stock Exchange").

### **Distribution**

The distribution or delivery of this Base Prospectus or any Final Terms and any offer or sale of Securities in certain jurisdictions may be restricted by law. This document does not constitute, and may not be used for the purposes 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 offering or solicitation. Other than as expressly described in this Base Prospectus, no action is being taken to permit an offering of Securities or the delivery of this Base Prospectus in any jurisdiction. Persons into whose possession this Base Prospectus or any Final Terms come are required by the Issuer to inform themselves about and to observe any such restrictions.

Subject to the restrictions and conditions set out in this Base Prospectus, the categories of potential investors to which the Securities are intended to be offered are retail and institutional investors in the United Kingdom.

Details of selling restrictions for various jurisdictions are set out in the section headed "*Purchase and Sale*".

### **United States Selling Restrictions**

The Securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States. The Securities are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S ("**Regulation S**") under the Securities Act.

The Securities may be in the form of Bearer Securities that are not Cleared Securities and therefore subject to U.S. tax law requirements. Subject to certain exceptions, Securities may not be offered, sold or, in the case of Bearer Securities, delivered within the United States or to U.S. persons (as defined in Regulation S under the Securities Act) or, in the case of a Bearer Security that is not a Cleared Security, to, or for the account or benefit of, U.S. persons (as defined in the U.S. Internal Revenue Code of 1986, as amended, and the regulations thereunder).

For a description of these and certain further restrictions on offers, sales and transfers of Securities and delivery of this Base Prospectus and any Final Terms, see "*Purchase and Sale*" and "*Clearance, Settlement and Transfer Restrictions*" herein.

THE SECURITIES HAVE NOT BEEN AND WILL NOT BE APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF SECURITIES OR THE ACCURACY OR THE ADEQUACY OF

THE OFFERING DOCUMENTS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.



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## SUMMARY

Summaries are made up of disclosure requirements known as 'elements'. These elements are numbered in sections A – E (A.1 – E.7).

This Summary contains all the elements required to be included in a summary for these types of securities and issuer. Because some elements are not required to be addressed, there may be gaps in the numbering sequence of the elements.

Even though an element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the element. In this case a short description of the element is included in the summary after the words 'not applicable'.

<b>Section A – Introduction and Warnings</b>		
<b>A.1</b>	<b>Introduction and Warnings</b>	<p>This Summary should be read as an introduction to the Base Prospectus. Any decision to invest in Securities should be based on consideration of the Base Prospectus as a whole, including any information incorporated by reference, and read together with the Final Terms.</p> <p>Where a claim relating to the information contained in the Base Prospectus is brought before a court, the plaintiff might, under the national legislation of the relevant Member State of the European Economic Area, have to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.</p> <p>No civil liability shall attach to any responsible person solely on the basis of this Summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus or it does not provide, when read together with the other parts of the Base Prospectus, key information in order to aid investors when considering whether to invest in the Securities.</p>
<b>A.2</b>	<b>Consent by the Issuer to the use of prospectus in subsequent resale or final placement of Securities, indication of offer period and conditions to consent for subsequent resale or final placement, and warning</b>	<p>The Issuer may provide its consent to the use of the Base Prospectus and Final Terms for subsequent resale or final placement of Securities by financial intermediaries, provided that the subsequent resale or final placement of Securities by such financial intermediaries is made during the offer period specified in the Final Terms. Such consent may be subject to conditions which are relevant for the use of the Base Prospectus.</p> <p><b>[[Specific] [General] Consent:</b> The Issuer consents to the use of the Base Prospectus and the Final Terms with respect to the subsequent resale or final placement of Securities (a "<b>Public Offer</b>") which satisfies all of the following conditions:</p> <p>(a) the Public Offer is only made in the United Kingdom;</p> <p>(b) the Public Offer is only made during the period from and including [●], to but excluding, [●] (the "<b>Offer Period</b>"); [and]</p> <p>(c) the Public Offer is only made by [each financial intermediary whose name is published on the Issuer's website (<a href="http://www.barclays.com/InvestorRelations/DebtInvestors">http://www.barclays.com/InvestorRelations/DebtInvestors</a>) and identified as an authorised offeror for these Securities] [the following financial [intermediary] [intermediaries]: [●]] [any financial intermediary which is authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2004/39/EC)] ([each] an "<b>Authorised Offeror</b>") [; and]</p> <p>(d) [●]</p>

		<p><b>Information on the terms and conditions of an offer by any Authorised Offeror is to be provided at the time of that offer by the Authorised Offeror.]</b></p> <p>[Not applicable; the Issuer does not consent to the use of the Base Prospectus for subsequent resales.]</p>
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<b>Section B - Issuer</b>		
<b>B.1</b>	<b>Legal and commercial name of the Issuer</b>	The Securities are issued by Barclays Bank PLC (the " <b>Issuer</b> ")
<b>B.2</b>	<b>Domicile and legal form of the Issuer, legislation under which the Issuer operates and country of incorporation of Issuer</b>	The Issuer is a public limited company registered in England and Wales. The Issuer was incorporated on 7 August 1925 under the Colonial Bank Act 1925 and, on 4 October 1971, was registered as a company limited by shares under the Companies Act 1948 to 1967. Pursuant to The Barclays Bank Act 1984, on 1 January 1985, the Issuer was re-registered as a public limited company.
<b>B.4b</b>	<b>Known trends affecting the Issuer and industries in which the Issuer operates</b>	<p>The business and earnings of the Issuer and its subsidiary undertakings (together, the "<b>Group</b>") can be affected by the fiscal or other policies and other actions of various governmental and regulatory authorities in the UK, EU, US and elsewhere, which are all subject to change. The regulatory response to the financial crisis has led and will continue to lead to very substantial regulatory changes in the UK, EU and US and in other countries in which the Group operates. It has also (amongst other things) led to (i) a more assertive approach being demonstrated by the authorities in many jurisdictions; and (ii) enhanced capital and liquidity requirements (for example pursuant to the Capital Requirements Directive 4). Any future regulatory changes may restrict the Group's operations, mandate certain lending activity and impose other, significant compliance costs.</p> <p>Known trends affecting the Issuer and the industry in which the Issuer operates include:</p> <ul style="list-style-type: none"> <li>• continuing political and regulatory scrutiny of the banking industry which is leading to increased or changing regulation that is likely to have a significant effect on the industry;</li> <li>• general changes in regulatory requirements, for example, prudential rules relating to the capital adequacy framework and rules designed to promote financial stability and increase depositor protection;</li> <li>• the US Dodd-Frank Wall Street Reform and Consumer Protection Act, which contains far reaching regulatory reform (including restrictions on proprietary trading and fund-related activities (the so-called "<b>Volcker rule</b>"));</li> <li>• recommendations by the Independent Commission on Banking that: (i) the UK and EEA retail banking activities of a UK bank or building society should be placed in a legally distinct, operationally separate and economically independent entity (so-called 'ring-fencing'); and (ii) the loss-absorbing capacity of ring-fenced banks and UK-headquartered global systemically important banks (such as the Issuer) should be increased to</li> </ul>

		<p>levels higher than the Basel 3 proposals;</p> <ul style="list-style-type: none"> <li>investigations by the Office of Fair Trading into Visa and MasterCard credit and debit interchange rates, which may have an impact on the consumer credit industry;</li> <li>investigations by regulatory bodies in the UK, EU and US into submissions made by the Issuer and other panel members to the bodies that set various interbank offered rates such as the London Interbank Offered Rate ("<b>LIBOR</b>") and the Euro Interbank Offered Rate ("<b>EURIBOR</b>"); and</li> <li>changes in competition and pricing environments.</li> </ul>
<b>B.5</b>	<b>Description of group and Issuer's position within the group</b>	<p>The Group is a major global financial services provider.</p> <p>The whole of the issued ordinary share capital of the Issuer is beneficially owned by Barclays PLC, which is the ultimate holding company of the Group.</p>
<b>B.9</b>	<b>Profit forecast or estimate</b>	Not Applicable; the Issuer has chosen not to include a profit forecast or estimate.
<b>B.10</b>	<b>Nature of any qualifications in audit report on historical financial information</b>	Not Applicable; the audit report on the historical financial information contains no such qualifications.
<b>B.12</b>	<b>Selected key financial information; No material adverse change and no significant change statements</b>	<p>Based on the Group's audited financial information for the year ended 31 December 2012, the Group had total assets of £1,490,747 million (2011: £1,563,402 million), total net loans and advances of £466,627 million (2011: £478,726 million), total deposits of £462,806 million (2011: £457,161 million), and total shareholders' equity of £62,894 million (2011: £65,170 million) (including non-controlling interests of £2,856 million (2011: £3,092 million)). The profit before tax from continuing operations of the Group for the year ended 31 December 2012 was £99 million (2011: £5,974 million) after credit impairment charges and other provisions of £3,596 million (2011: £3.802 million). The financial information in this paragraph is extracted from the audited consolidated financial statements of the Issuer for the year ended 31 December 2012.</p> <p>There has been no material adverse change in the prospects of the Issuer or the Group since 31 December 2012.</p> <p>There has been no significant change in the financial or trading position of the Issuer or the Group since 31 December 2012.</p>
<b>B.13</b>	<b>Recent events particular to the Issuer which are materially relevant to the evaluation of Issuer's solvency</b>	<p>On 6 December 2012, the Issuer announced that it had agreed to combine the majority of its Africa operations (the "<b>Portfolio</b>") with Absa Group Limited ("<b>Absa</b>"). The proposed combination is to be effected by way of an acquisition by Absa of the Portfolio for a consideration of 129,540,636 Absa ordinary shares (representing a value of approximately £1.3 billion). As a result of the transaction, the Issuer's stake in Absa will increase from 55.5 per cent. to 62.3 per cent.</p> <p>On 9 October 2012, the Issuer announced that it had agreed to acquire the deposits, mortgages and business assets of ING Direct UK. Under the terms of the transaction, the Issuer will acquire a deposit book with balances of £10.9 billion and a mortgage book with outstanding balances</p>

		<p>of £5.6 billion (as at 31 August 2012).</p> <p>On 22 May 2012, the Issuer announced that it had agreed to dispose of the Issuer's entire holding in BlackRock, Inc. ("<b>BlackRock</b>") pursuant to an underwritten public offer and a partial buy-back by BlackRock. On disposal, the Issuer received net proceeds of approximately US \$5.5 billion (£3.5 billion).</p> <p>On 12 February 2013, the Issuer announced the outcome of a strategic review. As a result of certain commitments made in the review, the Group incurred a restructuring charge of approximately £154 million in the first quarter of 2013 and expects to incur costs associated with implementing the restructuring plan of £1 billion in 2013, £1 billion in 2014 and £0.7 billion in 2015.</p>
<b>B.14</b>	<b>Dependency of Issuer on other entities within the group</b>	<p>The whole of the issued ordinary share capital of the Issuer is beneficially owned by Barclays PLC, which is the ultimate holding company of the Group.</p> <p>The financial position of the Issuer is dependent on the financial position of its subsidiary undertakings.</p>
<b>B.15</b>	<b>Description of Issuer's principal activities</b>	<p>The Group is a major global financial services provider engaged in retail and commercial banking, credit cards, investment banking, wealth management and investment management services with an extensive international presence in Europe, United States, Africa and Asia.</p>
<b>B.16</b>	<b>Description of whether the Issuer is directly or indirectly owned or controlled and by whom and nature of such control</b>	<p>The whole of the issued ordinary share capital of the Issuer is beneficially owned by Barclays PLC, which is the ultimate holding company of the Issuer and its subsidiary undertakings.</p>

<b>Section C - Securities</b>		
<b>C.1</b>	<b>Type and class of securities being offered</b>	<p>Securities described in this Summary (the "<b>Securities</b>") are derivative securities and are issued as notes.</p> <p>The Securities will not bear interest.</p> <p>If the Securities have not redeemed early they will redeem on the scheduled redemption date and the amount paid will be a redemption amount that is linked to the change in value of one or more specified warrants which may fluctuate up or down depending on the performance of the reference asset(s) to which they are linked.</p> <p>Securities will be cleared through a clearing system and may be held in bearer form. Certain Securities may be in dematerialised and uncertificated book-entry form. Title to cleared Securities will be determined by the books of the relevant clearing system.</p> <p>Securities will be issued in one or more series (each a "<b>Series</b>") and each Series may be issued in tranches (each a "<b>Tranche</b>") on the same or different issue dates. The Securities of each Series are intended to be interchangeable with all other Securities of that Series. Each Series will</p>

		<p>be allocated a unique Series number and an identification code.</p> <p>The Securities are transferable obligations of the Issuer that can be bought and sold by investors in accordance with the terms and conditions set out in the Base Prospectus as completed by the final terms document (the "<b>Final Terms</b>").</p> <p><b>Form:</b> [The Securities will initially be issued in global bearer form and may be exchanged for definitive securities if the clearing system ceases doing business, or if the Issuer fails to make payments when due.] [Interests in the Securities will be constituted through the issuance of dematerialised depository interests ("<b>CDIs</b>"), issued held, settled and transferred through Euroclear UK &amp; Ireland Limited (formerly known as CRESTCO Limited) ("<b>CREST</b>").]</p> <p><b>Identification:</b> Series Number: [●]; Tranche Number: [●]</p> <p><b>Identification Codes:</b> ISIN Code: [●]; Common Code: [●].</p> <p><b>Governing Law:</b> The Securities will be governed by English law.</p>
C.2	Currency	<p>Subject to compliance with all applicable laws, regulations and directives, Securities may be issued in any currency.</p> <p>The Securities will be denominated in [pounds sterling ("<b>GBP</b>")][Euro ("<b>EUR</b>")][United States dollars ("<b>USD</b>")][●].</p>
C.5	Description of restrictions on free transferability of the Securities	<p>With respect to the United States, Securities offered and sold outside the United States to non-US persons in reliance on 'Regulation S' must comply with transfer restrictions. Securities held in a clearing system will be transferred in accordance with the rules, procedures and regulations of that clearing system.</p> <p>Subject to the above, the Securities will be freely transferable.</p>
C.8	Description of rights attached to the Securities and limitations of those rights; ranking of the Securities	<p><b>Price:</b> Securities will be issued at 100% of par. The minimum denomination will be the calculation amount in respect of which redemption amounts will be calculated.</p> <p><b>Status:</b> Securities are direct, unsubordinated and unsecured obligations of the Issuer and rank equally among themselves.</p> <p><b>Taxation:</b> All payments in respect of the Securities shall be made without withholding or deduction for or on account of any taxes imposed by the Issuer's country of incorporation (or any authority or political subdivision thereof or therein) unless such withholding or deduction is required by law. In the event that any such withholding or deduction is required by law, the Issuer will, save in limited circumstances, be required to pay additional amounts to cover the amounts so withheld or deducted.</p> <p><b>Additional Disruption Events:</b> If there is a change in applicable law, a currency disruption, an extraordinary market disruption or a tax event affecting the Issuer's ability to fulfil its obligations under the Securities, the terms of the Securities may be adjusted and/or the Securities may be redeemed early, without the consent of investors.</p> <p><b>Consequences of a Warrant Termination Event:</b> If there is (i) a cancellation or termination of one or more of the Underlying Warrants (other than by scheduled exercise or automatic exercise pursuant to its terms) or (ii) a specified early cancellation event in respect of the</p>

		<p>Underlying Warrants, the Securities shall be redeemed early.</p> <p><b>Events of default:</b> If the Issuer fails to make any payment due under the Securities or breaches any other provision of the Securities (and, in each case, such failure is not remedied within 30 days) or the Issuer is subject to a winding-up order, the Securities will become immediately due and payable, upon notice being given by the holder.</p> <p><b>Unlawfulness:</b> If the Issuer determines that the performance of any of its obligations under the Securities has become unlawful the Securities may be redeemed early at the option of the Issuer.</p> <p>In each case, the amount due in respect of the Calculation Amount for each Security will be an amount determined by the Determination Agent in good faith and in a commercially reasonable manner on the same basis as that which would have determined the amount due on final redemption except that the final value in respect of any Underlying Warrant shall be its value as of the day on which the disruption or termination event, event of default or unlawfulness, as the case may be, occurs.</p> <p><b>Meetings:</b> The Securities contain provisions for investors to call and attend meetings to vote upon proposed amendments to the terms of the Securities or to pass a written resolution in the absence of such a meeting. These provisions permit defined majorities to approve certain amendments that will bind all holders, including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority.</p> <p>The issue price of the Securities is 100 per cent. of par [The [minimum] denomination of each Security is [●].]</p>
C.11	<b>Listing and admission to trading</b>	<p>Securities may be listed and admitted to trading on a regulated market in the United Kingdom.</p> <p>[Application [has been/is expected to be] made by the Issuer to list the Securities on the official list of the UK Listing Authority and admit the Securities to trading on the regulated market of the London Stock Exchange] with effect from [●].]</p> <p>[Not applicable; the Securities are not intended to be listed or admitted to trading.]</p>
C.15	<b>Description of how the value of the investment is affected by the value of the underlying instrument</b>	<p>Payments of principal are determined by [●] as "<b>Determination Agent</b>" by reference to the change in value of [●] Warrants issued by Barclays Bank PLC (ISIN: [●]; Series Number: [●]) [and [●] Warrants issued by Barclays Bank PLC (ISIN: [●]; Series Number: [●])] ([the/each an] "<b>Underlying Warrant</b>") which may fluctuate up or down depending on the performance of [●] ([the/each an] "<b>Underlying Warrant Reference Asset</b>"). A decrease in the value of the Underlying Warrant[s] which is due in turn to the performance of the Underlying Warrant Reference Asset[s] will reduce the redemption amount payable on the Securities. The value of the Underlying Warrant[s] will be published on each Business Day on [●]. Details of the past and future performance and the volatility of the Underlying Warrant Reference Asset[s] may be obtained from [●].</p>
C.16	<b>Expiration or maturity date of the securities</b>	<p>The Securities are scheduled to redeem on the scheduled redemption date. Such scheduled redemption date may be delayed if the determination of any value used to calculate an amount payable under the Securities is delayed (including where the valuation of any Underlying</p>



		<p>Warrant is delayed in accordance with its terms).</p> <p>[The scheduled redemption date of the Securities will be [●].]</p>
C.17	<b>Settlement Procedure</b>	<p>Securities will be delivered on the specified issue date either against payment of the issue price or free of payment of the issue price of the Securities. Securities may be cleared and settled through Euroclear, Clearstream or CREST.</p> <p>[Securities will be delivered on [●] (the "<b>Issue Date</b>") [against payment] [free of payment] of the issue price of the Securities].</p> <p>[The Securities are cleared and settled through [Euroclear/Clearstream/CREST/[●].]</p> <p>[Interests in the Securities will be constituted through the issuance of CDIs, issued, held, settled and transferred through CREST, representing interests in the Securities underlying the CDIs. CDIs are independent securities under English law and will be issued by [●]. Holders of CDIs will not be entitled to deal in the Securities directly and all dealings in the Securities must be effected through CREST in relation to the holding of CDIs.]</p>
C.18	<b>Description of how the return on derivative Securities takes place</b>	<p>The return on, and value of, the Securities will be linked to changes in the value of the Underlying Warrant[s], the value of which is dependent on the performance of the Underlying Warrant Reference Asset[s].</p> <p><b>Interest</b></p> <p>The Securities will not bear interest.</p> <p><b>Final Redemption</b></p> <p>[The Securities are scheduled to redeem on [●] by payment by the Issuer of an amount in [GBP][EUR][USD][●] for each [GBP][EUR][USD][●] [●] in nominal amount of the Securities equal to an amount determined by the Determination Agent in good faith and in a commercially reasonable manner as [●] multiplied by an amount equal to the [sum of the values] [value] of the Underlying Warrant[s] on [●], being the final valuation date, divided by the [sum of the values] [value] of the Underlying Warrant[s] on [●], being the initial valuation date, the final valuation date being subject to certain delay provisions if any relevant date for valuation is delayed in accordance with the terms of the Underlying Warrant[s].</p> <p>The greater the value of the Underlying Warrant[s] on the final valuation date (as compared to the value of the Underlying Warrant[s] on the initial valuation date), the greater the redemption amount payable on the Securities. If the [sum of the values] [value] of the Underlying Warrant[s] on the final valuation date falls below the [sum of the values] [value] of the Underlying Warrant[s] on the initial valuation date the final redemption amount will be less than the amount invested and could be as low as zero.</p> <p>No weighting is applied as, although the Securities relate to more than one Underlying Warrant, the amount payable on redemption is determined by reference to the sum of the values of all the relevant Underlying Warrants without adjustment.</p> <p><b>Early Redemption</b></p> <p>Securities may at the option of the Issuer (in the case of (i) or (ii)) or</p>

		shall (in the case of (iii)) be redeemed earlier than the scheduled redemption date (i) if performance becomes unlawful, (ii) following the occurrence of a change in applicable law, a currency disruption event, an extraordinary market disruption or a tax event affecting the Issuer's ability to fulfil its obligations under the Securities) or (iii) following the occurrence of (a) the cancellation or termination of [one or more of] the Underlying Warrant[s] (other than by scheduled exercise or automatic exercise pursuant to its terms) or (b) a specified early cancellation event in respect thereof.
<b>C.19</b>	<b>Final reference price of underlying</b>	<p>The amount payable in respect of the Securities will be calculated using the value of the Underlying Warrant[s] on [●] (the initial valuation date) and the value of the Underlying Warrant[s] on [●] (the final valuation date).</p> <p>The value of the Underlying Warrant[s] on the final valuation date will be determined by the Determination Agent taking into account the applicable cash or physical settlement amount[s] (as applicable) due on exercise of such Underlying Warrant[s].</p>
<b>C.20</b>	<b>Type of underlying</b>	<p>Securities issued under the Base Prospectus will be derivative securities, reflecting the fact that the repayment of the Securities will be linked to one or more underlying warrants, the value of which may fluctuate up or down depending on the performance of one or more specified reference assets.</p> <p>[Amounts payable on redemption of the Securities will be determined by reference to [●] ((ISIN: [●]) [and [●] ((ISIN: [●])]. [Information on [●] [and [●]] can be found on [●][●][●][ and at www.[●].]</p>

**Section D – Risks**

<b>D.2</b>	<b>Key information on the key risks that are specific to the Issuer</b>	<p><b>Credit Risk:</b> The Issuer is exposed to the risk of suffering loss if any of its customers, clients or market counterparties fails to fulfil its contractual obligations. The Issuer may also suffer loss where the downgrading of an entity's credit rating causes a fall in the value of the Issuer's investment in that entity's financial instruments.</p> <p>Weak or deteriorating economic conditions negatively impact these counterparty and credit-related risks. In recent times, the economic environment in the Issuer's main business markets (being Europe and the United States) have been marked by generally weaker than expected growth, increased unemployment, depressed housing prices, reduced business confidence, rising inflation and contracting GDP. Operations in the Eurozone remain affected by the ongoing sovereign debt crisis, the stresses being exerted on the financial system and the risk that one or more countries may exit the Euro. The current absence of a predetermined mechanism for a member state to exit the Euro means that it is not possible to predict the outcome of such an event and to accurately quantify the impact of such event on the Issuer's profitability, liquidity and capital. If some or all of these conditions persist or worsen, they may have a material adverse effect on the Issuer's operations, financial condition and prospects.</p> <p><b>Market risk:</b> The Issuer may suffer financial loss if the Issuer is unable to adequately hedge its balance sheet. This could occur as a result of low market liquidity levels, or if there are unexpected or volatile changes in interest rates, credit spreads, commodity prices, equity prices and/or</p>
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		<p>foreign exchange rates.</p> <p><b>Liquidity risk:</b> The Issuer is exposed to the risk that it may be unable to meet its obligations as they fall due as a result of a sudden, and potentially protracted, increase in net cash outflows. These outflows could be principally through customer withdrawals, wholesale counterparties removing financing, collateral posting requirements or loan draw-downs.</p> <p><b>Capital risk:</b> The Issuer may be unable to maintain appropriate capital ratios, which could lead to: (i) an inability to support business activity; (ii) a failure to meet regulatory requirements; and/or (iii) credit ratings downgrades. Increased regulatory capital requirements and changes to what constitutes capital may constrain the Issuer's planned activities and could increase costs and contribute to adverse impacts on the Issuer's earnings.</p> <p><b>Legal and Regulatory-related risk:</b> Non-compliance by the Issuer with applicable laws, regulations and codes relevant to the financial services industry could lead to fines, public reprimands, damage to reputation, increased prudential requirements, enforced suspension of operations or, in extreme cases, withdrawal of authorisations to operate.</p> <p><b>Reputation Risk:</b> Reputational damage reduces – directly or indirectly – the attractiveness of the Issuer to stakeholders and may lead to negative publicity, loss of revenue, litigation, regulatory or legislative action, loss of existing or potential client business, reduced workforce morale, and difficulties in recruiting talent. Sustained reputational damage could have a materially negative impact on the Issuer's licence to operate and the value of the Issuer's franchise, which in turn could negatively affect the Issuer's profitability and financial condition.</p> <p><b>Infrastructure Resilience, Technology and Cyberspace risk:</b> The Issuer is exposed to risks from cyberspace to its systems. If customer or proprietary information held on, and/or transactions processed through these systems, is breached, there could be a materially negative impact on the Issuer's performance or reputation.</p> <p><b>Taxation risk:</b> The Issuer may suffer losses arising from additional tax charges, other financial costs or reputational damage due to: failure to comply with or correctly assess the application of, relevant tax law; failure to deal with tax authorities in a timely, transparent and effective manner; incorrect calculation of tax estimates for reported and forecast tax numbers; or provision of incorrect tax advice.</p>
D.6	<p><b>Risk warning that investors may lose value of entire investment or part of it</b></p>	<p><b>Investors in Securities may lose up to the entire value of their investment: Depending on the performance of the Underlying Assets, the redemption amount payable to investors (whether at maturity or following an early redemption) may be less than the initial purchase price and could be as low as zero.</b> The investor is also exposed to the credit risk of the Issuer and will lose up to the entire value of their investment if the Issuer goes bankrupt or is otherwise unable to meet its payment obligations. Investors may also lose some or all of their investment if:</p> <ul style="list-style-type: none"> <li>• investors sell their Securities prior to maturity in the secondary market at an amount that is less than the initial purchase price;</li> <li>• the Securities are redeemed early for reasons beyond the control of the Issuer (such as following a change in applicable law, a currency disruption event, an extraordinary market disruption, a</li> </ul>

		<p>tax event affecting the Issuer's ability to fulfil its obligations under the Securities, a Warrant Termination Event or the performance of the Issuer's obligations becoming unlawful) and the amount paid to investors is less than the initial purchase price; and/or</p> <ul style="list-style-type: none"> <li>the terms and conditions of the Securities are adjusted (in accordance with the terms and conditions of the Securities) with the result that the redemption amount payable to investors and/or the value of the Securities is reduced.</li> </ul> <p><b>Reinvestment risk / loss of yield:</b> Following an early redemption of the Securities for any reason, investors may be unable to reinvest the redemption proceeds at an effective yield as high as the yield on the Securities being redeemed.</p> <p><b>Volatile market prices:</b> the market value of the Securities is unpredictable and may be highly volatile, as it can be affected by many unpredictable factors, including: market interest and yield rates; fluctuations in currency exchange rates; exchange controls; the time remaining until the Securities mature; economic, financial, regulatory, political, terrorist, military or other events in one or more jurisdictions; changes in laws or regulations; the Issuer's creditworthiness or perceived creditworthiness; and the performance of the relevant Underlying Asset(s).</p> <p><b>Securities are not "principal protected":</b> Upon maturity of the Securities, investors may lose some or all of their capital invested, depending on the performance of the Underlying Asset(s).</p> <p><b>Securities include embedded derivatives that are subject to adjustment:</b> The securities are linked to Underlying Asset(s) which are subject to provisions which provide for adjustments and modifications of their terms and alternative means of valuation of the Underlying Asset(s) in certain circumstances (and which could be exercised by the Issuer in a manner which has an adverse effect on the market value and/or amount repayable in respect of the Securities).</p> <p><b>Risks relating to Underlying Warrants:</b> Investors are exposed to the change in value of the Underlying Warrant(s) which may fluctuate up or down depending on the performance of the Underlying Warrant Reference Asset(s). The performance of the Underlying Warrant Reference Assets may be subject to fluctuations that may not correlate with other similar reference assets. Payments upon redemption will be calculated by the change in value of the Underlying Warrant(s) since [●]. Any information about the past performance of the Underlying Warrant(s) and/or the Underlying Warrant Reference Asset(s) should not be taken as an indication of how prices will change in the future. Investors in Securities linked to Underlying Warrants should also note that the market value of both the Securities and the Underlying Warrants will be affected by the ability, and the perceived ability, of Barclays to fulfil its obligations under the instruments. The impact of any inability, or perceived inability, of Barclays in this regard may be greater in respect of the Securities as the Securities are linked to Underlying Warrants that are issued by Barclays and it may negatively affect both the value of the Underlying Warrant and the value of the Security.</p> <p><b>Risks associated with specific Underlying Warrant Reference Asset(s):</b></p> <p>[As [one of] the Underlying Warrant Reference Asset[s] [is a][are]</p>
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		<p>share[s], investors are exposed to the performance of [common shares] [exchange traded funds] [American depositary receipts] [global depositary receipts] which are dependent upon macroeconomic factors, such as interest and price levels on the capital markets, currency developments and political factors as well as company specific factors such as earnings, market position, risk situation, shareholder structure and distribution policy. This could have an adverse effect on the value of the [relevant] Underlying Warrant which, in turn, will have an adverse effect on the value of the Securities.]</p> <p>[As [one of] the Underlying Warrant Reference Asset[s] [is an][are] equity [index][indices], the Underlying Warrants may be subject to the risk of fluctuations in; market interest rates; currency exchange rates; equity prices; commodity prices; inflation; the value and volatility of the relevant equity index; and also to economic, financial, regulatory, political, terrorist, military or other events in one or more jurisdictions, including factors affecting capital markets generally or the stock exchanges on which any such Underlying Warrants may be traded. This could have an adverse effect on the value of the [relevant] Underlying Warrant which, in turn, will have an adverse effect on the value of the Securities.]</p> <p>[As [one of] the Underlying Warrant Reference Asset[s] is a commodity or a commodity index, investors are exposed to the performance of commodities or commodity indices which are unpredictable. They depend on financial, political, economic and other events and commodity markets may be subject to temporary distortions or other disruptions. This could have an adverse effect on the value of the [relevant] Underlying Warrant which, in turn, will have an adverse effect on the value of the Securities.]</p> <p>[The capital invested in the Securities is at risk. Consequently, investors may lose the value of their entire investment, or part of it.]</p>
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<b>Section E - Offer</b>		
<b>E.2b</b>	<b>Reasons for offer and use of proceeds when different from making profit and/or hedging certain risks</b>	<p>The net proceeds from each issue of Securities will be applied by the Issuer for its general corporate purposes, which includes making a profit and/or hedging certain risks. If the Issuer elects at the time of issuance of Securities to make different or more specific use of proceeds, the Issuer will describe that use in the Final Terms.</p> <p>[Not Applicable; the net proceeds will be applied by the Issuer for making profit and/or hedging certain risks.]</p> <p><b>[Reasons for the offer and use of Proceeds: [●]]</b></p>
<b>E.3</b>	<b>Description of the terms and conditions of offer</b>	<p>The terms and conditions of any offer of Securities to the public maybe determined by agreement between the Issuer and the dealer at the time of each issue.</p> <p>[Not applicable; the Securities have not been offered to the public.]</p> <p>[The Securities are offered subject to the following conditions:</p> <p><b>Offer Price:</b> [The Issue Price][[●]]% of the Issue Price]</p> <p><b>Conditions to which the offer is subject: [●]</b></p> <p><b>Description of the application process: [●]</b></p>

		<p><b>Details of the minimum and/or maximum amount of application:</b> [●]</p> <p><b>Details of the method and time limits for paying up and delivering the Securities:</b> The period from [●] until [●][the Issue Date]/[The date which falls [●] business days thereafter]</p> <p><b>Manner in and date on which results of the offer are to be made public:</b> [●]</p> <p><b>Whether tranche(s) have been reserved for certain countries:</b> [●]</p> <p><b>Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:</b> [●]</p> <p><b>Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:</b> [None] [●]</p>
E.4	<b>Description of any interest material to issue/offer including conflicting interests</b>	<p>The relevant dealers or manager may be paid fees in relation to any issue or offer of Securities. Potential conflicts of interest may exist between the Issuer, Determination Agent, relevant dealers and/or manager or their affiliates (who may have interests in transactions in derivatives related to the Underlying Asset(s) which may, but are not intended to, adversely affect the market price, liquidity or value of the Securities) and investors.</p> <p>[The [dealers/managers] will be paid aggregate commissions equal to [●] per cent of the aggregate nominal amount of the Securities.] [Any [Issuer/dealer/manager] and its affiliates may be engaged, and may in the future engage, in [trading and market-making activities [in the Underlying Warrant[s] [and/or] the Underlying Warrant Reference Asset[s] [and/or] [specify]] [and] [hedging activities with respect to the Securities]] [[The Issuer/An affiliate of the Issuer] is the Determination Agent in respect of the Securities [and the determination agent in respect of the Underlying Warrant[s]].] [Not Applicable; no person involved in the issue or offer has any interest, or conflicting interest, that is material to the issue or offer of Securities.]</p>
E.7	<b>Estimated expenses charged to investor by issuer/offeror</b>	<p>The Issuer will not charge any expenses to investors in connection with any issue of Securities. Offerors may, however, charge expenses to investors. Such expenses (if any) will be determined by agreement between the offeror and the investors at the time of each issue.</p> <p>[Not Applicable; no expenses will be charged to the investor by the issuer or the offeror[s].][The following estimated expenses will be charged to the investor by the offeror[s]: [●] [fees within a range between [●] and [●].].</p>

## **RISK FACTORS**

Investing in Securities involves substantial risks. The risks highlighted below represent the principal risks of investing in Securities. These risks could negatively affect the amount which investors will receive in respect of Securities, potentially resulting in the loss of some or all of their investment.

An investment in the Securities should only be made after assessing these principal risks, including any risks applicable to the relevant Underlying Asset(s). More than one risk factor may have a simultaneous effect with regard to the Securities such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect which may not be predictable. No assurance can be given as to the effect that any combination of risk factors may have on the value of the Securities.

The risks below are not exhaustive and there may be additional risks and uncertainties that are not presently known to the Issuer or that the Issuer currently believes to be immaterial but that could have a material impact on the business operations or financial condition of the Issuer or the price of or return on the Securities.

All capitalised terms that are not defined in this section will have the meanings given to them elsewhere in the Base Prospectus.

### **Contents of the risk factors:**

- 1. Risks relating to the potential loss of investment**
- 2. Risks associated with the valuation, liquidity and settlement of Securities**
- 3. Risks associated with the features of the Securities**
- 4. Risks associated with the Securities being linked to one or more Underlying Asset(s)**
- 5. Risks associated specifically with Warrant Linked Securities**
- 6. Risks associated with specific Underlying Warrant Reference Assets**
- 7. Risks associated with the Issuer's ability to fulfil its obligations under the Securities**
- 8. Risks associated with conflicts of interest**

**1. Risks relating to the potential loss of investment**

**INVESTORS MAY LOSE UP TO THE ENTIRE VALUE OF THEIR INVESTMENT IN THE SECURITIES AS A RESULT OF THE OCCURRENCE OF ANY ONE OR MORE OF THE FOLLOWING EVENTS:**

- (A) THE RELEVANT UNDERLYING ASSET(S) PERFORM IN SUCH A MANNER THAT THE AMOUNT PAYABLE OR DELIVERABLE UPON EXERCISE OF THE UNDERLYING WARRANT(S) IS LESS THAN THE INITIAL PURCHASE PRICE;**
- (B) INVESTORS SELL THEIR SECURITIES PRIOR TO THEIR SCHEDULED REDEMPTION DATE IN THE SECONDARY MARKET AT AN AMOUNT THAT IS LESS THAN THE INITIAL PURCHASE PRICE;**
- (C) THE ISSUER IS SUBJECT TO INSOLVENCY OR BANKRUPTCY PROCEEDINGS OR SOME OTHER EVENT WHICH NEGATIVELY AFFECTS THE ISSUER'S ABILITY TO MEET ITS OBLIGATIONS UNDER THE SECURITIES;**
- (D) THE SECURITIES ARE SUBJECT TO A DISRUPTION EVENT (E.G. A CHANGE OF LAW, A CURRENCY DISRUPTION, AN EXTRAORDINARY MARKET DISRUPTION OR A TAX EVENT) OR A TERMINATION EVENT OCCURS IN RELATION TO THE UNDERLYING WARRANTS OR THE PERFORMANCE OF THE ISSUER'S OBLIGATIONS BECOME UNLAWFUL AND, IN ANY SUCH CASE, THE SETTLEMENT AMOUNT PAYABLE IS LESS THAN THE INITIAL PURCHASE PRICE; AND**
- (E) THE TERMS AND CONDITIONS OF THE SECURITIES ARE ADJUSTED (IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE SECURITIES) WITH THE RESULT THAT THE AMOUNT PAYABLE TO INVESTORS AND/OR THE VALUATION OF THE SECURITIES IS REDUCED.**

**FOLLOWING AN EARLY REDEMPTION OF THE SECURITIES FOR ANY REASON, INVESTORS MAY BE UNABLE TO REINVEST THE REDEMPTION PROCEEDS AT AN EFFECTIVE YIELD AS HIGH AS THE YIELD ON THE SECURITIES BEING REDEEMED.**

**THE OBLIGATIONS OF THE ISSUER UNDER THE SECURITIES ARE NOT SECURED AND THE SECURITIES ARE NOT PROTECTED BY THE FINANCIAL SERVICES COMPENSATION SCHEME OR ANY OTHER GOVERNMENT OR PRIVATE PROTECTION SCHEME.**

**2. Risks associated with the valuation, liquidity and settlement of Securities**

**2.1 Valuation of the Securities: commissions and/or fees**

Investors should be aware that the issue or offer price may include commissions and/or other fees paid by the Issuer to distributors as payment for distribution services, where permitted by law. This can cause a difference between the issue or offer price of the Securities on initial subscription or purchase and any bid and offer prices quoted by the Issuer, any affiliate or any third party in the secondary market. This difference may result in a decrease in the value of Securities, particularly in relation to Securities sold immediately following the relevant issue date or offer period. Information with respect to the amount of these inducements, commissions and fees may be obtained from the Issuer or distributor upon request.

**2.2 Possible illiquidity of the Securities in the secondary market**

Investors should be aware that a secondary trading market for the Securities may not develop and that, even if a secondary market does develop, it is not possible to predict the prices at which the Securities will trade in such secondary market. Such prices may not accurately reflect the theoretical value of the Securities.

The Issuer is under no obligation to make a market in or to repurchase Securities. Therefore, investors may not be able to sell their Securities easily or at prices that will provide them with a yield



comparable to similar investments that have a developed secondary market. The number of Securities of any series may be relatively small, further adversely affecting the liquidity of such Securities.

The Issuer may list Securities on a stock exchange but the fact that Securities are listed will not necessarily lead to greater liquidity. If Securities are not listed or traded on any exchange, pricing information for such Securities may be more difficult to obtain and the liquidity of such Securities may be adversely affected.

The number of Securities outstanding or held by persons other than the Issuer's affiliates could be reduced at any time due to early redemptions of the Securities. Accordingly, the liquidity of the market for the Securities could vary materially over the term of the Securities.

A lack of liquidity in the secondary market for the Securities may have a severely adverse effect on the market value of Securities and may result in investors: (i) being unable to sell their Securities on the secondary market, or (ii) receiving less than the initial price paid for the Securities.

### **2.3 Issue of further Securities**

If additional securities or options with the same characteristics or linked to the same Underlying Asset(s) are subsequently issued, either by the Issuer or another issuer, the supply of securities with such characteristics or linked to such Underlying Asset(s) in the primary and secondary markets will increase and may cause the price at which the relevant Securities trade in the secondary market to decline.

### **2.4 Certain factors affecting the value and trading price of Securities**

The value or quoted trading price of the Securities (including any price quoted by the Issuer or its affiliates) at any time will reflect changes in market conditions and other factors which cannot be predicted in advance, including:

- market interest and yield rates;
- fluctuations in currency exchange rates;
- the time remaining until the Securities mature;
- economic, financial, regulatory, political, terrorist, military or other events in one or more jurisdictions, including events affecting capital markets generally or the stock exchanges on which any Securities may be traded;
- the Issuer's creditworthiness or perceived creditworthiness (whether measured by reference to credit ratings or otherwise); and
- the performance of the relevant Underlying Asset(s).

In addition, during any period when the Issuer may elect to redeem the Securities, and potentially prior to this period, the market value of the Securities will generally not rise above the price at which they can be redeemed.

These changes may affect the market price of the Securities, including any market price received by an investor in any secondary market transaction and may be: (i) different from the value of the Securities as determined by reference to the Issuer's pricing models; and (ii) less than the issue price. As a result, if investors sell their Securities prior to the scheduled redemption date, they may receive back less than their initial investment or even zero.

Any price quoted by a third party dealer may differ significantly from any price quoted by the Issuer or any of its affiliates. Furthermore, investors who sell their Securities are likely to be charged a commission for such secondary market transaction.

## **2.5 Change in tax law**

Investors should be aware that tax regulations and their application by the relevant taxation authorities are subject to change, possibly with retrospective effect, and that this could negatively affect the value of the Securities. Any such change may cause the tax treatment of the Securities to change from the tax position at the time of purchase and may render the statements in this Base Prospectus concerning the relevant tax law and practice to be inaccurate or insufficient to cover the material tax considerations in respect of the Securities. It is not possible to predict the precise tax treatment which will apply at any given time and changes in tax law may give the Issuer the right to amend the terms and conditions of the Securities, or redeem or cancel the Securities.

## **2.6 U.S. Foreign Account Tax Compliance Withholding**

A 30 per cent. withholding tax will be imposed on certain payments to certain non-US financial institutions that fail to comply with information reporting requirements or certification requirements in respect of their direct and indirect United States shareholders and/or United States accountholders. United States accountholders subject to such information reporting or certification requirements may include holders of the Securities. See "*Taxation – United States Taxation*".

## **2.8 Withholding on Dividend Equivalent Payments**

The US Treasury Department has issued proposed regulations under section 871(m) of the U.S. Internal Revenue Code of 1986, as amended which address payments contingent on or determined by reference to dividends paid on US equities. Regulations under section 871(m) could ultimately require the Issuer to treat all or a portion of any payment in respect of the Securities as a 'dividend equivalent' payment that is subject to withholding tax at a rate of 30 per cent. (or a lower rate under an applicable treaty). See '*Taxation – United States Taxation*'.

## **2.9 Proposed Financial Transactions Tax**

On 14 February 2013, the European Commission published its proposal for a council directive on a common system of financial transaction tax ("**FTT**") to be implemented by 11 Member States, including France, Germany, Spain, Italy and Portugal. If all participating Member States implement the council directive in their domestic law by 30 September 2013, it is proposed that the FTT will apply from 1 January 2014. As at the date of this Base Prospectus, the United Kingdom is not one of the 11 Member States that is proposing to introduce the FTT.

Under the current proposals, broadly, FTT will be levied on any financial institution (such as banks, investment service providers, credit institutions and pension funds) party to financial transactions which relate to shares, securities and derivatives (on its own account or for the account of another person) and either (i) such shares, securities or derivatives are issued by or (ii) such financial institution is or (iii) such financial institution is not, but the other party to the financial transaction is, a person established or resident in a participating Member State. Financial transactions do not include primary market transactions (i.e. subscriptions and issuances of Securities under this Base Prospectus) but do include secondary market transactions (i.e. sales and transfers of Securities subscribed or issued under this Base Prospectus). The current proposals also give both counterparties to a financial transaction joint and several liability for FTT levied on any counterparty that is a financial institution.

Potential purchasers of Securities should therefore be aware that some transactions in relation to the Securities subscribed or issued under this Base Prospectus may be subject to FTT from 1 January 2014 and the cost of FTT may be borne by holders of Securities.

## **2.10 UK 'Bail-in' provisions**

On 6 June 2012 the European Commission published a legislative proposal for a directive providing for the establishment of a European-wide framework for the recovery and resolution of credit institutions and investment firms (the 'Recovery and Resolution Directive' or "**RRD**" the stated aim of which is to provide supervisory authorities, including the relevant UK resolution authority, with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimise taxpayers' exposure to losses. The powers proposed to be granted to supervisory authorities, such as the relevant UK resolution authority, under the draft RRD include (but are not limited to) the introduction of a statutory 'bail-in' power, which would give the relevant UK resolution authority the power to

cancel all or a portion of the nominal amount of, or interest due on, the Securities and/or convert all or a portion of the nominal amount or interest due into shares or other securities of the Issuer or any third party. Accordingly, any exercise of any UK bail-in power by the relevant UK resolution authority may result in investors losing all or part of the value of their investment (or receiving shares or a different security from the Securities which may be worth significantly less than the Securities). The relevant UK resolution authority may exercise any of its UK bail-in powers without providing any notice to investors.

As the RRD is still in draft form there is considerable uncertainty regarding the specific factors beyond the goals of addressing banking crises pre-emptively and minimising taxpayers' exposure to losses (for example by writing down relevant capital instruments before the injection of public funds into a financial institution) which the relevant UK resolution authority would consider in deciding whether to exercise the UK bail-in power with respect to the relevant financial institution and/or securities such as the Securities, issued by that institution.

Moreover, as the financial criteria that the relevant UK resolution authority would consider in exercising any UK bail-in power may provide it with discretion, the circumstances under which the relevant UK resolution authority would exercise its proposed UK bail-in powers are currently uncertain and investors may not be able to refer to publicly available criteria in order to anticipate a potential exercise of any such UK bail-in power. Because the RRD is currently in draft form, there is considerable uncertainty regarding the rights that investors may have to challenge the exercise of any UK bail-in power by the relevant UK resolution authority and, when the final RRD rules are implemented in the UK, investors' rights may be limited.

As well as the UK bail-in power, the powers currently proposed to be granted to the relevant UK resolution authority under the draft RRD include the power to (i) direct the sale of the bank or the whole or part of its business on commercial terms without requiring the consent of the shareholders or complying with the procedural requirements that would otherwise apply, (ii) transfer all or part of the business of the bank to a 'bridge bank' (a publicly controlled entity) and (iii) transfer the impaired or problem assets of the relevant financial institution to an asset management vehicle to allow them to be managed over time. There remains significant uncertainty regarding the ultimate nature and scope of these powers and, if ever implemented, how they would affect the Issuer and/or the Securities. Accordingly, it is not yet possible to assess the full impact of the draft RRD on the Issuer and/or investors in Securities, and there can be no assurance that, once it is implemented, the manner in which it is implemented or the taking of any actions by the relevant UK resolution authority currently contemplated in the draft RRD would not adversely affect the rights of holders of the Securities, the price or value of an investment in the Securities and/or the Issuer's ability to satisfy its obligations under the Securities.

## 2.11 Book-entry securities

Investors who hold Securities in dematerialised and/or uncertificated form ("**Book-Entry Securities**") will not be the legal owners of the Securities (the "**Underlying Securities**") referenced by the Book-Entry Securities and may be exposed to additional costs and expenses.

Rights in the Underlying Securities will be held through custodial and depositary links through the relevant clearing systems. This means that investors in Book-Entry Securities:

- will only be able to enforce rights in respect of the Underlying Securities indirectly through the intermediary depositaries and custodians; and
- in the event of any insolvency or liquidation of an intermediary, could receive less than they otherwise would have if they had invested directly in the Underlying Securities.

In addition, investors may incur fees, charges, costs, taxes, duties and/or other expenses and liabilities in connection with the acquisition, delivery, holding, settlement, transfer or disposal of Book-Entry Securities. These expenses and liabilities, which may vary amongst different investors and will depend on the rules and procedures applicable to the relevant Book-Entry Securities, could reduce an investor's return.

### **3. Risks associated with the features of the Securities**

#### **3.1 Determination**

Any determination by the Issuer or, if applicable, an affiliate of the Issuer, in its capacity as Determination Agent will, if exercised in good faith and in a commercially reasonable manner, and in the absence of manifest or proven error, be final and binding on all persons (including, without limitation, the investors), notwithstanding the disagreement of such persons or other financial institutions, rating agencies or commentators. Any determination could adversely affect the value of the Securities.

#### **3.2 Substitution of the Issuer**

In accordance with the terms and conditions of the Securities, the Issuer may be substituted as the principal obligor under any Series of the Securities by any company which has an equivalent rating of long-term unsecured, unsubordinated and unguaranteed debt obligations from an internationally recognised rating agency. This may impact any listing of the Securities and, in particular, it may be necessary for the substituted issuer to reapply for listing on the relevant market or stock exchange on which the Securities are listed. In addition, following such a substitution, investors will become subject to the credit risk of the substitute issuer.

#### **3.3 Amendments to the terms and conditions of the Securities bind all investors in Securities**

The terms and conditions of the Securities may be amended by the Issuer in certain circumstances (such as to cure a manifest or proven error or where the amendment is of a formal, minor or technical nature and/or where such amendment is made to comply either with mandatory provisions of the law of the jurisdiction of incorporation of the Issuer or with the CREST Requirements and/or where such amendment is made to cure any defective provision or will not materially and adversely affect the interests of investors) without the consent of the investors and in certain other circumstances, with the required consent of a defined majority of the investors. The terms and conditions of the Securities contain provisions for investors to call and attend meetings to vote upon such matters or to pass a written resolution in the absence of such a meeting. Resolutions passed at such a meeting, or passed in writing, can bind all investors, including investors that did not attend or vote, or who do not consent to the amendment.

#### **3.4 Adjustment or early redemption due to certain events**

There are certain Issuer-specific or external events which may impact on the terms and conditions of the Securities or on their redemption, including a change in law, a currency disruption event, an extraordinary market disruption and an Issuer tax event (each referred to as an "**Additional Disruption Event**").

If an Additional Disruption Event occurs, the Issuer may;

- adjust the terms and conditions of the Securities; or
- elect to redeem the Securities prior to their scheduled redemption date (following which the Issuer shall pay the holder in respect of each minimum denomination of the Securities an amount equal to the Early Cash Settlement Amount of such Securities),

in each case, in accordance with the terms and conditions of the Securities.

Any adjustment made to the terms and conditions of the Securities may have a negative effect on the value of the Securities, and any Early Cash Settlement Amount received by investors may be less than their initial investment and could be zero.

In addition, if the Issuer determines that the performance of any of its obligations under the Securities has become illegal, in whole or in part, the Issuer may redeem the Securities. In such circumstances, if and to the extent permitted by law, the Issuer shall pay the holder in respect of each minimum denomination of the Securities an amount equal to the Early Cash Settlement Amount. Investors should note that any amount received from the Issuer in such circumstances may be less than their initial investment and could be zero.

See also "*Risks associated specifically with Warrant Linked Securities – Warrant Termination Events*" below.

### **3.5 Issuer event of default**

On an event of default by the Issuer (such as a failure to return capital or if the Issuer is subject to a winding-up order) investors may choose to require immediate redemption of their Securities at the Early Cash Settlement Amount in respect of each minimum denomination of the Securities. Any amount received by investors in such circumstances may be less than their initial investment and could be zero.

### **3.7 Minimum Tradable Amounts; minimum nominal amounts**

Where the terms and conditions of the Securities specify a Minimum Tradable Amount consisting of a nominal amount plus one or more integral multiples of another smaller amount, an investor who holds an amount which is less than the Minimum Tradable Amount in its account with the relevant clearing system at the relevant time:

1. will not be able to transfer or sell its holding;
2. may not receive a Definitive Bearer Security in respect of such holding (should Definitive Bearer Securities be printed); and
3. in each case, would need to purchase a nominal amount of Securities such that its holding amounts to such Minimum Tradable Amount to be able to sell or transfer Securities or receive a Definitive Bearer Security.

If Definitive Bearer Securities are issued, investors should be aware that those Securities which have a denomination that is not an integral multiple of any minimum denomination may be illiquid and difficult to trade.

### **3.8 Securities may have foreign exchange risks**

If the terms and conditions of the Securities provide that payment under the Securities will be made in a currency which is different from the investor's home currency, the investor in such Securities will be exposed to the performance of such foreign currency or currencies.

Investors should be aware that foreign exchange rates are highly volatile and are determined by various factors, including supply and demand for currencies in the international foreign exchange markets, economic factors including inflation rates in the countries concerned, interest rate differences between the respective countries, economic forecasts, international political factors, currency convertibility, safety of making financial investments in the currency concerned, speculation and measures taken by governments and central banks. Such measures include, without limitation, imposition of regulatory controls or taxes, issuance of a new currency to replace an existing currency, alteration of the exchange rate or exchange characteristics by devaluation or revaluation of a currency or imposition of exchange controls with respect to the exchange or transfer of a specified currency that would affect exchange rates as well as the availability of a specified currency.

Foreign exchange fluctuations between an investor's home currency and the currency in which payment under the Securities is due may affect investors who intend to convert gains or losses from the exercise or sale of Securities into their home currency and may eventually cause a partial or total loss of the investor's initial investment.

## **4. General risks associated with the Securities being linked to one or more Underlying Asset(s)**

Amounts payable under the terms of the Securities will be linked to the change in value of one or more Underlying Warrant(s), which may fluctuate up or down depending on the performance of one or more Underlying Warrant Reference Asset(s). Any such Underlying Warrant(s) together with the relevant Underlying Warrant Reference Asset(s) is referred to as an "**Underlying Asset**".

Securities linked to Underlying Asset(s) have a different risk profile to ordinary unsecured debt securities as the return on such a Security is linked to the performance of the Underlying Warrant(s) which in turn are linked to the performance of the Underlying Warrant Reference Asset(s).

**4.1 Value of the Securities is linked to the performance of the Underlying Asset(s)**

The terms and conditions of the Securities will reference one or more Underlying Asset(s) and investors in the Securities are exposed to the performance of such Underlying Asset(s). The price or performance of the Underlying Asset(s) may be subject to unpredictable change over time, which may depend on many factors, including financial, political, military or economic events, government actions and the actions of market participants. Any of these events could have a negative effect on the value of the Underlying Asset(s) which in turn could adversely affect the value of the Securities.

**4.2 Past performance of an Underlying Asset is not indicative of future performance**

Any information about the past performance of the Underlying Asset available at the time of issuance of the Securities should not be regarded as indicative of any future performance of such Underlying Asset, or as an indication of the range of, trends or fluctuations in the price or value of the Underlying Asset that may occur in the future. It is therefore not possible to predict the future value of the Securities based on such past performance.

**4.3 Investors will have no claim against any third party in relation to an Underlying Asset**

Index sponsors or other third parties may make determinations in relation to an Underlying Asset and such parties have no obligation to act in the interests of investors. Any determination made by any such third party in respect of such Underlying Asset could have a negative effect on the value of such Underlying Asset which in turn could adversely affect the value of the Securities.

**4.4 Hedging**

Investors intending to purchase Securities to hedge against the market risk associated with investing in a product linked to the performance of an Underlying Asset should recognise the complexities of utilising Securities in this manner. Due to fluctuating supply and demand for the Securities and various other factors, investors should be aware of the risk that the value of the Securities may not correlate with movements of the Underlying Asset(s).

**4.5 Emerging markets**

Where the Securities are linked indirectly to emerging market jurisdictions investors will be exposed to the risks of volatility, governmental intervention and the lack of a developed system of law which are associated with such jurisdictions.

In relation to Securities linked indirectly to securities issued by emerging market issuers, there are specific risks that there is generally less publicly available information about emerging market issuers and potentially less developed accounting, auditing and financial reporting standards and requirements and securities trading rules. Additionally, the prices of securities in emerging market jurisdictions and the financial health of the issuers may be affected by political, economic, financial and social instability in such jurisdictions, including changes in a country's government, economic and fiscal policies, currency exchange laws or other foreign laws or restrictions.

Securities linked indirectly to emerging markets, via securities, indices, commodities or currencies, may also be exposed to the risks of economic, social, political, financial and military conditions in such jurisdictions, including, in particular, political uncertainty and financial instability; the increased likelihood of restrictions on export or currency conversion; the greater potential for an inflationary environment; the possibility of nationalisation or confiscation of assets; the greater likelihood of regulation by the national, provincial and local governments, including the imposition of currency exchange laws and taxes; less liquidity in emerging market currency markets as compared to the liquidity in developed markets and less favourable growth prospects, capital reinvestment, resources and self-sufficiency.

A combination of any or all of the risk factors outlined above may have a negative impact on the value of any Underlying Asset linked to emerging markets or on the value of the Securities directly.

#### **4.6 Risks relating to performance of Underlying Warrants**

The redemption amount of Securities is dependent upon the changes in the value of one or more series of Underlying Warrant(s), which may fluctuate up or down depending on the performance of the relevant Underlying Warrant Reference Asset(s) to which the Underlying Warrant(s) are linked. If as a result of the performance of the Underlying Warrant Reference Asset(s), the performance of the Underlying Warrant(s) is/are negative, the value of the Securities will be adversely affected. Purchasers of Securities may, in certain circumstances, risk losing all or part of their investment if the value of the Underlying Warrant(s) does not move in the anticipated direction.

#### **4.7 Warrant Termination Events**

Securities shall be subject to early redemption, inter alia, if the Issuer determines that a Warrant Termination Event (being, (a) the cancellation or termination of any relevant Underlying Warrant for the Securities for any reason other than (i) by reason of its scheduled exercise by a holder thereof or (ii) its scheduled automatic exercise pursuant to its terms or (b) a specified early cancellation event occurs in respect of any such Underlying Warrant in accordance with its terms) has occurred. A specified early cancellation event may occur under the terms of the an Underlying Warrant following, for example, the satisfaction of the conditions of a specified event (e.g. the price, level or value of the relevant Underlying Warrant Reference Asset(s) reach a specified barrier).

In these circumstances the Issuer will redeem the Securities at the Early Cash Settlement Amount in respect of each Calculation Amount. The Early Cash Settlement Amount may be less (and in certain circumstances, significantly less) than investors' initial investment.

#### **4.8 Exposure to Underlying Warrant Reference Asset(s) and effect of leverage**

The Underlying Warrant Reference Asset(s) may be (i) one or more specified equity indices, shares depository receipts representing shares in a company and/or exchange traded funds or (ii) one or more specified commodities and/or commodity indices, as may be specified in the terms and conditions of the relevant series of Underlying Warrants. Consequently potential investors should also refer to the relevant "*Risks associated with specific Underlying Warrant Reference Assets*" for specific risks relating to their Securities. The Final Terms will specify the relevant Underlying Warrants and the Underlying Warrant Reference Asset(s).

Investors should note that amounts payable or deliverable on exercise of an Underlying Warrant may be determined in conjunction with a multiplier greater than one or by reference to some other leverage factor. Where this is the case, the effect of changes in the value of the Underlying Warrant Reference Asset(s) on the value of the Underlying Warrant will be magnified and this will have a consequential effect on the value of the Securities.

#### **4.9 Potential conflicts of interest**

Barclays Bank PLC is the issuer of the Securities and the issuer of the Underlying Warrant(s) and will (unless otherwise specified in the Final Terms) be the Determination Agent in respect of the Securities and the determination agent in respect of the Underlying Warrant(s). As a result, potential conflicts of interest may arise for Barclays Bank PLC in acting in such capacity. Subject to any relevant regulatory obligations, Barclays Bank PLC as the Issuer and the Determination Agent owes no duty or responsibility to any Securityholder to avoid any conflict or to act in the interests of any Securityholder.

In addition to providing calculation agency services to the Issuer, the Determination Agent or any of its affiliates may perform further or alternative roles relating to any series of Underlying Warrant(s) including, but not limited to, being involved in arrangements relating to any Underlying Warrant Reference Asset(s) (for example as determination agent). Further, the Determination Agent or any of its affiliates may enter into transactions, including hedging transactions, which relate to the Underlying Warrant(s) or any Underlying Warrant Reference Asset(s) and as a result the Determination Agent may face a conflict between its obligations as Determination Agent and its and/or its affiliates' interests in other capacities.

#### **4.10 Determination of Additional Disruption Events**

The Issuer may determine the occurrence of an Additional Disruption Event in relation to the Securities. Upon such determination, the Issuer may, at its option, redeem the Securities as provided in "Adjustment or early redemption due to certain events" above. Any Early Cash Settlement Amount may be less (and in certain circumstances, significantly less) than investors' initial investment. Securityholders will not benefit from any appreciation of the Underlying Warrants that may occur following such redemption.

#### **4.11 No ownership rights**

An investment in Securities is not the same as an investment in the Underlying Warrant(s) and does not confer any legal or beneficial interest in the Underlying Warrant(s) or any Underlying Warrant Reference Asset(s) or any voting rights or other rights that a holder of the Underlying Warrant(s) or any Underlying Warrant Reference Asset(s) may have.

#### **4.12 Hedging activities of the Issuer and affiliates**

The Issuer or its affiliates may carry out hedging activities related to the Securities, including purchasing the Underlying Warrant(s) and/or the Underlying Warrant Reference Asset(s), but will not be obliged to do so. Certain of the Issuer's affiliates may also purchase and sell the Underlying Warrant(s) and/or purchase and sell the Underlying Warrant Reference Asset(s) on a regular basis as part of their securities businesses. Any of these activities could potentially affect the value of the Underlying Warrant Reference Asset(s) and, accordingly, the value of the Underlying Warrant(s) and the Securities.

#### **4.13 Credit risk of the issuers of the Underlying Warrant(s)**

The value of any instruments issued by Barclays will be affected by the ability, or the perceived ability, of Barclays to fulfil its obligations in respect of any such instruments. As both the Securities and the Underlying Warrants are issued by Barclays, the value of both the Securities and the Underlying Warrants will be affected by such ability, or perceived ability of Barclays to fulfil its obligations. Any such effect may be compounded in relation to the Securities as the Securities are linked to Underlying Warrants, which are also issued by Barclays. For example, in the event of a default under the terms of the Underlying Warrant(s), the relevant values used to determine the amounts due in respect of the Securities would take into account the recovery values in respect of such Underlying Warrant(s). Investors should note that any amount received in such circumstances may be less than their initial investment and could be zero.

### **5. Risks associated with specific Underlying Warrant Reference Asset(s)**

#### **5.1 Risks associated with common shares, ETFs, ADRs and GDRs as Underlying Warrant Reference Assets**

The performance of common shares, ETFs, ADRs and GDRs is dependent upon macroeconomic factors, such as interest and price levels on the capital markets, currency developments and political factors as well as company specific factors such as earnings, market position, risk situation, shareholder structure and distribution policy.

##### **(a) Common shares**

*Actions by share issuer may negatively affect the value of the Underlying Warrant*

The issuer of common shares of a company will not have participated in establishing the terms and conditions or the preparation of the Final Terms relating to the Underlying Warrant and the Issuer will not make any investigation or enquiry in connection with any such share issuer. Consequently, there can be no assurance that all events occurring prior to the relevant issue date that would affect the trading price of the relevant common share(s) will have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning the share issuer could affect the trading price of the common share and therefore the trading price of the Underlying Warrant and in turn, the Securities. Investors should also note that the issuer of any common shares may or may not take actions in respect of common shares without regard to the



interests of any investors in the Underlying Warrant or the Securities and any of these actions or omissions could have a negative effect on the value of the Underlying Warrant and in turn, the Securities.

(b) ***Depository Receipts***

American depository receipts ("**ADRs**") are instruments issued in the U.S. in the form of share certificates representing a number of shares held outside the U.S., in the country where the share issuer is domiciled. Global depository receipts ("**GDRs**") are instruments in the form of share certificates representing a number of shares held in the country of domicile of the share issuer and are usually offered or issued in a country other than the U.S.

The amount an investor receives on an Underlying Warrant linked to ADRs or GDRs may not reflect the return such investors would obtain if they actually owned the shares underlying such ADRs or GDRs because the price of the ADR or GDR may not take into account the value of any dividends paid on the underlying shares. Accordingly, investors who purchase the Underlying Warrant which is linked to ADRs or GDRs may receive a lower return on the Underlying Warrant than they would have received if they had invested in the shares underlying such ADRs or GDRs directly. As a result the value of the Underlying Warrant and in turn, the Securities may be negatively affected.

*Risk of non-recognition of beneficial ownership*

The legal owner of the shares underlying the ADRs or GDRs is the custodian bank which is also the issuing agent of the depository receipts. Depending on the jurisdiction under which the depository receipts have been issued, investors should be aware of the risk that such jurisdiction does not legally recognise the purchasers of the ADR or GDR as the beneficial owner of the underlying shares. In the event the custodian becomes insolvent or that enforcement measures are taken against the custodian, it is possible that an order restricting the free disposition of the underlying shares is issued. In this event the purchaser of an ADR or GDR may lose its rights to the underlying shares under the ADR or GDR and the ADR or GDR would become worthless. As a result the value of the Underlying Warrant and in turn, the Securities may be negatively affected, and could become worthless.

(c) ***Exchange Traded Funds ("ETFs")***

Where the Underlying Warrant is linked to an interest in an ETF (being a fund, pooled investment vehicle, collective investment scheme, partnership, trust or other similar legal arrangement and holding assets, such as shares, bonds, indices, commodities and/or other securities (for the purposes of this subparagraph, "**ETF Reference Asset(s)** ") and listed on a recognised exchange) and the investment objective of such ETF is to track the performance of such ETF Reference Asset(s), the investors of such Securities are exposed to the performance of such ETF rather than the ETF Reference Asset(s). The investors will bear the risk that such ETF may not reflect the actual return such investors would obtain if they actually owned the ETF Reference Asset(s) underlying such ETF. Accordingly, investors who purchase an Underlying Warrant which is linked to an ETF may receive a lower payment upon exercise of such Underlying Warrant than such investors would have received if they had invested in the ETF Reference Asset(s) underlying the relevant ETF directly.

There is a risk that the ETF managers will not succeed in meeting the investment objectives of the ETF, that any analytical model used thereby will prove to be incorrect and that any assessments of the short-term or long-term prospects, volatility and correlation of the types of investments in which such ETF has or may invest will prove inaccurate. In addition, an ETF may invest in financial derivative instruments which expose the ETF and an investor in such ETF to the credit, liquidity and concentration risks of the counterparties to such financial derivative instruments.

The management company, trustee or sponsor of an ETF will have no involvement in the offer and sale of the Underlying Warrant and accordingly will have no obligation to any investor in the Underlying Warrant and could take any actions without regard to the interests of investors in the Underlying Warrant, which may have a negative effect on the value of the Underlying Warrant and in turn, the Securities.

(d) ***Physical Delivery***

The terms of an Underlying Warrant may provide that, subject to the fulfilment of certain conditions, the issuer of such Underlying Warrant may settle the relevant Underlying Warrant by delivery of common shares, ETFs, ADRs or GDRs to investors in the Underlying Warrant rather than by payment of a cash amount. Investors should note that in such circumstances, an investor will not acquire any legal or beneficial interest or rights in any Underlying Warrant Reference Asset(s) delivered pursuant to the terms of the Underlying Warrant as the Securities do not confer any such rights on investors in the Securities and investors will not be entitled to receive delivery of any such Underlying Warrant Reference Asset(s).

(e) ***Adjustment Events***

Any of the following adjustment events may have a negative effect on the value of the Underlying Warrant and in turn, the Securities:

*Extraordinary events*

Certain extraordinary events relating to the common shares, ETFs, ADRs and GDRs or the issuer of the relevant common shares, the relevant fund or the share issuer of the relevant ADRs and GDRs (such as a share-for-share merger where the relevant company is not the surviving entity) may result in the amendment of the terms and conditions of the Underlying Warrant, the early termination of the Underlying Warrant.

*Potential adjustment event*

On the occurrence of an event which has a diluting or concentrating effect on the value of any common shares, ETFs, ADRs or GDRs, a "Potential Adjustment Event" as defined in the terms and conditions of the Underlying Warrant, the determination agent of the Underlying Warrant may amend the terms and conditions of the Underlying Warrant, or may opt to deliver additional Underlying Warrants or cash to the investor to account for the diluting or concentrative effect of the event.

**5.2 Risks associated with equity indices as Underlying Warrant Reference Assets**

Equity index linked Underlying Warrants offer investors in the Underlying Warrant the opportunity to invest in an Underlying Warrant linked to the performance of an equity index. The Underlying Warrant provides investment diversification opportunities, but depending on the nature of the underlying equity index, the Securities may be subject to the risk of fluctuations in: market interest rates; currency exchange rates; equity prices; commodity prices; inflation; the value and volatility of the relevant equity index; and also to economic, financial, regulatory, political, terrorist, military or other events in one or more jurisdictions, including factors affecting capital markets generally or the stock exchanges on which any such Underlying Warrant may be traded.

The amount payable on any Underlying Warrant that references equity indices may not reflect the return that an investor would realise if he or she actually owned the relevant shares of the companies comprising that equity index because the relevant index level on any specified valuation date may reflect the prices of such index components without taking into account any dividend payments on those component shares. Accordingly, investors in an Underlying Warrant linked to an equity index may receive a lower return on the Underlying Warrant than such investor would have received if he or she had invested directly in those shares. This may have a negative effect on the value of the Underlying Warrant and in turn, the Securities.

***Change in composition, methodology or policy used in compiling the equity index***

The index sponsor can add, delete or substitute the components of an equity index at its discretion, and may also alter the methodology used to calculate the level of the equity index. These events may have a detrimental impact on the level of the equity index, which in turn could have a negative impact on payments to be made to investors in the Underlying Warrant and in turn, the Securities.

***Adjustment event***

If the equity index sponsor makes a material alteration to the equity index or cancels the equity index and no successor exists, or fails to calculate and announce the equity index, the determination agent of the Underlying Warrant may, if it deems the event to have a material effect on the Underlying Warrant, calculate the level of the equity index as per the previous formula and method or redeem the Underlying Warrant prior to their scheduled redemption date in accordance with the terms and conditions of the Underlying Warrant.

If a correction to the equity index is published prior to the next payment date the determination agent of the Underlying Warrant will recalculate the amount payable based on the corrected level of the relevant equity index.

If there is a manifest error in the calculation of the equity index in the opinion of the determination agent of the Underlying Warrant, such determination agent may recalculate the equity index based on the formula and method used prior to the manifest error occurring.

***Successor index or index sponsor***

If the equity index is calculated by a successor index sponsor, or is replaced by a successor index, the successor index or index as calculated by the successor index sponsor, will be deemed to be the equity index if approved by the determination agent of the Underlying Warrant.

***The equity index or any of its underlying components may trade around-the-clock; however, the Underlying Warrant will trade only during regular trading hours in Europe***

If the market for the relevant equity index or any of its underlying components is a global, around-the-clock market, the hours of trading for the Underlying Warrant may not conform to the hours during which the relevant equity index or any of its underlying components are traded. Significant movements may take place in the levels, values or prices of the relevant equity index or any of its underlying components that will not be reflected immediately in the price of the relevant Underlying Warrant. There may not be any systematic reporting of last-sale or similar information for the relevant equity index or any of its underlying components. The absence of last-sale or similar information and the limited availability of quotations would make it difficult for many investors to obtain timely, accurate data about the state of the market for the relevant equity index or any of its underlying components.

***Data sourcing and calculation***

The annual composition of equity indices are typically recalculated in reliance upon historic price, liquidity and production data that are subject to potential errors in data sources or other errors that may affect the weighting of the index components. Any discrepancies that require revision are not applied retroactively but will be reflected in the weighting calculations of the equity index for the following year. Equity index sponsors may not discover every discrepancy.

The above risks may have an adverse effect on the value of the Underlying Warrant and, in turn, the Securities.

**5.3 Risks associated with commodities and commodity indices as Underlying Warrant Reference Assets**

The performance of a commodity or commodity index, and any related commodity contract (including the contracts underlying the relevant commodity index), depend on many factors, including supply and demand, liquidity, weather conditions and natural disasters, direct investment costs, location and changes in tax rates, government actions, and financial, political, military or economic events.

Any of these events could have a negative effect on the value of the relevant commodity or commodity index, which in turn could adversely affect the value of the Underlying Warrant.

Commodity prices tend to be more volatile than other asset classes, making investments in commodities riskier and more complex than other investments.

***General risks relating to commodities and commodity indices***

Any of, or a combination of any or all of, the following risk factors may have a negative impact on the value of any commodity or commodity index and on the value of the Underlying Warrant and in turn, the Securities, which may result in a negative impact on the return to investors:

*Supply and demand*

The planning and management of commodities supplies is time-consuming. This means that scope for action on the supply side is limited and it is not always possible to adjust production swiftly to take account of a rise or fall in demand. Demand can also vary on a regional basis. Costs for transporting physical commodities from their location to regions where they are needed and/or consumed may also affect prices. The cyclical nature of some commodities, such as agricultural products which are only produced at certain times of the year, can also result in major price fluctuations.

*Liquidity*

Not all commodities markets are liquid and able to quickly and adequately react to changes in supply and demand. The fact that there are only a few market participants in the commodities markets means that speculative investments can have negative consequences and may distort prices.

*Weather conditions and natural disasters*

Unfavourable weather conditions can influence the supply of certain commodities for the entire year. This kind of supply crisis can lead to severe and unpredictable price fluctuations. Diseases and epidemics can also influence the prices of agricultural commodities.

*Direct investment costs*

Direct investments in commodities involve storage, insurance and tax costs. Moreover, no interest or dividends are paid on commodities. The total returns from investments in commodities are therefore influenced by these factors

*Governmental programmes and policies, natural and international political, military and economic events and trading activities in commodities and related commodity contracts*

Commodities are often produced in emerging market countries, with demand coming principally from industrialised nations. The political and economic situation is far less stable in many emerging market countries than in the developed world. They are generally much more susceptible to the risks of rapid political change, governmental intervention, undeveloped systems of law and economic setbacks and instability. Political crises can affect investor confidence which can in turn affect commodity prices. Armed conflicts can also impact on the supply and demand for certain commodities. It is also possible for industrialised nations to impose embargoes on imports of goods and services, which can affect commodity prices. Furthermore, numerous commodity producers have joined forces to establish organisations in order to regulate supply and influence prices.

The Underlying Warrant is exposed to all of these risks, as well as more general risks arising out of the economic, social, political, financial and military conditions in emerging market jurisdiction. Investors should therefore take note of the risks described in risk factor 4.5 "*Emerging Markets*".

***Changes in tax rates***

Changes in tax rates and customs duties may have a positive or a negative impact on the profitability margins of commodities producers. When these costs are passed on to purchasers, these changes may affect commodity prices which, in turn, may affect the value of the Underlying Warrant and therefore the Securities.

***Limit Price***

The commodity futures markets are subject to temporary distortions or other disruptions due to various factors, including the lack of liquidity in the markets, the participation of speculators and government regulation and intervention. In addition, U.S. futures exchanges and some foreign futures exchanges

have regulations that limit the amount of fluctuation in some futures contract prices that may occur during a single business day. These limits are generally referred to as "daily price fluctuation limits" and the maximum or minimum price of a contract on any given day as a result of these limits is referred to as a "limit price". Once the limit price has been reached in a particular contract, no trades may be made at a price beyond the limit, or trading may be limited for a set period of time. Limit prices have the effect of precluding trading in a particular contract or forcing the liquidation of contracts at potentially disadvantageous times or prices. These circumstances could adversely affect the value of the relevant commodity or commodity index and, therefore, the value of the Underlying Warrant and in turn, the Securities.

### ***Roll Yield***

As the exchange-traded futures contracts comprising a commodity index approach expiration, they are replaced by similar contracts that have a later expiration. Thus, for example, a futures contract purchased and held in August may specify an October expiration. As time passes, the contract expiring in October may be replaced by a contract for delivery in November. This process is referred to as "rolling". If the market for these contracts is (putting aside other considerations) in "backwardation", which means that the prices are lower in the distant delivery months than in the nearer delivery months, the sale of the October contract would take place at a price that is higher than the price of the November contract, thereby creating a "roll yield". The actual realisation of a potential roll yield will be dependent upon the level of the related spot price relative to the unwind price of the commodity futures contract at the time of sale of the contract. While many of the contracts included in commodity indices have historically exhibited consistent periods of backwardation, backwardation will most likely not exist at all times. Moreover, certain of the commodities reflected in commodity indices have historically traded in "contango" markets. Contango markets are those in which the prices of contracts are higher in the distant delivery months than in the nearer delivery months. The absence of backwardation in the commodity markets could result in negative "roll yields", which could adversely affect the value of the relevant commodity or commodity index which, in turn, may affect the value of the Underlying Warrant and, therefore, the Securities.

### ***Additional risks associated with particular types of commodities***

The following additional risks relating to particular types of commodities may have an adverse effect on the value of the Underlying Warrant and in turn, the Securities:

#### *Additional risks associated with industrial metals such as aluminium, copper, lead, nickel, tin or zinc*

Where the commodity or components of the relevant commodity index (including the underlying physical commodities), comprise or are linked to the price of industrial metals, the relevant commodity or commodity index may be subject to a number of additional factors, over and above those affecting commodities generally, that might cause price volatility. These may include: (i) changes in the level of industrial activity using industrial metals, including the availability of substitutes such as man-made or synthetic substitutes; (ii) disruptions in the supply chain, from mining to storage to smelting or refining; (iii) adjustments to inventory; (iv) variations in production costs, including storage, labour and energy costs; (v) costs associated with regulatory compliance, including environmental regulations; and (vi) changes in industrial, government and consumer demand, both in individual consuming nations and internationally.

#### *Additional risks associated with agricultural commodities and softs or grains such as cocoa, coffee, corn, cotton, soybeans, soybean oil, sugar or wheat*

Where the commodity or components of the relevant commodity index (including the underlying physical commodities), comprise or are linked to the price of agricultural commodities and softs or grains, the relevant commodity or commodity index may be subject to a number of additional factors, over and above those affecting commodities generally, that might cause price volatility. These may include, among others: (i) weather conditions, including floods, drought and freezing conditions; (ii) changes in government policies; (iii) changes in global demand for food or clothing; (iv) planting decisions; (v) changes in bio-diesel or ethanol demand; and (vi) changes in demand for agricultural products, softs or grains, both with end users and as inputs into various industries.

## Risk Factors

### *Additional risks associated with energy-related commodities such as crude oil, heating oil, natural gas or unleaded gasoline*

Where the commodity or components of the relevant commodity index (including the underlying physical commodities), comprise or are linked to the price of energy-related commodities, the relevant commodity or commodity index may be subject to a number of additional factors, over and above those affecting commodities generally, that might cause price volatility. These may include, among others: (i) changes in the level of industrial and commercial activity with high levels of energy demand; (ii) disruptions in the supply chain or in the production or supply of other energy sources; (iii) price changes in alternative sources of energy; (iv) adjustments to inventory; (v) variations in production and shipping costs; (vi) costs associated with regulatory compliance, including environmental regulations; and (vii) changes in industrial, government and consumer demand, both in individual consuming nations and internationally.

### *Additional risks associated with precious metals such as gold, silver, platinum or palladium*

Where the commodity or components of the relevant commodity index (including the underlying physical commodities), comprise or are linked to the price of precious metals, the relevant commodity or commodity index may be subject to a number of additional factors, over and above those affecting commodities generally, that might cause price volatility. These may include, among others: (i) disruptions in the supply chain, from mining to storage to smelting or refining; (ii) adjustments to inventory; (iii) variations in production costs, including storage, labour and energy costs; (iv) costs associated with regulatory compliance, including environmental regulations; (v) changes in industrial, government and consumer demand, both in individual consuming nations and internationally; (vi) precious metal leasing rates; (vii) currency exchange rates; (viii) level of economic growth and inflation; and (ix) degree to which consumers, governments, corporate and financial institutions hold physical precious metals as a safe haven asset (hoarding) which may be caused by a banking crisis/recovery, a rapid change in the value of other assets (both financial and physical) or changes in the level of geopolitical tension.

### *Additional risks associated with livestock such as lean hogs or live cattle*

Where the commodity or components of the relevant commodity index (including the underlying physical commodities), comprise or are linked to the price of livestock, the relevant commodity or commodity index may be subject to a number of additional factors, over and above those affecting commodities generally, that might cause price volatility. These may include, among others: (i) weather conditions, including floods, drought and freezing conditions; (ii) disease and famine; (iii) changes in government policies; and (iv) changes in end-user demand for livestock.

### ***Additional risks associated with Commodity Indices***

In addition to the risk factors affecting commodities generally and specifically, as outlined above, Underlying Warrants that are linked to commodity indices will be subject to certain of the risks specified in risk factor 6.2 "Risks associated with equity indices as Underlying Warrant Reference Assets" and may be subject to a number of additional factors as outlined below. Such risks may have an adverse effect on the value of the Underlying Warrant and, in turn, the Securities.

### *The policies of the index sponsor could affect the amount payable on the commodity linked Underlying Warrants and their market value*

Additional commodity futures contracts may satisfy the eligibility criteria for inclusion in a commodity index, and the commodity futures contracts currently included in a commodity index may fail to satisfy such criteria. The weighting factors applied to each futures contract included in a commodity index may change, based on changes in commodity production and volume statistics. In addition, the index sponsor may modify the methodology for determining the composition and weighting of a commodity index or for calculating its value in order to assure that the relevant commodity index represents an adequate measure of market performance or for other reasons.

### *Actions by the index sponsor*

The index sponsor will typically select futures contracts and other price sources as the reference contracts for the physical commodities in the commodity index. Data concerning these underlying

components will be used to calculate the level of the commodity index. If a component were to be terminated or replaced in accordance with the methodology of the commodity index, a comparable futures contract or other price source would be selected by the index sponsor or supervisory committee, if available, to replace that component. The termination or replacement of any component may have an adverse impact on the value of any commodity index in which the relevant component is included.

*Calculation disruption*

The terms of Underlying Warrants linked to commodity indices specify disruption events in respect of a commodity index which include a discontinuation or suspension of publication, or a replacement by a successor index sponsor.

*Commodity Indices may include contracts that are not traded on regulated futures exchanges*

Commodity indices are typically based solely on futures contracts traded on regulated futures exchanges. However, a commodity index may include over-the-counter contracts (such as swaps and forward contracts) traded on trading facilities that are subject to lesser degrees of regulation or, in some cases, no substantive regulation. As a result, trading in such contracts, and the manner in which prices and volumes are reported by the relevant trading facilities, may not be subject to the provisions of, and the protections afforded by, for example, the U.S. Commodity Exchange Act of 1936, or other applicable statutes and related regulations, that govern trading on regulated U.S. futures exchanges, or similar statutes and regulations that govern trading on regulated UK futures exchanges. In addition, many electronic trading facilities have only recently initiated trading and do not have significant trading histories. As a result, the trading of contracts on such facilities, and the inclusion of such contracts in a commodity index, may be subject to certain risks not presented by, for example, U.S. or UK exchange-traded futures contracts, including risks related to the liquidity and price histories of the relevant contracts.

*Risks relating to trading of the relevant commodity index and its components on international futures exchanges*

Certain international futures exchanges operate in a manner more closely analogous to the over-the-counter physical commodity markets than to the regulated futures markets, and certain features of U.S. futures markets are not present. For example, there may not be any daily price limits which would otherwise restrict the extent of daily fluctuations in the prices of the respective contracts. In a declining market, therefore, it is possible that prices would continue to decline without limitation within a trading day or over a period of trading days. This may adversely affect the performance of the relevant commodity index or its components and, as a result, the market value of the Underlying Warrants and in turn, the Securities.

**6. Risks associated with the Issuer's ability to fulfil its obligations under the Securities**

*Investors in Securities are exposed to the creditworthiness of the Issuer*

The Securities are direct unsecured and unsubordinated obligations of the Issuer and will rank *equally* among themselves. Any payments to be made by the Issuer under the Securities are dependent upon the Issuer's ability to fulfil its obligations when they fall due. Investors are therefore exposed to the creditworthiness of the Issuer and any deterioration in the Issuer's creditworthiness or perceived creditworthiness (whether measured by actual or anticipated changes in the credit ratings of the Issuer) may adversely affect the value of the Securities.

The Issuer is a major, global financial services company and, as such, faces a variety of risks that are substantial and inherent in its businesses, and which may affect its ability to fulfil its payment, delivery or other obligations under the relevant Securities. These risks include liquidity risk, market risk, credit risk, operational risk, reputational risk, legal, regulatory and compliance risks, litigation and other contingent liabilities, competition risks, the financial condition of clients, customers and counterparties, adverse economic, monetary, political or legal developments, cross-border and foreign exchange risk, catastrophic events, risks from estimates and valuations and risks relating to strategy.

***Credit Risk: The financial condition of the Issuer's customers, clients and counterparties, including other financial institutions, could adversely affect the Issuer***

The Issuer is exposed to the risk of suffering loss if any of its customers, clients or market counterparties fails to fulfil its contractual obligations. The Issuer may also suffer loss where the downgrading of an entity's credit rating causes a fall in the value of the Issuer's investment in that entity's financial instruments. In addition, the Issuer may incur significant unrealised gains or losses due solely to changes in the Issuer's credit spreads or those of third parties, as these changes may affect the fair value of the Issuer's derivative instruments and the debt securities that the Group holds or issues. Weak or deteriorating economic conditions negatively impact these counterparty and credit-related risks. In recent times, the economic environment in the Issuer's main business markets (being Europe and the United States) have been marked by generally weaker than expected growth, increased unemployment, depressed housing prices, reduced business confidence, rising inflation and contracting GDP. Operations in the Eurozone remain affected by the ongoing sovereign debt crisis, the stresses being exerted on the financial system and the risk that one or more countries may exit the Euro. The current absence of a predetermined mechanism for a member state to exit the Euro means that it is not possible to predict the outcome of such an event and to accurately quantify the impact of such event on the Issuer's profitability, liquidity and capital. If some or all of these conditions persist or worsen, they may have a material adverse effect on the Issuer's operations, financial condition and prospects.

***Legal and regulatory related risks: The Issuer operates within a highly regulated industry, and the Issuer's businesses and results are significantly affected by the laws and regulations to which it is subject***

As a global financial services firm, the Issuer is subject to extensive and comprehensive regulation under the laws of the various jurisdictions in which it does business. These laws and regulations significantly affect the way that the Issuer does business, and can restrict the scope of its existing businesses and limit its ability to expand its product offerings or to pursue acquisitions, or can make its products and services more expensive for clients and customers. Non-compliance by the Issuer with applicable laws, regulations and codes relevant to the financial services industry could lead to fines and/or substantial monetary damages, public reprimands, damage to reputation, increased prudential requirements, enforced suspension of operations or, in extreme cases, withdrawal of authorisations to operate.

Other significant legal risks faced by the Issuer include the risk that key contractual or intellectual property rights are not adequately protected or are not enforced as originally expected, as well as the risk from regulatory investigations and proceedings and private actions brought by third parties. The nature of any future disputes and legal or regulatory investigations or proceedings, and the likelihood of their occurring, cannot be predicted in advance. Furthermore, the outcome of any on-going disputes and legal or regulatory investigations or proceedings is difficult to predict. However, it is likely that in connection with any such on-going and future matters the Group will incur significant expense and one or more of them could expose the Issuer to substantial monetary damages; other penalties and injunctive relief; potential regulatory restrictions on the Group's business; and/or negative effect on the Group's reputation. Where provisions have already been taken for on-going matters these are based on the best currently available information, however the appropriate level of provisions are kept under on-going review and there is a risk that provisions may need to be increased to the extent that experience with any such matters is not in line with management estimates.

***Market Risk: The Issuer's financial position may be adversely affected by changes in both the level and volatility of prices (for example, interest rates, credit spreads, commodity prices, equity prices and foreign exchange rates)***

Market risk is the risk of the Issuer's earnings or capital being reduced due to volatility of trading book positions or an inability to hedge the banking book balance sheet. The Issuer is at risk from its earnings or capital being reduced due to: (i) changes in the level or volatility of positions in its trading books. This includes changes in interest rates, inflation rates, credit spreads, property prices, commodity prices, equity and bond prices and foreign exchange levels; (ii) the Issuer being unable to hedge its banking book balance sheet at prevailing market levels; and (iii) the Issuer's defined pensions benefit obligations increasing or the value of the assets backing these defined pensions benefit obligations decreasing due to changes in both the level and volatility of prices.



Market risk could lead to significantly lower revenues and adversely affect the Issuer's results of operations in future years.

***Funding Risk: If the Issuer does not effectively manage its liquidity (liquidity risk) and capital ratios (capital risk) its business could suffer***

Funding risk comprises capital risk, liquidity risk and structural risk. Liquidity risk is the risk that the Group is unable to meet its obligations as they fall due resulting in: an inability to support normal business activity, a failure to meet liquidity regulatory requirements; and/or credit rating downgrades. The Issuer is exposed to the risk that it may be unable to meet its obligations as they fall due as a result of a sudden, and potentially protracted, increase in net cash outflows. These outflows could be principally through customer withdrawals, wholesale counterparties removing financing, collateral posting requirements or loan draw-downs. Any credit rating downgrade as a result of funding constraints in turn could result in further contractual outflows due to collateral posting and potentially loss of unsecured funding.

Capital risk is the risk that the Group is unable to maintain appropriate capital ratios, which could lead to: an inability to support business activity; a failure to meet regulatory requirements; and/or credit rating downgrades, which could also result in increased costs or reduced capacity to raise funding.

In particular, there have been a number of regulatory developments that impact the Issuer's capital requirements; most significantly, Basel 3, which is planned to be adopted into EU law through the fourth Capital Requirements Directive (CRD IV) and Capital Requirements Regulation which have not yet been published. Additional capital requirements may arise from other proposals including the recommendations of the UK Independent Commission on Banking, including with respect to 'ring-fencing' separately the trading and non-trading businesses of banks: The Financial Services (Banking Reform) Bill; EU Review; and, section 165 of the Dodd-Frank Act. Increased capital requirements and changes to what is defined to constitute capital may constrain the Issuer's planned activities and could increase costs and contribute to adverse impacts on the Issuer's earnings. In addition, these laws could result in changes to the structure of Barclays, and an increase in the amount of loss-absorbing capital issued by Barclays which could have an adverse impact on profitability, return on equity and financial condition.

Structural risk predominantly arises from the impact on the Issuer's balance sheet of changes in primarily interest rates on income or foreign exchange rates on capital ratios and is, therefore, difficult to predict with any accuracy and may have a material adverse effect on the Issuer's results of operations, financial condition and prospects.

***Reputation Risk: Damage to the Issuer's reputation could damage its businesses***

Reputational damage can result from the actual or perceived manner in which the Issuer conducts its business activities, from its financial performance, or from actual or perceived practices in the banking and financial industry. Such reputational damage reduces – directly or indirectly – the attractiveness of the Issuer to stakeholders and may lead to negative publicity, loss of revenue, litigation, regulatory or legislative action, loss of existing or potential client business, reduced workforce morale, and difficulties in recruiting talent. Sustained reputational damage could have a materially negative impact on our licence to operate and the value of the Issuer's franchise, which in turn could negatively affect the Issuer's profitability and financial condition.

***Infrastructure Resilience, Technology and Cyberspace risk could materially adversely affect the Issuer's operations***

The Issuer is exposed to risks to its infrastructure resilience and maintaining a banking infrastructure which allows its customers to access their accounts and make payments in a timely fashion. Any disruption in a customer's access to their account information or delays in making payments will have a significant impact on the Issuer's performance and reputation. Furthermore, there is a growing threat of attacks to the Issuer's systems, customers and the Group's information held on customers and transactions processed through these systems from individuals or groups via cyberspace. Risks to technology and cyber-security change rapidly and require continued focus and investment. Failure to protect against such risks may lead to significant financial and legal exposure.

### ***Transform Programme***

The Group, as a part of its strategic review and 'Transform Programme', is seeking to restructure its European retail operations to focus on the mass affluent customer segment, manage risk weighted assets more efficiently through run-off of legacy assets in Europe and reduce total costs significantly across the Group. As a result, the Group expects to incur significant restructuring charges and costs associated with implementing the strategic plan. The development and implementation of the restructuring requires difficult, subjective and complex judgements including forecasts of economic conditions in various parts of the world. Failure to successfully implement the Transform Programme could have a material adverse effect on the expected benefits of the Transform Programme and there is a risk the costs associated with implementing the scheme may be higher than the current expectations for its success.

### ***Taxation risk could materially adversely affect the Issuer's operations***

The Issuer may suffer losses arising from additional tax charges, other financial costs or reputational damage due to: failure to comply with or correctly assess the application of relevant tax law; failure to deal with the tax authorities in a timely, transparent and effective manner; incorrect calculation of tax estimates for reported and forecast tax numbers; or provision of incorrect tax advice.

### ***The Issuer is affected by risks affecting its parent company***

The Issuer is also affected by risks affecting its parent company, Barclays PLC. Risks that affect Barclays PLC can also affect the Issuer as there is substantial overlap in the businesses of the Issuer and Barclays PLC. Further, the Issuer can be negatively affected by risks and other events affecting Barclays PLC even where the Issuer is not directly affected. For example, where Barclays PLC's reputation is damaged, the Issuer's reputation would likely also be damaged which could negatively affect the Issuer.

For more information on the risks outlined in this paragraph 6, including information relating to the Issuer's framework for managing risks, please see the section 'Risk Management' in the joint Annual Report of the Issuer and Barclays PLC, as filed with the US Securities and Exchange Commission on Form 20-F (the "**Joint Annual Report**"), from page 69 to page 160, which is incorporated by reference herein.

## **7. Risks associated with conflicts of interest**

### **7.1 Conflicts between the Issuer and investors**

The Issuer and its affiliates may engage in trading and market-making activities and may hold long or short positions in instruments or derivative products based on or related to the relevant Underlying Asset(s) for their proprietary accounts or for other accounts under their management. To the extent that the Issuer, directly or through its affiliates, serves as issuer, agent, manager, sponsor or underwriter of such instruments, its interests with respect to such products may be adverse to those of the investors.

In connection with the offering of the Securities, the Issuer and/or any of its affiliates may enter into one or more hedging transactions with respect to the Underlying Asset(s) or related derivatives. In connection with such hedging activities or with respect to proprietary or other trading activities by the Issuer and/or any of its affiliates, the Issuer and/or any of its affiliates may enter into transactions in derivatives related to the Underlying Asset(s) which may, but are not intended to, affect the market price, liquidity or value of the Securities and which could be adverse to the interests of investors. The Issuer and/or any of its affiliates may pursue such hedging or related derivatives actions and take such steps as they deem necessary or appropriate to protect their interests without regard to the consequences for any investor.

Certain affiliates of the Issuer may from time to time, by virtue of their status as underwriter, adviser or otherwise, possess or have access to information relating to the Securities, the Underlying Asset(s) and any derivative instruments referencing them. Such affiliates will not be obliged to and will not disclose any such information to an investor of Securities.

**7.2 Determination Agent and conflicts of interest**

As the Determination Agent may be either the Issuer or an affiliate of the Issuer, potential conflicts of interest may exist between the Determination Agent and investors, including with respect to the exercise of certain powers that the Determination Agent has. The Determination Agent has the authority: (i) to determine whether certain specified events relating to Securities have occurred, and (ii) to determine any resulting adjustments and calculations to be made to the Securities as a result of the occurrence of such events. Any determination made by the Determination Agent may adversely affect the value of the Securities.

## INFORMATION INCORPORATED BY REFERENCE

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

- the unaudited Interim Management Statement of Barclays PLC as filed with the SEC on Form 6-K on Film Number 13779449 on 24 April 2013 in respect of the three months ended 31 March 2013;
- the sections set out below from the joint Annual Report of the Issuer and Barclays PLC, as filed with the US Securities and Exchange Commission (the "SEC") on Form 20-F in respect of the years ended 31 December 2011 and 31 December 2012 (the "**Joint Annual Report**"):

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- the Annual Reports of the Issuer containing the audited consolidated financial statements of the Issuer in respect of the years ended 31 December 2011 (the "**2011 Issuer Annual Report**") and 31 December 2012 (the "**2012 Issuer Annual Report**"), respectively.

The Issuer has applied International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board and as adopted by the European Union (the "**EU**") in the financial statements incorporated by reference above. An overview of the significant accounting policies for the Issuer is included in the 2011 Issuer Annual Report and the 2012 Issuer Annual Report.

The above documents may be inspected: (i) during normal business hours at the registered office of the Issuer; (ii) at <http://group.barclays.com/about-barclays/investor-relations/results-announcements> and (iii) at the specified office of the Issue and Paying Agent as described in the section entitled 'General Information'.

Any information contained in any of the documents specified above which is not incorporated by reference in this Base Prospectus is either not relevant for investors for the purposes of Article 5(1) of the Prospectus Directive or is covered elsewhere in this Base Prospectus.

## INFORMATION RELATING TO THE ISSUER

*This section provides a description of the Issuer's business activities as well as certain financial information in respect of the Issuer.*

### **The Issuer and the Group**

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

The Issuer and its subsidiary undertakings (taken together, the "**Group**") is a major global financial services provider engaged in retail and commercial banking, credit cards, investment banking, wealth management and investment management services with an extensive international presence in Europe, United States, Africa and Asia. The whole of the issued ordinary share capital of the Issuer is beneficially owned by Barclays PLC, which is the ultimate holding company of the Group.

The short term unsecured obligations of the Issuer are rated A-1 by Standard & Poor's Credit Market Services Europe Limited, P-1 by Moody's Investors Service Ltd. and F1 by Fitch Ratings Limited and the long-term obligations of the Issuer are rated A+ by Standard & Poor's Credit Market Services Europe Limited, A2 by Moody's Investors Service Ltd. and A by Fitch Ratings Limited.

Based on the Group's audited financial information for the year ended 31 December 2012, the Group had total assets of £1,490,747 million (2011: £1,563,402 million), total net loans and advances of £466,627 million (2011: £478,726 million), total deposits of £462,806 million (2011: £457,161 million), and total shareholders' equity of £62,894 million (2011: £65,170 million) (including non-controlling interests of £2,856 million (2011: £3,092 million)). The profit before tax from continuing operations of the Group for the year ended 31 December 2012 was £99 million (2011: £5,974 million) after credit impairment charges and other provisions of £3,596 million (2011: £3,802 million). The financial information in this paragraph is extracted from the audited consolidated financial statements of the Issuer for the year ended 31 December 2012.

Total net loans and advances include balances relating to both bank and customer accounts.

Total deposits include deposits from bank and customer accounts.

***Investors should have regard to the Issuer and group disclosure set out in the Joint Annual Report (each as defined in the section of this Base Prospectus entitled "Information Incorporated by Reference").***

### **Acquisitions, Disposals and Recent Developments**

#### *Strategic combination of Barclays Africa with Absa Group Limited*

On 6 December 2012, the Issuer announced that it had agreed to combine the majority of its Africa operations (the "**Portfolio**") with Absa Group Limited ("**Absa**"). The proposed strategic combination will be effected by way of an acquisition by Absa of Barclays Africa Limited, the proposed holding company of the Portfolio, for a consideration of 129,540,636 Absa ordinary shares (representing a value of approximately £1.3 billion for Barclays Africa Limited). As a result of the transaction, the Issuer's stake in Absa will increase from 55.5 per cent. to 62.3 per cent. The proposed combination is expected to complete in the first half of 2013, subject to fulfilment of conditions precedent, including regulatory approvals across the affected jurisdictions.

#### *Acquisition of ING Direct UK*

On 9 October 2012, the Issuer announced that it had agreed to acquire the deposits, mortgages and business assets of ING Direct UK. Under the terms of the transaction, which completed on 5 March

## Information Relating to the Issuer

2013, the Issuer acquired, amongst other business assets a deposit book with balances of approximately £11.4 billion and a mortgage book with outstanding balances of approximately £5.3 billion.

### *Disposal of stake in BlackRock, Inc.*

On 22 May 2012, the Issuer announced that it had agreed to dispose of the Issuer's entire holding in BlackRock, Inc. ("**BlackRock**") pursuant to an underwritten public offer and a partial buy-back by BlackRock. On disposal, the Issuer received net proceeds of approximately U.S.\$5.5 billion (£3.5 billion).

### *Impact of Strategic Review*

On 12 February 2013, the Issuer announced the outcome of its strategic review. As a result of certain commitments made in the review, the Issuer incurred a restructuring charge of approximately £514 million in the first quarter of 2013 and expects to incur costs associated with implementing the restructuring plan of £1 billion in 2013, £1 billion in 2014 and £0.7 billion in 2015.

## Competition and Regulatory Matters

### *Regulatory change*

There is continuing political and regulatory scrutiny of the banking industry which, in some cases, is leading to increased or changing regulation which is likely to have a significant effect on the industry.

On 4 February 2013, the UK Government introduced the Services (Banking Reform) Bill (the "**Bill**") to the House of Commons. The Bill would give the UK authorities the powers to implement the key recommendations of the Independent Commission on Banking by requiring, amongst other things, that: (i) the separation of the UK and EEA retail banking activities of UK banks in a legally distinct, operationally separate and economically independent entity (so-called "**ring-fencing**"); and (ii) the increase of the loss-absorbing capacity of ring-fenced banks and UK-headquartered global systemically important banks to levels higher than the Basel 3 guidelines. The Bill would also give depositors protected under the Financial Services Compensation Scheme preference if a bank enters insolvency. At the same time, the UK Government announced that it will be bringing forward amendments to the Bill to establish a reserve power allowing the regulator, with approval from the UK Government, to enforce full separation under certain circumstances. The UK Government is expected to publish draft secondary legislation by late summer this year. The UK Government intends that primary and secondary legislation will be in place by the end of this Parliament (May 2015) and that UK banks will be required to be compliant by 1 January 2019.

The U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act contains far reaching regulatory reform including potential reform of the regulatory regime for foreign banks operating in the U.S. which may, amongst other things, require the U.S. subsidiaries of foreign banks to be held under an U.S. intermediate holding company subject to a comprehensive set of prudential and supervisory requirements in the U.S. The full impact on the Issuer's businesses and markets will not be known until the principal implementing rules are adopted in final form by governmental authorities, a process which is under way and which will take effect over several years.

### *Interchange*

The Office of Fair Trading, as well as other competition authorities elsewhere in Europe, continues to investigate Visa and MasterCard credit and debit interchange rates. These investigations may have an impact on the consumer credit industry as well as having the potential for the imposition of fines. The timing of these cases is uncertain and it is not possible to provide an estimate of the potential financial impact of this matter on the Issuer.

### *London Interbank Offered Rate*

The FCA, the U.S. Commodity Futures Trading Commission (the "**CFTC**"), the SEC, the U.S. Department of Justice Fraud Section (the "**DOJ-FS**") and Antitrust Division, the European Commission, The UK Serious Fraud Office and various U.S. state attorneys general are amongst various authorities conducting investigations (the "**Investigations**") into submissions made by the

Issuer and other panel members to the bodies that set various interbank offered rates, such as the London Interbank Offered Rate ("**LIBOR**") and the Euro Interbank Offered Rate ("**EURIBOR**").

On 27 June 2012, the Issuer announced that it had reached settlements with the FCA, the CFTC and the DOJ-FS in relation to their Investigations and the Issuer has agreed to pay total penalties of £290 million (pounds sterling equivalent), which have been reflected in operating expenses for 2012. The settlements were made by entry into a Settlement Agreement with the FCA, a Non-Prosecution Agreement ("**NPA**") with the DOJ-FS and a Settlement Order Agreement with the CFTC. In addition, the Issuer has been granted conditional leniency from the Antitrust Division of the Department of Justice in connection with potential U.S. antitrust law violations with respect to financial instruments that reference EURIBOR.

The terms of the Settlement Agreement with the FCA are confidential. However, the Final Notice of the FCA, which imposed a financial penalty of £59.5 million, is publicly available on the website of the FCA. This sets out the reasoning of the FCA for the penalty, references the settlement principles and sets out the factual context and justification for the terms imposed. Summaries of the NPA and the CFTC Order are set out below. The full text of the NPA and the CFTC Order are publicly available on the websites of the DOJ and the CFTC, respectively.

In addition to a U.S.\$200 million civil monetary penalty, the CFTC Order requires the Issuer to cease and desist from further violations of specified provisions of the U.S. Commodity Exchange Act and take specified steps to ensure the integrity and reliability of its benchmark interest rate submissions, including LIBOR and EURIBOR, and improve related internal controls. Amongst other things, the CFTC Order requires the Issuer to:

- make its submissions based on certain specified factors, with the Issuer's transactions being given the greatest weight, subject to certain specified adjustments and considerations;
- implement firewalls to prevent improper communications including between traders and submitters;
- prepare and retain certain documents concerning submissions and retain relevant communications;
- implement auditing, monitoring and training measures concerning its submissions and related processes;
- make regular reports to the CFTC concerning compliance with the terms of the CFTC Order;
- use best efforts to encourage the development of rigorous standards for benchmark interest rates; and
- continue to cooperate with the CFTC's ongoing investigation of benchmark interest rates.

As part of the NPA, the Issuer agreed to pay a U.S.\$160 million penalty. In addition, the DOJ agreed not to prosecute the Issuer for any crimes (except for criminal tax violations, as to which the DOJ cannot and does not make any agreement) related to the Issuer's submissions of benchmark interest rates, including LIBOR and EURIBOR, contingent upon the Issuer's satisfaction of specified obligations under the NPA. In particular, under the NPA, the Issuer agreed for a period of two years from 26 June 2012, amongst other things, to:

- commit no United States crime whatsoever;
- truthfully and completely disclose non-privileged information with respect to the activities of the Issuer, its officers and employees, and others concerning all matters about which the DOJ inquires of it, which information can be used for any purpose, except as otherwise limited in the NPA;
- bring to the DOJ's attention all potentially criminal conduct by the Issuer or any of its employees that relates to fraud or violations of the laws governing securities and commodities markets; and

## Information Relating to the Issuer

- bring to the DOJ's attention all criminal or regulatory investigations, administrative proceedings or civil actions brought by any governmental authority in the United States by or against the Issuer or its employees that alleges fraud or violations of the laws governing securities and commodities markets.

The Issuer also agreed to cooperate with the DOJ and other government authorities in the United States in connection with any investigation or prosecution arising out of the conduct described in the NPA, which commitment shall remain in force until all such investigations and prosecutions are concluded. The Issuer also continues to cooperate with the other ongoing investigations.

It is not practicable to provide an estimate of the financial impact of these matters or what effect, if any, that the matters might have upon operating results, cash flows or the Issuer's financial position in any particular period.

Please see "*Legal Proceedings — LIBOR Civil Actions*" for a discussion of litigation arising in connection with the Investigations.

### *Interest Rate Hedging Product Redress*

On 29 June 2012, the FCA announced that it had reached agreement with a number of UK banks, including the Issuer, in relation to a review and redress exercise to be carried out in respect of interest rate hedging products sold to small and medium sized enterprises. During the second half of 2012, the Issuer completed a pilot review of a sample of individual cases. On 31 January 2013, the FCA issued a report on the findings of the pilot, along with those conducted by a number of other banks. The report included a number of changes and clarifications to the requirements under which the main review and redress exercise should be conducted. The Issuer has agreed to conduct the exercise in line with the approach set out in this report and will commence shortly. Our current analysis suggests that there are approximately 4,000 private or retail classified customers to which interest rate hedging products were sold within the relevant timeframe, of which approximately 3,000 are likely to be categorised as non-sophisticated under the terms of the agreement.

As at 30 June 2012, a provision of £450 million was recognised, reflecting management's initial estimate of future redress to customers categorised as non-sophisticated and related costs. As at 31 December 2012, an additional provision of £400 million was recognised, reflecting the results of the pilot review, an updated estimate of administrative costs and the greater clarity afforded by the implementation requirements agreed with the FCA. The provision recognised in the balance sheet as at 31 December 2012 is £814 million, after utilisation of £36 million during 2012, primarily related to administrative costs. During the first quarter of 2013 a further £55 million of the provision was utilised. The provision reflects the Issuer's best current estimate of the ultimate cost.

The pilot exercise provides the best currently available information upon which to base an estimate. However, the ultimate cost of the exercise will depend on the extent and nature of redress payable across the impacted population. This will be impacted by a number of factors, including:

- the number of customers for which the Issuer is deemed not to have complied with relevant regulatory requirements at the time of sale;
- the nature of any redress offered by the Issuer, in particular whether existing products are terminated or replaced with alternative products; and
- the level of reasonably foreseeable consequential loss payable.

The appropriate provision level will be kept under ongoing review as the main redress and review exercise progresses.

### *Payment Protection Insurance Redress*

On 20 April 2011, the judicial review proceedings brought by the British Banker's Association in October 2010 against the FSA (as predecessor to the FCA) and the Financial Ombudsman Service regarding assessment and redress of payment protection insurance ("**PPI**") complaints were dismissed. On 9 May 2011, the Issuer announced that it would not be participating in any application for permission to appeal against the High Court judgment and that the Issuer had agreed with the FSA that



it would process all on-hold and any new complaints from customers about PPI policies that they hold. The Issuer also announced that, as a goodwill gesture, it would pay out compensation to customers who had PPI complaints put on hold during the judicial review. The Issuer took a provision of £1 billion in the second quarter of 2011 to cover the cost of future redress and administration. On 26 April 2012, 18 October 2012 and 5 February 2013, following an increase in PPI complaint volumes, the Issuer announced that it had increased the provision by a further £300 million, £700 million and £600 million, respectively.

The Group will continue to monitor actual claims volumes and the assumptions underlying the calculation of its PPI provision. It is possible that the eventual costs may materially differ to the extent that experience is not in line with management estimates.

#### *FERC Investigation*

The United States Federal Energy Regulatory Commission (the "**FERC**") Office of Enforcement has been investigating the Group's power trading in the western U.S. with respect to the period from late 2006 through 2008. On 31 October 2012, the FERC issued a public Order to Show Cause and Notice of Proposed Penalties ("**Order and Notice**") against the Issuer in relation to this matter. In the Order and Notice the FERC asserts that the Issuer violated the FERC's Anti-Manipulation Rule by manipulating the electricity markets in and around California from November 2006 to December 2008. The FERC is proposing that the Issuer pay a U.S.\$435 million civil penalty and disgorge an additional U.S.\$34.9 million of profits plus interest. The Issuer intends to vigorously defend this matter.

#### *Other Regulatory Investigations*

The FCA and the Serious Fraud Office are both investigating certain commercial agreements between the Issuer and Qatari interests and whether these may have related to the Issuer's capital raisings in June and November 2008. The FCA investigation involves four current and former senior employees, including Chris Lucas, Group Finance Director as well as the Issuer. The FCA enforcement investigation began in July 2012 and the Serious Fraud Office commenced its investigation in August 2012.

In October 2012 the Issuer was informed by the U.S. Department of Justice and the U.S. Securities and Exchange Commission that they had commenced an investigation into whether the Group's relationships with third parties who assist the Issuer to win or retain business are compliant with the United States Foreign Corrupt Practices Act.

The Issuer is co-operating with all the authorities fully. It is not possible to estimate the financial impact upon the Issuer should any adverse findings be made.

#### **Directors**

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

Name	Function(s) within the Group	Principal outside activities
Sir David Walker	Chairman	-
Antony Jenkins	Group Chief Executive	-
Chris Lucas <sup>1</sup>	Group Finance Director	-
David Booth	Non-Executive Director	Director, East Ferry Investors Inc
Tim Breedon	Non-Executive Director	Non-Executive Director, Ministry of Justice

<sup>1</sup> On 4 February 2013, the Issuer announced that the Group Finance Director, Chris Lucas, had decided to retire from the Issuer. Chris has agreed to remain in his role until his successor has been appointed and an appropriate handover completed.

Fulvio Conti	Non-Executive Director	Chief Executive Officer, Enel SpA; Director, AON Corporation; Independent Director, RCS MediaGroup S.p.A
Simon Fraser	Non-Executive Director	Non-Executive Director, Fidelity Japanese Values Plc and Fidelity European Values Plc; Chairman, Foreign & Colonial Investment Trust PLC; Chairman, Merchants Trust PLC; Non-Executive Director, Ashmore Group PLC
Reuben Jeffery III	Non-Executive Director	Senior Adviser, Center for Strategic & International Studies; Chief Executive Officer, Rockefeller & Co., Inc.
Dambisa Moyo	Non-Executive Director	Non-Executive Director, SABMiller plc; Non-Executive Director, Barrick Gold Corporation
Sir Michael Rake	Deputy Chairman and Senior Independent Director	Chairman, BT Group PLC; Director, McGraw-Hill Companies
Sir John Sunderland	Non-Executive Director	Chairman, Merlin Entertainments Group; Non-Executive Director, AFC Energy plc
Diane de Saint Victor	Non-Executive Director	General Counsel, Company Secretary and a member of the Group Executive Committee of ABB Limited

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

### Employees

As at 31 December 2012, the total number of persons employed by the Group (full time equivalents) was 139,200 (2011: 141,100).

### Legal Proceedings

#### *Lehman Brothers*

On 15 September 2009, motions were filed in the United States Bankruptcy Court for the Southern District of New York (the "**Bankruptcy Court**") by Lehman Brothers Holdings Inc. ("**LBHI**"), the SIPA Trustee for Lehman Brothers Inc. (the "**Trustee**") and the Official Committee of Unsecured Creditors of Lehman Brothers Holdings Inc. (the "**Committee**"). All three motions challenged certain aspects of the transaction pursuant to which Barclays Capital Inc. ("**BCI**") and other companies in the Group acquired most of the assets of Lehman Brothers Inc. ("**LBI**") in September 2008 and the court order approving such sale (the "**Sale**"). The claimants were seeking an order voiding the transfer of certain assets to BCI; requiring BCI to return to the LBI estate alleged excess value BCI received; and declaring that BCI is not entitled to certain assets that it claims pursuant to the sale documents and order approving the Sale (the "**Rule 60 Claims**"). On 16 November 2009, LBHI, the Trustee and the Committee filed separate complaints in the Bankruptcy Court asserting claims against BCI based on the same underlying allegations as the pending motions and seeking relief similar to that which is requested in the motions. On 29 January 2010, BCI filed its response to the motions and also filed a motion seeking delivery of certain assets that LBHI and LBI have failed to deliver as required by the sale documents and the court order approving the Sale (together with the Trustee's competing claims to those assets, the "**Contract Claims**"). Approximately U.S.\$4.5 billion (£2.8 billion) of the assets acquired as part of the acquisition had not been received by 31 December 2012, approximately U.S.\$3.0 billion (£1.9 billion) of which were recognised as part of the accounting for the acquisition and are included in the balance sheet as at 31 December 2012. This results in an effective provision of

U.S.\$1.5 billion (£0.9 billion) against the uncertainty inherent in the litigation and issues relating to the recovery of certain assets held by institutions outside the United States.

On 22 February 2011, the Bankruptcy Court issued its Opinion in relation to these matters, rejecting the Rule 60 Claims and deciding some of the Contract Claims in the Trustee's favour and some in favour of BCI. On 15 July 2011, the Bankruptcy Court entered final Orders implementing its Opinion. BCI and the Trustee each appealed the Bankruptcy Court's adverse rulings on the Contract Claims to the United States District Court for the Southern District of New York (the "**District Court**"). LBHI and the Committee did not pursue an appeal from the Bankruptcy Court's ruling on the Rule 60 Claims. After briefing and argument, the District Court issued its Opinion on 5 June 2012 in which it reversed one of the Bankruptcy Court's rulings on the Contract Claims that had been adverse to BCI and affirmed the Bankruptcy Court's other rulings on the Contract Claims. On 17 July 2012, the District Court issued an amended Opinion, correcting certain errors but not otherwise affecting the rulings, and an agreed judgment implementing the rulings in the Opinion (the "**Judgment**"). BCI and the Trustee have each appealed the adverse rulings of the District Court to the United States Court of Appeals for the Second Circuit.

Under the Judgment, BCI is entitled to receive: (i) U.S.\$1.1 billion (£0.7 billion) from the Trustee in respect of "clearance box" assets; (ii) property held at various institutions to secure obligations under the exchange-traded derivatives transferred to BCI in the Sale (the "**ETD Margin**"), subject to the proviso that BCI will be entitled to receive U.S.\$507 million (£0.3 billion) of the ETD Margin only if and to the extent the Trustee has assets available once the Trustee has satisfied all of LBI's customer claims; and (iii) U.S.\$769 million (£0.5 billion) from the Trustee in respect of LBI's 15c3-3 reserve account assets only if and to the extent the Trustee has assets available once the Trustee has satisfied all of LBI's customer claims.

A portion of the ETD Margin which has not yet been recovered by BCI or the Trustee is held or owed by certain institutions outside the United States (including several Lehman affiliates that are subject to insolvency or similar proceedings). As at the date of this Base Prospectus, the Issuer cannot reliably estimate how much of the ETD Margin held or owed by such institutions BCI is ultimately likely to receive. Further, the Issuer cannot reliably estimate (as at the date of this Base Prospectus) if and to the extent the Trustee will have assets remaining available to it to pay BCI the U.S.\$507 million (£0.3 billion) in respect of ETD Margin or the U.S.\$769 million (£0.5 billion) in respect of LBI's 15c3-3 reserve account assets after satisfying all of LBI's customer claims. In this regard, the Trustee announced in October 2012 that if his proposed settlement agreements with LBHI and with the administrator for the liquidation of Lehman Brothers Inc. (Europe) are approved by the relevant courts, then the Trustee should be in position to satisfy all customer claims and make meaningful distributions to creditors (without having to use any of the assets that BCI claims). If the District Court's rulings were to be unaffected by future proceedings, conservatively assuming no recovery by BCI of any of the ETD Margin not yet recovered by BCI or the Trustee that is held or owed by institutions outside the United States and no recovery by BCI of the U.S.\$507 million (£0.3 billion) in respect of ETD Margin or the U.S.\$769 million (£0.5 billion) in respect of LBI's 15c3-3 reserve account assets, the Issuer estimates its loss would be approximately U.S.\$0.9 billion (£0.5 billion). Under the same scenario, but assuming the Trustee's proposed settlement agreements with LBHI and the administrator for the liquidation of Lehman Brothers Inc. (Europe) are implemented, and result in the receipt by BCI of the U.S.\$507 million ETD Margin and U.S.\$769 million in respect of the 15c3-3 reserve account assets, the Issuer estimates its profit would be approximately U.S.\$0.4 billion (£0.2 billion) plus the value of any recovery of the ETD Margin held or owed by institutions outside of the United States. In this context, the Issuer is satisfied with the valuation of the asset recognised on its balance sheet and the resulting level of effective provision.

#### *American Depositary Shares*

The Issuer, Barclays PLC and various current and former members of Barclays PLC's Board of Directors have been named as defendants in five proposed securities class actions (which have been consolidated) pending in the United States District Court for the Southern District of New York (the "**Court**"). The consolidated amended complaint, dated 12 February 2010, alleges that the registration statements relating to American Depositary Shares representing Preferred Stock, Series 2, 3, 4 and 5 (the "**ADS**") offered by the Issuer at various times between 2006 and 2008 contained misstatements and omissions concerning (amongst other things) the Issuer's portfolio of mortgage-related (including U.S. subprime-related) securities, the Issuer's exposure to mortgage and credit market risk and the

## Information Relating to the Issuer

Issuer's financial condition. The consolidated amended complaint asserts claims under sections 11, 12(a)(2) and 15 of the Securities Act of 1933. On 5 January 2011, the Court issued an order and, on 7 January 2011, judgment was entered, granting the defendants' motion to dismiss the complaint in its entirety and closing the case. On 4 February 2011, the plaintiffs filed a motion asking the Court to reconsider in part its dismissal order. On 31 May 2011, the Court denied in full the plaintiffs' motion for reconsideration. The plaintiffs have appealed both decisions (the grant of the defendants' motion to dismiss and the denial of the plaintiffs' motion for reconsideration) to the United States Court of Appeals for the Second Circuit. Oral argument was held on 18 October 2012.

The Issuer considers that these ADS-related claims against it are without merit and is defending them vigorously. As at the date of this Base Prospectus, it is not practicable to estimate the Issuer's possible loss in relation to these claims or any effect that they might have upon operating results in any particular financial period.

### *U.S. Federal Housing Finance Agency and Other Residential Mortgage-Backed Securities Litigation*

The U.S. Federal Housing Finance Agency ("**FHFA**"), acting for two U.S. government sponsored enterprises, Fannie Mae and Freddie Mac (collectively, the "**GSEs**"), filed lawsuits against 17 financial institutions in connection with the GSEs' purchases of residential mortgage-backed securities ("**RMBS**"). The lawsuits allege, amongst other things, that the RMBS offering materials contained materially false and misleading statements and/or omissions. The Issuer and/or certain of its affiliates or former employees are named in two of these lawsuits, relating to sales between 2005 and 2007 of RMBS, in which BCI was lead or co-lead underwriter.

Both complaints demand, amongst other things: rescission and recovery of the consideration paid for the RMBS; and recovery for the GSEs' alleged monetary losses arising out of their ownership of the RMBS. The complaints are similar to other civil actions filed against the Issuer and/or certain of its affiliates by other plaintiffs, including the Federal Home Loan Bank of Seattle, Federal Home Loan Bank of Boston, Federal Home Loan Bank of Chicago, Cambridge Place Investment Management, Inc., HSH Nordbank AG (and affiliates), Sealink Funding Limited, Landesbank Baden-Württemberg (and affiliates), Deutsche Zentral-Genossenschaftsbank AG (and affiliates) and Stichting Pensioenfonds ABP, Royal Park Investments SA/NV, Bayerische Landesbank, John Hancock Life Insurance Company (and affiliates), Prudential Life Insurance Company of America (and affiliates) and the National Credit Union Administration relating to purchases of RMBS. The Issuer considers that the claims against it are without merit and intends to defend them vigorously.

The original amount of RMBS related to the claims against the Issuer in the FHFA cases and the other civil actions against the Group totalled approximately U.S.\$8.5 billion, of which approximately U.S.\$2.7 billion was outstanding as at 31 December 2012. Cumulative losses reported on these RMBS as at 31 December 2012 were approximately U.S.\$0.4 billion. If the Issuer were to lose these cases the Issuer believes it could incur a loss of up to the outstanding amount of the RMBS at the time of judgment (taking into account further principal payments after 31 December 2012), plus any cumulative losses on the RMBS at such time and any interest, fees and costs, less the market value of the RMBS at such time. The Issuer has estimated the total market value of the RMBS as at 31 December 2012 to be approximately U.S.\$1.6 billion. The Issuer may be entitled to indemnification for a portion of any losses. These figures do not include two related class actions brought on behalf of a putative class of investors in RMBS issued by Countrywide and underwritten by BCI and other underwriters, in which the Issuer is indemnified by Countrywide.

### *Devonshire Trust*

On 13 January 2009, the Issuer commenced an action in the Ontario Superior Court (the "**Ontario Court**") seeking an order that its early terminations earlier that day of two credit default swaps under an ISDA Master Agreement with the Devonshire Trust ("**Devonshire**"), an asset-backed commercial paper conduit trust, were valid. On the same day, Devonshire purported to terminate the swaps on the ground that the Issuer had failed to provide liquidity support to Devonshire's commercial paper when required to do so. On 7 September 2011, the Ontario Court ruled that the Issuer's early terminations were invalid, Devonshire's early terminations were valid and, consequently, Devonshire was entitled to receive back from the Issuer cash collateral of approximately C\$533 million together with accrued interest thereon. The Issuer is appealing the Ontario Court's decision. If the Ontario Court's decision

were to be unaffected by future proceedings, the Issuer estimates that its loss would be approximately C\$500 million, less any impairment provisions taken by the Issuer for this matter.

#### *LIBOR Civil Actions*

The Issuer and other banks have been named as defendants in class action and non-class action lawsuits pending in United States Federal Courts in connection with their roles as contributor panel banks to U.S. Dollar LIBOR, the first of which was filed on 15 April 2011. The complaints are substantially similar and allege, amongst other things, that the Issuer and the other banks individually and collectively violated various provisions of the Sherman Act, the U.S. Commodity Exchange Act, the Racketeer Influenced and Corrupt Organizations Act ("**RICO**"), and various state laws by suppressing or otherwise manipulating U.S. Dollar LIBOR rates. The lawsuits seek an unspecified amount of damages and trebling of damages under the Sherman and RICO Acts. The proposed class actions purport to be brought on behalf of (amongst others) plaintiffs that (i) engaged in U.S. Dollar LIBOR-linked over-the-counter transactions; (ii) purchased U.S. Dollar LIBOR-linked financial instruments on an exchange; (iii) purchased U.S. Dollar LIBOR-linked debt securities; (iv) purchased adjustable-rate mortgages linked to U.S. Dollar LIBOR; or (v) issued loans linked to U.S. Dollar LIBOR.

An additional class action was commenced on 30 April 2012 in the United States District Court for the Southern District of New York (the "**District Court**") against the Issuer and other Japanese Yen LIBOR panel banks by plaintiffs involved in exchange-traded derivatives. The complaint also names members of the Japanese Bankers Association's Euroyen Tokyo Interbank Offered Rate ("**TIBOR**") panel, of which the Issuer is not a member. The complaint alleges, amongst other things, manipulation of the Euroyen TIBOR and Yen LIBOR rates and breaches of U.S. antitrust laws between 2006 and 2010.

A further class action was commenced on 6 July 2012 in the District Court against the Issuer and other EURIBOR panel banks by plaintiffs that purchased or sold EURIBOR-related financial instruments. The complaint alleges, amongst other things, manipulation of the EURIBOR rate and breaches of the Sherman Act and the U.S. Commodity Exchange Act beginning as early as 1 January 2005 and continuing through to 31 December 2009. The plaintiffs voluntarily withdrew this complaint on 23 August 2012.

On 21 February 2013, a class action was commenced in the United States District Court for the Northern District of Illinois against the Issuer and other EURIBOR panel banks by plaintiffs that purchased or sold a NYSE LIFFE EURIBOR futures contract. The complaint alleges manipulation of the EURIBOR rate and violations of the Sherman Act beginning as early as 1 June 2005 and continuing through 30 June 2010.

In addition, the Issuer has been granted conditional leniency from the Antitrust Division of the DOJ in connection with potential U.S. antitrust law violations with respect to financial instruments that reference EURIBOR.

The Issuer has also been named as a defendant along with four current and former officers and directors of the Issuer in a proposed securities class action pending in the District Court in connection with the Issuer's role as a contributor panel bank to LIBOR. The complaint principally alleges that the Issuer's Annual Reports for the years 2006 to 2011 contained misstatements and omissions concerning (amongst other things) the Issuer's compliance with its operational risk management processes and certain laws and regulations. The complaint also alleges that the Issuer's daily U.S. Dollar LIBOR submissions themselves constituted false statements in violation of U.S. Securities laws. The complaint is brought on behalf of a proposed class consisting of all persons or entities (other than the defendants) that purchased American Depositary Receipts sponsored by the Issuer on an American securities exchange between 10 July 2007 and 27 June 2012. The complaint asserts claims under sections 10(b) and 20(a) of the U.S. Securities Exchange Act 1934.

It is not practicable to provide an estimate of the financial impact of the potential exposure of any of the actions described or what effect, if any, that they might have upon operating results, cash flows or the Issuer's or Group's financial position in any particular period.

*Other*

Barclays PLC, the Issuer and the Group are engaged in various other legal proceedings both in the United Kingdom and a number of overseas jurisdictions, including the United States, involving claims by and against it which arise in the ordinary course of business, including debt collection, consumer claims and contractual disputes. The Issuer does not expect the ultimate resolution of any of these proceedings to which the Group is party to have a material adverse effect on its results of operations, cash flows or the financial position of the Group and the Issuer has not disclosed the contingent liabilities associated with these claims either because they cannot reliably be estimated or because such disclosure could be prejudicial to the conduct of the claims. Provisions have been recognised for those cases where the Issuer is able reliably to estimate the probable loss where the probable loss is not *de minimis*.

**Significant Change Statement**

There has been no significant change in the financial or trading position of the Issuer or the Group since 31 December 2012.

**Material Adverse Change Statement**

There has been no material adverse change in the prospects of the Issuer or the Group since 31 December 2012.

**Legal Proceedings**

Save as disclosed under '*The Issuer and the Group — Competition and Regulatory Matters*' (on pages 46 to 54 of this Base Prospectus under the headings '*London Interbank Offered Rate*', '*Payment Protection Insurance Redress*' '*Interest Rate Hedging Product Redress*', '*FERC Investigation*' and '*Other Regulatory Investigations*') and '*The Issuer and the Group — Legal Proceedings*' (on pages 50 to 54 of this Base Prospectus under the headings '*Lehman Brothers*', '*American Depositary Shares*', '*US Federal Housing Finance Agency and other residential mortgage-backed securities litigation*', '*Devonshire Trust*' and '*LIBOR Civil Actions*'), there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), which may have or have had during the 12 months preceding the date of this Base Prospectus, a significant effect on the financial position or profitability of the Issuer and/or the Group.

**Auditors**

The annual consolidated and unconsolidated financial statements of the Issuer for the two years ended 31 December 2011 and 31 December 2012 have been audited without qualification by PricewaterhouseCoopers of Southwark Towers, 32 London Bridge Street, London SE1 9SY, chartered accountants and registered auditors (authorised and regulated by the FCA for designated investment business).

**Related Parties**

In the ordinary course of business, the Issuer participates in transactions with parent and fellow subsidiary companies.

## HOW THE RETURN ON YOUR INVESTMENT IS CALCULATED

**THE WORKED EXAMPLES PRESENTED BELOW ARE FOR ILLUSTRATIVE PURPOSES ONLY AND ARE IN NO WAY REPRESENTATIVE OF ACTUAL PRICING. THE WORKED EXAMPLES ARE INTENDED TO DEMONSTRATE HOW AMOUNTS PAYABLE UNDER THE SECURITIES ARE CALCULATED UNDER A VARIETY OF SCENARIOS. THE ACTUAL AMOUNTS PAYABLE (IF ANY) WILL BE CALCULATED IN ACCORDANCE WITH THE TERMS OF YOUR SECURITIES AS SET OUT IN THE TERMS AND CONDITIONS SECTION OF THIS BASE PROSPECTUS.**

**For the purposes of the scenarios below, the nominal amount per Security is assumed to be GBP 1,000 and the issue price is 100 per cent (100%) of the nominal amount.**

Securities issued pursuant to this Base Prospectus will, upon maturity, pay a redemption amount that is linked to the change in value of one or more specified warrants which may fluctuate up or down depending on the performance of one or more reference assets referenced by each warrant.

The sections below are intended to demonstrate how the return on your investment will be calculated depending on whether the notes are linked to one warrant or a number of warrants, and upon changes in the value of the reference asset or assets referenced by each such warrant.

### **Final Redemption**

*Warrant linked products pay a redemption amount that is linked to the change in value of one or more specified warrant(s). The value of the warrant(s) may fluctuate up or down depending on the performance of one or more specified reference assets to which each warrant is linked.*

Unless your Securities are redeemed early or are adjusted, in respect of each Security, the amount you will receive on the maturity date for each Security that you hold will be the nominal amount multiplied by the value (or, if your Securities are linked to more than one warrant, the sum of the values) of the warrant(s) on the final valuation date divided by the value (or, if your Securities are linked to more than one warrant, the sum of the values) of the warrant(s) on the initial valuation date. Where your Securities relate to more than one underlying warrant, no weighting is applied in the calculation as the amount payable on redemption is determined by reference to the sum of the values of all the relevant underlying warrants without adjustment.

#### **WORKED EXAMPLE 1: Assuming, for the purpose of this worked example only, that:**

- **the Securities are linked to one warrant, both the Securities and the warrants are issued on the same date;**
  - **the warrant is linked to the performance of the FTSE<sup>®</sup> 100<sup>2</sup> Index;**
  - **the issue price of the warrant (representing the value of the warrant on the initial valuation date of the warrant) is GBP 100;**
  - **under the terms of the warrant, the value of the warrant on the final valuation date will be calculated as the issue price per warrant, multiplied by the final level of the FTSE<sup>®</sup> 100 Index on the final valuation date of the warrant, divided by the initial level of the FTSE<sup>®</sup> 100 Index on the initial valuation date of the warrant; and**
  - **the initial level of the FTSE<sup>®</sup> 100 Index is 6,000,**
- (i) if the final level of the FTSE<sup>®</sup> 100 Index is 5,400:**

**The value of the warrant on the final valuation date will be GBP 90, which is calculated dividing the final level of the FTSE<sup>®</sup> 100 Index (being 5,400) by the initial level of the FTSE<sup>®</sup> 100 Index (being 6,000) and multiplying the result by the issue price of the warrant (being GBP 100).**

<sup>2</sup> Please see the 'Index Disclaimers' in the General Information section of this Base Prospectus.

In this scenario, the amount you will receive for each Security will be GBP 900 which is calculated by dividing the value of the warrant on the final valuation date (being GBP 90) by the value of the warrant on the initial valuation date (being GBP 100) and multiplying by the nominal amount of the Security (being GBP 1,000) or, expressed mathematically:

$$\text{GBP } 1,000 \times \frac{\text{GBP } 90}{\text{GBP } 100} = \text{GBP } 900$$

In this scenario, where the value of the FTSE® 100 Index decreases, the value of the warrants decreases and the value of the Securities also decreases.

**IN THIS SCENARIO INVESTORS WHO BOUGHT THE SECURITY AT ITS ISSUE PRICE OF GBP 1,000 WILL LOSE PART OF THEIR ORIGINAL INVESTMENT.**

(ii) if the final level of the FTSE® 100 Index is 6,600:

The value of the warrant on the final valuation date will be GBP 110, which is calculated by dividing the final level of the FTSE® 100 Index (being 6,600) by the initial level of the FTSE® 100 Index (being 6,000) and multiplying the result by the issue price of the warrant (being GBP 100).

In this scenario, the amount you will receive for each Security will be GBP 1,100 which is calculated by dividing the value of the warrant on the final valuation date (being GBP 110) by the value of the warrant on the initial valuation date (being GBP 100) and multiplying by the nominal amount of the Security (being GBP 1,000) or, expressed mathematically:

$$\text{GBP } 1,000 \times \frac{\text{GBP } 110}{\text{GBP } 100} = \text{GBP } 1,100$$

In this scenario, as the value of the FTSE® 100 Index increases, the value of the warrants increases and the value of the Securities also increases.



**WORKED EXAMPLE 2: Assuming, for the purpose of this worked example only, that:**

- the Securities are linked to one warrant, both the Securities and the warrant are issued on the same date;
- the warrant is linked to the performance of a number of equity indices, being the FTSE® 100 Index, the EURO STOXX 50® Index<sup>3</sup> and the S&P 500 Index<sup>4</sup>;
- the issue price of the warrant (representing the value of the warrant on the initial valuation date of the warrant) is GBP 100;
- under the terms of the warrant, the value of the warrant on the final valuation date will be calculated as the 120% multiplied by the issue price per warrant, multiplied by the final level of the worst performing equity index on the final valuation date of the warrant, divided by the initial level of the worst performing equity index on the initial valuation date of the warrant;
- under the terms of the warrant, the worst performing equity index will be the equity index with the lowest performance, calculated in respect of each equity index by dividing the final level of the index by the initial level of the index;
- the worst performing index is the EURO STOXX 50® Index;
- the initial level of the EURO STOXX 50® Index is 2,500,
- (i) if the final level of the EURO STOXX 50® Index is 2,000:

The value of the warrant on the final valuation date will be GBP 96, which is calculated dividing the final level of the EURO STOXX 50® Index (being 2,000) by the initial level of the EURO STOXX 50® Index (being 2,500) and multiplying the result by 120% and further multiplying the result by the issue price of the warrant (being GBP 100).

In this scenario, the amount you will receive for each Security will be GBP 960 which is calculated by dividing the value of the warrant on the final valuation date (being GBP 96) by the value of the warrant on the initial valuation date (being GBP 100) and multiplying by the nominal amount of the Security (being GBP 1,000) or, expressed mathematically:

$$\text{GBP } 1,000 \times \frac{\text{GBP } 96}{\text{GBP } 100} = \text{GBP } 960$$

In this scenario, as the value of the worst performing equity index (being, for the purposes of this example, the EURO STOXX 50® Index) decreases, the value of the warrants decreases and the value of the Securities also decreases.

**IN THIS SCENARIO INVESTORS WHO BOUGHT THE SECURITY AT ITS ISSUE PRICE OF GBP 1,000 WILL LOSE PART OF THEIR ORIGINAL INVESTMENT.**

- (ii) if the final level of the EURO STOXX 50® Index is 2,750:

The value of the warrant on the final valuation date will be GBP 132, which is calculated dividing the final level of the EURO STOXX 50® Index (being 2,750) by the initial level of the EURO STOXX 50® Index on issuance (being 2,500) multiplying the result by 120% and further multiplying the result by the issue price of the warrant (being GBP 100).

In this scenario, the amount you will receive for each Security will be GBP 1,320 which is calculated by dividing the value of the warrant on the final valuation date (being GBP 132) by the value of the warrant on the initial valuation date (being GBP 100) and

<sup>3</sup> Please see the 'Index Disclaimers' in the General Information section of this Base Prospectus.

<sup>4</sup> Please see the 'Index Disclaimers' in the General Information section of this Base Prospectus.

**multiplying by the nominal amount of the Security (being GBP 1,000) or, expressed mathematically:**

$$\text{GBP } 1,000 \times \frac{\text{GBP } 132}{\text{GBP } 100} = \text{GBP } 1,320$$

**In this scenario, where the value of the worst performing equity index (being, for the purposes of this example, the EURO STOXX 50<sup>®</sup> Index) increases, the value of the warrants increases and the value of the Securities also increases.**

**WORKED EXAMPLE 3: Assuming, for the purpose of this worked example only, that:**

- the Securities are linked to two warrants, "warrant 1" and "warrant 2", both the Securities and the warrants are issued on the same date;
- warrant 1 is linked to the performance of the USD price per tonne of copper traded on the London Metal Exchange and warrant 2 is linked to the performance of the USD price per tonne of aluminium traded on the London Metal Exchange;
- the issue price of each warrant (representing the value of each warrant on the initial valuation date of such warrant) is GBP 100;
- under the terms of each of warrant 1 and warrant 2, the value of the relevant warrant on the final valuation date will be calculated as the issue price per warrant, multiplied by the final USD price per tonne of copper or aluminium on the final valuation date of the warrant, divided by the initial USD price per tonne of copper or aluminium on the initial valuation date of the warrant;
- the initial USD price per tonne of copper is USD 7,000; and
- the initial USD price per tonne of aluminium is USD 2,000.

If the final USD price per tonne of copper is USD 7,500 and the final USD price per tonne of aluminium is USD 1,000:

The value of warrant 1 on the final valuation date will be GBP 107.14, being the final USD price per tonne of copper (being USD 7,500) divided by the initial USD price per tonne of copper (being USD 7,000) and multiplying the result by the issue price of warrant 1 (being GBP 100).

The value of warrant 2 on the final valuation date will be GBP 50, being the final USD price per tonne of aluminium (being USD 1,000) divided by the initial USD price per tonne of aluminium (being USD 2,000) and multiplying the result by the issue price of the warrant (being GBP 100).

In this scenario, the amount you will receive for each Security will be GBP 785.70, which is calculated by dividing the sum of the value of the warrants on the final valuation date (being GBP 157.14) by the sum of the value of the warrants on the initial valuation date (being GBP 200) and multiplying by the nominal amount of the Security, or, expressed mathematically:

$$\text{GBP } 1,000 \times \frac{\text{GBP } 157.14}{\text{GBP } 200} = \text{GBP } 785.70$$

In this scenario, although the value of warrant 1 increases, which reflects the increase in the value of copper, it does not increase by more than the decrease in value of warrant 2, which reflects the decrease in the value of aluminium. Therefore, the value of the Securities decreases, which reflects the total decrease in the combined value of warrant 1 and warrant 2.

**IN THIS SCENARIO AN INVESTOR WHO BOUGHT THE SECURITY AT ITS ISSUE PRICE OF GBP 1,000 WILL LOSE PART OF THE ORIGINAL INVESTMENT.**

**TERMS AND CONDITIONS OF THE SECURITIES**

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*The following text comprises the terms and conditions of the Securities (the "**General Conditions**") that, subject to completion or election in the Final Terms (together, the "**Conditions**") shall be applicable to each Series.*

*The provisions within Section C: FINAL REDEMPTION will only be applicable as specified in the Final Terms.*

*All capitalised terms that are not defined in these General Conditions have the meanings given to them in the Final Terms.*

*References in these General Conditions to "**Securities**" are to the Securities of one Series only, not to all Securities that may be issued under the Programme.*

## **A. INTRODUCTION**

The Securities are issued as a Series of notes by the Issuer and references to "**Securities**" shall be construed as a reference to each Series accordingly. Securities are issued pursuant to the Agency Agreement dated 18 April 2013 (as further amended and/or supplemented and/or restated as at the relevant Issue Date, the "**Agency Agreement**") and, other than CREST Securities, with the benefit of a Deed of Covenant dated 18 April 2013 (as further amended and/or supplemented and/or restated as at the relevant Issue Date, the "**Deed of Covenant**") executed by the Issuer. Copies of the Agency Agreement and the Deed of Covenant are available for inspection at the registered office of the Issuer, the Issue and Paying Agent and the specified offices of the Paying Agents.

The determination agent, the issue and paying agent, the paying agents and the CREST agent are referred to respectively as the "**Determination Agent**", the "**Issue and Paying Agent**", the "**Paying Agents**" and the "**CREST Agent**" (together, the "**Agents**"). The Issue and Paying Agent and the Paying Agent shall be The Bank of New York Mellon, London Branch of One Canada Place, London E14 5AL. Each of the other Agents shall be as specified below or in the Final Terms.

In respect of any issue of CREST Securities, the agent providing certain issuing, registry and paying agency services to the Issuer (the "**CREST Agent**") shall be Computershare Investor Services PLC. For the purpose of CREST Securities, any reference in the Conditions to a calculation or determination being made by the Determination Agent or the Issue and Paying Agent shall be deemed to be a reference to the Issuer making such calculation or determination.

Each Series may be issued in tranches (each a "**Tranche**") on the same or different issue dates. The specific terms of each Tranche will be identical to the terms of other Tranches of the same Series (save in respect of the Issue Date, Issue Price and aggregate nominal amount of the Tranche) and will be set out in the Final Terms.

The Securities do not bear interest.

Capitalised terms used in the Conditions have the meanings given in General Condition 22 (*Definitions and Interpretations*).

## **B. FORM, TITLE, TRANSFER, CALCULATIONS AND PAYMENTS UNDER THE SECURITIES**

### **1. Form, Title and Transfer**

#### **1.1 Form of Securities**

##### **(a) Form of Securities other than CREST Securities.**

Securities will be issued in bearer form ("**Bearer Securities**"), as specified in the Final Terms. Securities in one form may not be exchanged for Securities in any other form except as provided below.

Bearer Securities will initially be issued in global form ("**Global Bearer Securities**"), and may only be exchanged for Securities in definitive form (each a "**Definitive Bearer Security**" and, if more than one, the "**Definitive Bearer Securities** ") (i) in the case of Bearer Securities

with a single Specified Denomination, if specified in the Final Terms, or (ii) in the case of all Bearer Securities upon an Exchange Event occurring, and in each case in accordance with the terms of the relevant Global Security.

(b) **Form of CREST Securities**

CREST Securities will be issued in dematerialised uncertificated registered form and will be held in accordance with the United Kingdom Uncertificated Securities Regulations 2001 (SI 2001/3755) including any modification or re-enactment thereof from time to time in force (the "**Uncertificated Regulations**"), and not constituted by any physical document of title. CREST Securities will be cleared through CREST and will be participating securities for the purposes of the Uncertificated Regulations.

(c) **Initial Issue of Global Bearer Securities**

If 'NGN Form' is specified as applicable in the Final Terms with respect to a Global Bearer Security ("**NGN Form**"), such Global Bearer Security will be delivered on or prior to the original issue date of the Tranche to a common safekeeper (a "**Common Safekeeper**"). The aggregate nominal amount of the Global Bearer Security shall be that which is from time to time entered in the records of the Relevant Clearing System. Securities should only be issued in NGN Form where they are intended to be held in a manner which would allow Eurosystem eligibility but such recognition will depend upon the satisfaction of the Eurosystem eligibility criteria.

If 'CGN Form' is specified as applicable in the Final Terms ("**CGN Form**"), the Global Bearer Security may be delivered on or prior to the original issue date of the Tranche to a Common Depository for the Relevant Clearing System. The Relevant Clearing System will then credit each subscriber with an aggregate nominal amount of Global Bearer Securities equal to the nominal amount thereof for which it has subscribed and paid.

1.2 **Exchange of Securities**

(a) **Exchanges of Global Bearer Securities**

Each Series of Bearer Securities issued in compliance with the D Rules will be initially issued in the form of a temporary global security in bearer form (a "**Temporary Global Security**") and will be exchangeable for a permanent bearer global security (a "**Permanent Global Security**"), free of charge, on and after its Exchange Date, upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement.

Each Series of Bearer Securities issued in compliance with the C Rules or in respect of which TEFRA does not apply will be initially issued in the form of a Permanent Global Security.

Upon the occurrence of an Exchange Event on or after its Exchange Date each Permanent Global Security will be exchangeable, in whole but not in part, free of charge, for Definitive Bearer Securities. Temporary Global Securities will not be exchangeable for Definitive Bearer Securities.

If the Global Bearer Security is in CGN Form, or on or after any due date for exchange, the Holder may surrender it or, in the case of a partial exchange, present it for endorsement to or to the order of the Issue and Paying Agent and in exchange the Issuer will deliver, or procure the delivery of (i) in the case of a Temporary Global Security, a Permanent Global Security in an aggregate nominal amount equal to that of the Temporary Global Security that is being exchanged, or (ii) in the case of a Permanent Global Security exchangeable for Definitive Bearer Securities, an equal aggregate nominal amount of duly executed and authenticated Definitive Bearer Securities.

If the Global Bearer Security is in NGN Form, the Issuer will procure that details of such exchange be entered pro rata in the records of the Relevant Clearing System. On exchange in full of each Permanent Global Security, the Issuer will, if the Holder so requests, procure that it is cancelled and returned to the Holder together with the relevant Definitive Bearer Securities.

1.3 **Denomination and Number**

The Final Terms in respect of Securities will specify the denomination or denominations (each a "**Specified Denomination**") in which such Securities are issued, the Aggregate Nominal Amount, the Issue Price per Security and the Calculation Amount. In the case of a Series of Securities with more than one Specified Denomination, Bearer Securities of one Specified Denomination will not be exchangeable for Bearer Securities of another Specified Denomination.

1.4 **Title**

(a) **Title to Securities (other than CREST Securities)**

Title to Bearer Securities passes by delivery.

The Issuer and the relevant Agents shall (except as otherwise required by law or ordered by a court of competent jurisdiction) deem and treat the Holder (as defined below) of any Bearer Security as its absolute owner for all purposes (whether or not such Security is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it (or on the Global Bearer Security representing it) or its theft or loss) and no person shall be liable for so treating the Holder.

In these General Conditions, except in respect of CREST Securities, "**Holder**" means the bearer of any Bearer Security except that in respect of any Global Bearer Securities, the person appearing as the accountholder for the Relevant Clearing System (the "**Accountholder**") shall be treated as the Holder for all purposes other than with respect to the payment of any amount due under the Securities (for which purpose the Common Depositary or Common Safekeeper, as the case may be, shall be treated by the Issuer and any Agent as the relevant Holder).

(b) **Title to CREST Securities**

The CREST Agent on behalf of the Issuer shall maintain a record of uncertificated corporate securities (the "**Record**") in relation to CREST Securities and each person who is for the time being shown in the Record shall be treated by the Issuer and the Agents as the Holder of the particular nominal amount of CREST Securities for all purposes (and the expressions "**Holder**" and "**Holder of CREST Securities**" and related expressions shall be construed accordingly for the purpose of the Conditions).

No provision of the Conditions shall apply or have effect to the extent that it is in any respect inconsistent with (i) the holding of title to CREST Securities in uncertificated form, (ii) the transfer of title to CREST Securities by means of a Relevant system or (iii) the Uncertificated Regulations. Without prejudice to the generality of the preceding sentence, so long as the CREST Securities are participating securities, (A) the Record shall be maintained at all times in the United Kingdom, (B) the CREST Securities will be issued in uncertificated form in accordance with and subject as provided in the Uncertificated Regulations and (C) the Conditions shall remain applicable notwithstanding that they are not endorsed on any certificate or document of title for such CREST Securities.

As used in these General Conditions, each of "**Operator**", "**Operator register of corporate securities**", "**participating security**", "**record of uncertificated corporate securities**" and "**Relevant system**" is as defined in the Uncertificated Regulations (and the relevant Operator is Euroclear UK & Ireland Limited or any additional or alternative Operator from time to time and notified to the Holders of CREST Securities).

(c) **Title to CREST Depositary Interests**

Where 'CDIs' are specified in the Final Terms for a Series, investors may hold CREST Depositary Interests ("**CDIs**") constituted and issued by the CREST Depositary and representing indirect interests in such Securities. CDIs will be issued and settled through CREST.

Neither the Securities nor any rights with respect thereto will be issued, held, transferred or settled within CREST otherwise than through the issue, holding, transfer and settlement of CDIs. Holders of CDIs will not be entitled to deal directly in the Securities to which such CDIs relate (the "**Underlying Securities**"). Accordingly, all dealings in Securities represented by a holding of CDIs will be effected through CREST.

CDIs will be constituted and governed by the terms of the CREST Deed Poll. Holders of CDIs will have no rights against the Issuer, any Manager or any Agent in respect of the Underlying Securities, interests therein or the CDIs representing them.

1.5 **Transfers**

(a) **Transfers of Cleared Securities**

Subject to paragraph (c) (*Minimum Tradable Amount*) below, transfers of Securities which are held in a Relevant Clearing System may be effected only through the Relevant Clearing System in which the Securities to be transferred are held and only in accordance with the Relevant Rules. Title will pass upon registration of the transfer in the books of the Relevant Clearing System.

(b) **Transfer of CREST Securities**

Transfers of CREST Securities are effected upon registration of the transfer in the Operator register of corporate securities and subject to and in accordance with the Uncertificated Regulations and the rules, procedures and practices in effect of the Operator (the "**CREST Requirements**").

Transfers of CREST Securities will be effected without charge by or on behalf of the Issuer, the Operator or the CREST Agent, but upon payment of any Taxes that may be imposed in relation to them (or the giving of such indemnity as the Issuer, the Operator or the CREST Agent may require).

CREST Securities may not be transferred in or into the United States or to, or for the account or benefit of, US Persons (as defined in Regulation S under the Securities Act) (I) unless the CREST Securities are registered under the Securities Act, or an exemption from the registration requirements of the Securities Act is available, or (II) in a manner that would require the Issuer of the Securities to register under the US Investment Company Act.

(c) **Transfers of Non-cleared Securities**

Non-cleared Bearer Securities, will be transferred by delivery.

(d) **Minimum Tradable Amount**

Transactions in the Securities may, if specified in the Final Terms, be subject to a Minimum Tradable Amount, in which case such Securities will be transferable only in a nominal amount of not less than such Minimum Tradable Amount and, in the case of Cleared Securities, in accordance with the Relevant Rules.

2. **Status**

The Securities constitute direct, unsecured and unsubordinated obligations of the Issuer and rank equally among themselves. The payment obligations of the Issuer under the Securities will rank equally with all other present and future unsecured and unsubordinated obligations of the Issuer (except for such obligations as may be preferred by provisions of law that are both mandatory and of general application). The Securities do not evidence deposits of the Issuer. The Securities are not insured or guaranteed by any government or government agency.



**3. Calculations and Publication**

**3.1 Rounding**

For the purposes of any calculations required pursuant to the Conditions unless otherwise specified, all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with half a unit being rounded up), save in the case of Japanese yen, which shall be rounded down to the nearest Japanese yen. For these purposes, "**unit**" means the lowest amount of such currency that is available as legal tender in the country of such currency.

**3.2 Determination and Publication of amounts in respect of Settlement**

As soon as practicable on such date as the Issue and Paying Agent or, as applicable, the Determination Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation in respect of or in connection with any Security, such Agent shall determine such rate, obtain any required quotation or make such determination or calculation, as the case may be, and cause the relevant payment amount to be notified to the Issuer, each of the Paying Agents, the Holders, any other Agent in respect of the Securities that is to make a payment or further calculation or determination upon receipt of such information and, if the Securities are listed and the rules of the Relevant Stock Exchange or other relevant authority so require, such exchange or relevant authority, as soon as possible after their determination but in no event later than the fourth Business Day following such determination.

**3.3 Calculation Amount**

**(a) General**

If the Settlement Amount relating to a Security is specified, or is to be determined, by reference to the Calculation Amount specified in the Final Terms, then, on each occasion on which such Security is redeemed in part, the corresponding Settlement Amount shall be deemed to have been reduced by an amount proportional to the nominal amount or portion of the Security so redeemed with effect from the date of such partial reduction.

**(b) Calculations in respect of Securities**

(i) Notwithstanding anything to the contrary in the Conditions or the Agency Agreement each calculation of an amount payable in respect of each Security (other than a Definitive Security) shall be based on the aggregate nominal amount of all such Securities outstanding on such date (or the relevant affected portion thereof), rounded in accordance with the method provided in General Condition 3.1 (Rounding) above and distributed in accordance with the Relevant Rules.

(ii) For the avoidance of doubt, in relation to any amount which is payable under the Conditions in respect of a Security and which is calculated by reference to a Calculation Amount, references to 'Security' shall mean to a Security having a nominal amount equal to the Calculation Amount.

**4. Payments**

**4.1 Payments in respect of Definitive Bearer Securities**

In respect of any Definitive Bearer Security payments of principal will be made against and subject to the presentation and surrender (or, in the case of part payment, endorsement) of the relevant Definitive Bearer Security at the specified office of any Paying Agent outside the United States, by a cheque drawn in the currency in which payment is due, or by transfer to an account with an Account Bank denominated in such currency, as applicable.

Notwithstanding the foregoing, payments of principal may be made in United States dollars at the specified office of any Paying Agent in New York City if (i) the Issuer has appointed Paying Agents with offices outside of the United States with the reasonable expectation that

such Paying Agents would be able to make payment in United States dollars, (ii) payment of the full amount of such principal in United States dollars at the offices of such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law, without involving, in the determination of the Issuer, any adverse tax consequences to the Issuer.

#### 4.2 **Payments in respect of Global Bearer Securities**

##### (a) **Global Bearer Securities**

No payment falling due after the Exchange Date will be made on any Global Bearer Securities unless exchange for an interest in a Permanent Global Security or for Definitive Bearer Securities is improperly withheld or refused. Payments on any Temporary Global Security issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement.

##### (b) **CGNs**

All payments in respect of Bearer Securities in CGN Form will be made against and subject to presentation for endorsement and, if no further payment falls to be made in respect of the Global Bearer Securities, surrender of that Global Bearer Security to or to the order of the Issue and Paying Agent or such other Paying Agent as shall have been notified to the Holders for such purpose.

##### (c) **NGNs**

If a Global Bearer Security is a Cleared Security in NGN Form, the Issuer shall procure that details of each such payment shall be entered in the records of the Relevant Clearing System. Payments in respect of Securities in NGN Form will be made to its Holder. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of the Relevant Clearing System shall not affect such discharge.

##### (d) **Relationship of Accountholders and Relevant Clearing Systems**

Each of the persons shown in the records of the Relevant Clearing System as the Holder represented by a Global Bearer Security must look solely to the Relevant Clearing System for his share of each payment made by the Issuer to the bearer of such Global Bearer Security. The obligations of the Issuer will be discharged by payment to the bearer of such Global Bearer Security in respect of each amount so paid.

#### 4.3 **Payments in respect of CREST Securities**

The Issuer shall procure that all payments in respect of CREST Securities are made to the relevant Holder's cash memorandum account for value on the Relevant Date, such payment to be made in accordance with the regulations of CREST.

Each of the persons shown in the Record as the Holder of a particular nominal amount of CREST Securities must look solely to the settlement bank or institution at which its cash memorandum account is held for its share of each such payment so made by or on behalf of the Issuer.

#### 4.4 **Payments on Business Days**

If the date on which any amount is payable is not (i) a Business Day and (ii) in the case of Definitive Bearer Securities only, a day other than a Saturday or Sunday on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the relevant place of presentation, then payment will not be made until the next succeeding day which is (i) a Business Day and (ii) in the case of Definitive Bearer Securities only, also a day other than a Saturday or Sunday on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and

foreign currency deposits) in the relevant place of presentation, and the Holder thereof shall not be entitled to any further payment in respect of such delay.

4.5 **Postponement of Payments and Settlement**

If the determination of a value used to calculate any amount payable on the Scheduled Redemption Date is delayed or postponed pursuant to these General Conditions, payment will occur on the later of either (i) the Scheduled Redemption Date, or (ii) the third Business Day following the Final Valuation Date. No additional amounts shall be payable by the Issuer because of such postponement.

C. **FINAL REDEMPTION**

5. **Final Redemption**

(a) **Certain information to be found in the Final Terms**

The Final Terms will contain provisions applicable to the Final Redemption provisions and must be read in conjunction with this General Condition 5 for full information on the manner in which the Final Cash Settlement Amount will be calculated. In particular, the Final Terms will specify the following information items where relevant to the particular Securities:

- The Underlying Warrant or Underlying Warrants and the Underlying Warrant Reference Asset(s) to which each Underlying Warrant is linked; and
- the Final Valuation Date

(b) **Final Cash Settlement Amount**

Unless previously redeemed or purchased and surrendered for cancellation, each Security will be redeemed by the Issuer by payment on the Scheduled Redemption Date of a cash amount per Calculation Amount (the "**Final Cash Settlement Amount**") determined by the Determination Agent as equal to:

- (i) if the Securities are linked to a single Underlying Warrant:

$$\text{Calculation Amount} \times \frac{\text{Warrant Value}_{\text{final}}}{\text{Warrant Value}_{\text{initial}}}; \text{ or}$$

- (ii) if the Securities are linked to more than one Underlying Warrant:

$$\text{Calculation Amount} \times \frac{\text{Basket}_{\text{final}}}{\text{Basket}_{\text{initial}}}.$$

(c) **Relevant defined terms**

The following terms as used above have the following meanings:

- "**Calculation Amount**" means a nominal amount of the Securities equal to the minimum Specified Denomination.
- "**Final Valuation Date**" means the date specified as such in the Final Terms provided that,
  - (i) if there is only one Underlying Warrant, and if any date for valuation or determination in respect of the Underlying Warrant on or about such day is to be delayed in accordance with the terms of the Underlying Warrant for any reason, any date for valuation or determination shall be so delayed in accordance with the terms of the Underlying Warrant and the Final Valuation Date shall be deemed to be the final such delayed valuation or determination date; or

- (ii) if there is more than one Underlying Warrant and if any date for valuation or determination in respect of any of the Underlying Warrants on or about such day is to be delayed in accordance with the terms of the relevant Underlying Warrant for any reason, then in respect of:
    - (a) any Underlying Warrant not subject to any such delay, the Final Valuation Date in respect of such Underlying Warrant shall be the original date; and
    - (b) any Underlying Warrant subject to such delay, any date for valuation or determination shall be so delayed in accordance with the terms of the Underlying Warrant and the final day as a result of any such delay shall be deemed to be the Final Valuation Date,
- all as determined by the Determination Agent.

For the avoidance of doubt, where the Scheduled Redemption Date is delayed pursuant to the provisions of General Condition 4.5, "Final Valuation Date" shall mean for such purposes the Final Valuation Date last occurring pursuant to the above provisions.

- "**Basket<sub>final</sub>**" means the arithmetic sum of the Warrant Value<sub>final</sub> in respect of all Underlying Warrants.
- "**Basket<sub>initial</sub>**" means the arithmetic sum of the Warrant Value<sub>initial</sub> in respect of all Underlying Warrants.
- "**Initial Valuation Date**" means the Issue Date.
- "**Valuation Time**" has the meaning given to it in the Final Terms or if not set out in the Final Terms, means (i) in relation to the Initial Valuation Date, 5pm (London time); and (ii) in respect of all other dates, the time immediately following the time at which the settlement amount(s) in respect of all Underlying Warrant(s) is(are) determined.
- "**Warrant Value**" means, in respect of an Underlying Warrant and any day, the value of such Underlying Warrant on such day as determined by the Determination Agent taking into account (where relevant) the applicable settlement amount (if any) due on exercise of such Underlying Warrants.
- "**Warrant Value<sub>final</sub>**" means, in respect of an Underlying Warrant, the Warrant Value of such Underlying Warrant on the Final Valuation Date.
- "**Warrant Value<sub>initial</sub>**" means, in respect of an Underlying Warrant, the Warrant Value of such Underlying Warrant on the Initial Valuation Date.

## D. WARRANT TERMINATION EVENTS

### 6. Warrant Termination Events

#### 6.1 Early Redemption following the occurrence of a Warrant Termination Event

If the Issuer determines that a Warrant Termination Event has occurred, the Issuer shall, on best efforts basis, give notice to the Holders and redeem all of the Securities of the relevant Series on the Early Cash Settlement Date and pay to each Holder in respect of the Calculation Amount for each Security held by it, an amount equal to the Early Cash Settlement Amount.

As used herein,

"**Warrant Termination Event**" means, in respect of an Underlying Warrant, (a) the cancellation or termination of such Underlying Warrant for any reason other than (i) by reason of its scheduled exercise by a holder thereof or (ii) its scheduled automatic exercise pursuant

to its terms or (b) a specified early cancellation event occurs in respect of such Underlying Warrant in accordance with its terms.

**E. GENERAL PROVISIONS**

**7. Early Redemption or Adjustment following an Additional Disruption Event**

If an Additional Disruption Event occurs, the Issuer may (a) request that the Determination Agent determines whether an appropriate adjustment can be made to the Conditions or any other provisions relating to the Securities to account for the economic effect of such Additional Disruption Event on the Securities and to preserve substantially the economic effect to the Holders of a holding of the relevant Security. The Issuer shall notify Holders of any such adjustment(s) as soon as reasonably practicable after the nature and effective date of the adjustments are determined; provided that if the Determination Agent determines that no adjustment that could be made would produce a commercially reasonable result and preserve substantially the economic effect to the Holders of a holding of the relevant Security, the Determination Agent will notify the Issuer of such determination that no adjustment(s) shall be made; or (b) on giving not less than the Early Redemption Notice Period Number of Business Days' irrevocable notice to the Holders, redeem all of the Securities of the relevant Series on the Early Cash Settlement Date and pay to each Holder, in respect of each Calculation Amount for each Security held by it, an amount equal to the Early Cash Settlement Amount.

**8. Events of Default**

If any of the following events occurs and is continuing (each an "**Event of Default**") and unless the Event of Default shall have been cured by the Issuer prior to receipt of a notice from a Holder as referred to below, a Holder may give notice to the Issue and Paying Agent or Paying Agent (in respect of any Security that is not a CREST Security) or to the Issuer (in respect of any CREST Security) that such Security is, and in all cases such Security shall become, immediately due and payable at the Early Cash Settlement Amount:

- (i) any Early Cash Settlement Amount, or Final Cash Settlement Amount, as applicable due on the Securities of the Series held by such Holder has not been paid within 30 calendar days of the due date of payment. The Issuer shall not, however, be in default if 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-calendar-day period by independent legal advisers; or
- (ii) the Issuer breaches any other provision of the Securities and that breach has not been remedied within 30 calendar days of the Issuer having received notice thereof from Holders holding at least one tenth in outstanding nominal amount of the relevant Series demanding remedy; 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).

**9. Agents**

**9.1 Appointment of Agents**

The Agents act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Holder. The Issuer reserves the right to vary or terminate the appointment of the Agents and to appoint additional or other Agents, provided that the Issuer shall at all times maintain:

- (a) an Issue and Paying Agent;
- (b) one or more Determination Agent(s) where the Conditions so require;

- (c) such other agents as may be required by any stock exchange on which the Securities may be listed;
- (d) to the extent not already satisfied pursuant to (c), in relation to Definitive Bearer Securities, a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive; and
- (e) a CREST Agent so long as any CREST Securities are outstanding.

Notice of any termination of appointment and of any changes to the specified office of any Agent will be given to Holders.

## 9.2 **Determinations by the Determination Agent**

The Determination Agent (which will be Barclays Bank PLC, unless otherwise specified in the Final Terms), may be required to make certain determinations, considerations, decisions and calculations pursuant to the Conditions. In all circumstances the Determination Agent shall make such determinations and calculations in good faith and in a commercially reasonable manner, and (save in the case of manifest or proven error) shall be final and binding on the Issuer, the Agents and the Holders.

## 9.3 **Responsibility of the Issuer and the Agents**

Neither the Issuer nor any Agent shall be held responsible for any loss or damage resulting from any legal enactment (domestic or foreign), the intervention of a public authority (domestic or foreign), an act of war, strike, blockade, boycott or lockout or any other similar event or circumstance. The reservation in respect of strikes, blockades, boycotts and lockouts shall also apply if any of such parties itself take such measures or becomes the subject of such measures. Where the Issuer or any of the Agents is prevented from effecting payment due to such event, payment may be postponed until the time the event or circumstance impeding payment has ceased, and shall have no obligation to pay any additional amounts in respect of such postponement.

## 10. **Taxation**

The Issuer is not liable for, or otherwise obliged to pay amounts in respect of, any Taxes borne by a Holder.

A Holder must pay all Taxes arising from or payable in connection with all payments relating to the Securities and all payments in respect of the Securities shall be made free and clear of, and without withholding or deduction for, any present or future Taxes of whatever nature imposed, levied, collected, withheld or assessed by or within the Bank Jurisdiction (or any authority or political subdivision thereof or therein having power to tax) unless such withholding or deduction is required by law.

In that event, the appropriate withholding or deduction shall be made and the Issuer shall pay such additional amounts ("**Additional Amounts**") as may be necessary in order that the net amounts receivable by the relevant Holder shall equal the respective amounts that would have been receivable by such Holder in the absence of such withholding or deduction. Notwithstanding the above, no Additional Amounts shall be payable with respect to any Security:

- (a) to, or to a third party on behalf of, a Holder who is liable for such Taxes in respect of such Securities by reason of his having a connection with the Bank Jurisdiction other than the mere holding of the relevant Security; or
- (b) to, or to a third party on behalf of, a Holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third

party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Security is presented for payment; or

- (c) where such withholding or deduction is required by the rules of the U.S. Internal Revenue Code 1986, as amended (the "**IR Code**"), sections 1471 through 1474 (or any amended or successor provisions) or pursuant to any agreement with the U.S. Internal Revenue Service; or
- (d) presented for payment more than 30 calendar days after the Relevant Date, except to the extent that the Holder would have been entitled to an Additional Amount on presenting such Security for such payment on the last day of such 30-day period; or
- (e) where such withholding or deduction is imposed on a payment to an individual and required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income, or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (f) (except in the case of CREST Securities) presented for payment by or on behalf of a Holder who would have been able to avoid such withholding or deduction by presenting the relevant Security to another Paying Agent without such deduction or withholding; or
- (g) in relation to Definitive Bearer Securities, unless it is proved, to the satisfaction of the Issue and Paying Agent or the Paying Agent to whom the Security is presented or, in respect of CREST Securities, to the satisfaction of the Issuer, that the Holder is unable to avoid such withholding or deduction by satisfying any applicable certification, identification or reporting requirements or by making a declaration of non-residence or other similar claim for exemptions to the relevant tax authorities.

The imposition of any withholding or deduction on any payments in respect of the Securities by or on behalf of the Issuer will be an "**Issuer Tax Event**" if such withholding or deduction is required by law.

11. **Prescription**

Claims for payment of principal shall become void unless made within ten years of the appropriate Relevant Date.

12. **Replacement of Securities (other than CREST Securities)**

Should any Security in respect of any Series be lost, stolen, mutilated, defaced or destroyed, it may, subject to all applicable laws, regulations and any Relevant Stock Exchange or any other relevant authority requirements, be replaced at the specified office of the Issue and Paying Agent, or of such other Paying Agent, if the Issuer designates such and gives notice of the designation to Holders. The replacement of any Security shall be subject to payment by the claimant of the fees, expenses and Taxes incurred in connection therewith and on such terms as to evidence, security and indemnity and otherwise as the Issuer may require. This General Condition 12 shall not apply to CREST Securities.

13. **Early Redemption for Unlawfulness**

If the Issuer determines that the performance of any of its obligations under the Securities has become unlawful, in whole or in part, as a result of (i) any change in financial, political or economic conditions or currency exchange rates, or (ii) compliance in good faith by the Issuer or any relevant subsidiaries or affiliates with any applicable present or future law, rule, regulation, judgement, order or directive of any governmental, administrative or judicial authority or power or in interpretation thereof, the Issuer may, at its option, redeem the Securities.

If the Issuer redeems the Securities pursuant to this General Condition 13, then the Issuer will, if and to the extent permitted by applicable law, pay to each Holder in respect of each

Calculation Amount for each Security held by it, an amount equal to the Early Cash Settlement Amount.

14. **Notices**

14.1 **To Holders**

All notices to Holders will be deemed to have been duly given and valid:

- (a) in the case of Definitive Bearer Securities, if published in a daily newspaper of general circulation in England (which is expected to be the Financial Times) and will be deemed to have been given on the date of first publication; and/or
- (b) in the case of listed Securities, if given in accordance with the rules and regulations of the Relevant Stock Exchange or other relevant authority and will be deemed to have been given on the first date of transmission or publication; and/or
- (c) if publication pursuant to paragraph (a) or (b) above is not practicable, if published in another leading English language daily newspaper with circulation in Europe on the date of first publication; and/or
- (d) in the case of Cleared Securities, if given to the Relevant Clearing System provided that any publication or other requirements required pursuant to paragraph (b) above shall also be complied with if applicable. In such cases, notices will be deemed given on the first date of transmission to the applicable Relevant Clearing System; and/or
- (e) in the case of CREST Securities, if mailed to the relevant Holders of such CREST Securities at their respective designated addresses appearing in the Record on the second CREST Business Day immediately prior to despatch of such notice and will be deemed delivered on the third weekday (being a day other than a Saturday or a Sunday) after the date of mailing or in substitution for mailing, if given to the Operator in which case it will be deemed delivered on the first date of transmission to the Operator (regardless of any subsequent mailing).

Failure to give notice where required will not invalidate the determination, calculation or correction, as applicable.

14.2 **To the Issuer and the Agents**

In respect of any Series, all notices to the Issuer and/or the Agents must be sent to the address specified for each such entity in the Agency Agreement or to such other person or place as shall be specified by the Issuer and/or the Agent by notice given to Holders. Any notice determined not to be valid, effective, complete and in proper form shall be null and void unless the Issuer and the Relevant Clearing System, or, in respect of CREST Securities, the Issuer and the Operator, agree otherwise. This provision shall not prejudice any right of the person delivering the notice to deliver a new or corrected notice. The Issuer, Operator or Paying Agent shall use all reasonable endeavours promptly to notify any Holder submitting a notice if it is determined that such notice is not valid, effective, complete or in the proper form.

15. **Substitution**

The Issuer shall be entitled at any time, without the consent of the Holders, to substitute any other entity, the identity of which shall be determined by the Issuer, to act as issuer in respect of the Securities then outstanding under the Programme (the "**New Bank Issuer**"), provided that (a) the New Bank Issuer's long-term unsecured, unsubordinated and unguaranteed debt obligations are rated at least the same as Barclays Bank PLC's long-term rating at the date on which the substitution is to take effect or the New Bank Issuer has an equivalent long-term rating from another internationally recognised rating agency and (b) no Event of Default as set out in General Condition 8 (*Events of Default*) shall occur as a result thereof. Any such substitution shall take effect upon giving notice to the Holders of each Series then outstanding, the Relevant Stock Exchange, the UK Listing Authority and the relevant Agents.



In the event of any such substitution, any reference in the Conditions to the Issuer shall be construed as a reference to the New Bank Issuer. In connection with such right of substitution, the Issuer shall not be obliged to have regard to the consequences of the exercise of such right for individual Holders resulting from their being for any purpose domiciled or resident in, or otherwise connected with or subject to the jurisdiction of, any particular territory, and no Holder shall be entitled to claim from the Issuer or the New Bank Issuer any indemnification or payment in respect of any tax consequence of any such substitution upon such Holder.

**16. Modifications and Meetings of Holders**

**16.1 Modifications without consent of Holders**

The Conditions of the Securities and/or the Agency Agreement and/or the Deed of Covenant may be amended by the Issuer in each case without the consent of the Holders if, in the reasonable opinion of the Issuer, the amendment (i) is of a formal, minor or technical nature, (ii) is made to correct a manifest or proven error or omission, (iii) is made to comply with mandatory provisions of the law of the Bank Jurisdiction or (in the case of CREST Securities and on the condition that Holders of CREST Securities are given prior notice where reasonably practicable) change in any of the CREST Requirements, (iv) is made to cure, correct or supplement any defective provision contained herein and/or (v) will not materially and adversely affect the interests of the Holders. Any such modification shall be binding on the Holders and any such modification shall take effect by notice to the Holders.

**16.2 Modifications requiring the consent of the Holders**

**(a) Consent by written resolution**

Notwithstanding the provisions in paragraph (b) and paragraph (c) below, in order to modify and amend the Agency Agreement and the Securities (including the General Conditions), a resolution in writing signed by or on behalf of the Holders of not less than 90 per cent. in aggregate nominal amount of Securities at the time outstanding shall be as effective as an Extraordinary Resolution duly passed at a meeting of Holders of Securities of the relevant Series. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Holders. Any such resolution shall be binding on all Holders of Securities of that Series, whether signing the resolution or not.

**(b) Majority Consent**

Subject as provided in paragraph (c) below, the Agency Agreement contains provisions for convening meetings of the Holders to consider any matter affecting their interests, including the amendment of the Agency Agreement and/or of any of the Conditions relating to a Series.

Such a meeting may be convened by the Issuer or Holders holding not less than 10 per cent. in aggregate nominal amount of the Securities at the time outstanding. At least 21 calendar days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is to be held) specifying the date, time and place of the meeting shall be given to Holders. Except for the purposes of passing an Extraordinary Resolution, two or more persons holding or representing a clear majority in nominal amount or number of the Securities held or represented shall be a quorum. Any such resolution duly passed shall be binding on all Holders of Securities of that Series, whether present or not.

**(c) Consent by Extraordinary Resolution**

An Extraordinary Resolution will need to be passed in respect of any of the following modifications:

- (i) to amend the dates of maturity or redemption of the Securities,
- (ii) to reduce or cancel the nominal amount of, or any premium payable on redemption of, the Securities,

- (iii) if a Minimum Tradable Amount is specified in the Final Terms, to amend any such value,
- (iv) to vary any method of, or basis for, calculating any Settlement Amount (other than as provided for in the Conditions),
- (v) to vary the currency or currencies of payment or denomination of the Securities or
- (vi) to modify the provisions concerning the quorum required at any meeting of Holders or the majority required to pass the Extraordinary Resolution.

The quorum required to pass an Extraordinary Resolution shall be two or more persons holding or representing not less than 75 per cent. or at any adjourned meeting not less than 25 per cent. in nominal amount of the Securities for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on all the Holders, regardless of whether they are present .

The Holder of a Permanent Global Security shall (unless such Permanent Global Security represents only one Security) be treated as being two persons for the purposes of any quorum requirements of a meeting of Holders and, at any such meeting, the Holder of a Permanent Global Security shall be treated as having one vote in respect of each integral currency unit of the Currency of the Security.

**17. Further Issues**

The Issuer shall be at liberty from time to time, without the consent of the Holders to create and issue further Securities so as to form a single Series with the Securities of any particular Series.

**18. Purchases and Cancellations**

The Issuer and any of its subsidiaries may at any time purchase Securities in the open market or otherwise at any price.

All Securities so purchased may be held, surrendered for cancellation, or reissued or resold, and Securities so reissued or resold shall for all purposes be deemed to form part of the original Series.

Notwithstanding anything to the contrary above, all CREST Securities so purchased by the Issuer or any of its subsidiaries may be cancelled by agreement between the Issuer and the CREST Agent, provided that such cancellation shall be in accordance with the regulations of CREST in effect at the relevant time.

**19. Governing Law and Jurisdiction**

**19.1 Governing Law**

The Securities, the Agency Agreement, and any non-contractual obligations arising out of or in connection with them are governed by and shall be construed in accordance with English law.

**19.2 Jurisdiction**

The Courts of England are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with any Securities and/or the Agency Agreement and accordingly any legal action or proceedings arising out of or in connection with them ("**Proceedings**").

**20. Severability**

Should any one or more of the provisions contained in the Conditions be or become invalid, the validity of the remaining provisions shall not be affected in any way.

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

In respect of any Securities which are governed by English law, no person shall have any right to enforce any term or condition of the Securities under the Contracts (Rights of Third Parties) Act 1999.

22. **Definitions and Interpretation**

22.1 **Definitions**

In these General Conditions, unless the context otherwise requires, the following terms shall have the respective meanings set out below:

"**Account Bank**" means, in relation to a payment denominated in a particular currency, a bank in the principal financial centre for such currency as determined by the Determination Agent or, where the relevant payment is denominated in euro, in a city in which banks have access to the TARGET System.

"**Accountholder**" has the meaning given to it in General Condition 1.4(a) (*Title to Securities other than CREST Securities*).

"**Additional Amounts**" has the meaning given to it in General Condition 10 (*Taxation*).

"**Additional Business Centre**" means each centre specified in the Final Terms.

"**Additional Disruption Event**" means, with respect to a Series, each of (i) Change in Law, (ii) Currency Disruption Event, (ii) Issuer Tax Event and (iii) Extraordinary Market Disruption.

"**Affiliate**" means, in relation to any entity (the "**First Entity**"), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity, directly or indirectly, under common control with the First Entity. For these purposes, 'control' means ownership of a majority of the voting power of an entity.

"**Agency Agreement**" has the meaning given to it in Section A: INTRODUCTION of the General Conditions.

"**Agents**" has the meaning given to it in Section A: INTRODUCTION of the General Conditions.

"**Aggregate Nominal Amount**" means, on the Issue Date, the aggregate nominal amount of the Securities of such Series specified in the Final Terms and on any date thereafter such amount as reduced by any amortisation or partial redemption on or prior to such date.

"**Bank Jurisdiction**" means, at any time, the jurisdiction of incorporation of the Issuer or any New Bank Issuer substituted therefor in accordance with General Condition 15 (*Substitution*).

"**Banking Day**" means, in respect of any city, any day (other than a Saturday or a Sunday) on which commercial banks are generally open for business, including dealings in foreign exchange and foreign currency deposits in that city.

"**Bearer Securities**" has the meaning given to it in General Condition 1.1(a) (*Form of Securities*).

"**Business Day**" means a day which is each of:

- (a) a day other than a Saturday or Sunday on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and any Additional Business Centre specified in the Final Terms;
- (b) in respect of Cleared Securities, a Clearing System Business Day for the Relevant Clearing System;

- (c) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant currency (if other than London and any Additional Business Centre);
- (d) in relation to any sum payable in euro, a TARGET Business Day; and
- (e) in respect of CREST Securities, a CREST Business Day.

"**C Rules**" means the requirements under U.S. Treasury Regulation section 1.163-5(c)(2)(i)(C).

"**Calculation Amount**" has the meaning given to it in General Condition 5 (*Final Redemption*).

"**CDI**" means dematerialised depository interests issued, held, settled and transferred through CREST that represent interests in specified Securities.

"**CGN Form**" has the meaning given to it in General Condition 1.1(c) (*Initial Issue of Global Bearer Securities*).

"**Change in Law**" means that, on or after the Trade Date(a) due to the adoption or announcement of or any change in any applicable law or regulation (including, without limitation, any tax law), or (b) due to the promulgation of or any change in or public announcement of the formal or informal interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines that it is unable to perform its obligations under the Securities.

"**Cleared Securities**" means any Securities that are Global Bearer Securities held by a Common Depository, Common Safekeeper or custodian for a Relevant Clearing System.

"**Clearing System Business Day**" means, in respect of a Relevant Clearing System, any day on which such Relevant Clearing System is open for the acceptance and execution of settlement instructions.

"**Clearstream**" means Clearstream Banking, *société anonyme*, at 42 avenue JF Kennedy, L-1855 Luxembourg, or any successor thereto.

"**Clearstream Rules**" means the Management Regulations of Clearstream and the Instructions to Participants of Clearstream, as may be from time to time amended, supplemented or modified.

"**Common Depository**" means, in relation to a particular Series, whether listed on any Relevant Stock Exchange or elsewhere, such common depository outside the United Kingdom and the United States (and the possessions of the United States) as shall be specified in the Final Terms with respect to such Series.

"**Common Safekeeper**" has the meaning given to it in General Condition 1.1(c) (*Initial Issue of Global Bearer Securities*).

"**Conditions**" has the meaning given to it in Section A: INTRODUCTION of the General Conditions.

"**CREST**" means the system for the paperless settlement of trades and the holding of uncertificated securities operated by the Operator in accordance with the Uncertificated Regulations, as amended from time to time.

"**CREST Agent**" has the meaning given to it in Section A: INTRODUCTION of the General Conditions.

"**CREST Business Day**" means any day on which CREST is open for the acceptance and execution of settlement instructions.

"**CREST Deed Poll**" means a global deed poll dated 25 June 2001 (as subsequently modified, supplemented and/or restated).

"**CREST Depository**" means CREST Depository Limited or any successor thereto.

"**CREST Requirements**" has the meaning given to such term in General Condition 1.5(b) (*Transfers of CREST Securities*).

"**CREST Securities**" means Securities which are specified as CREST Securities in the Final Terms and that are issued and held in uncertificated registered form in accordance with the Uncertificated Regulations.

"**Currency**" means, the currency specified in the Final Terms.

"**Currency Disruption Event**" means, with respect to a Series, the occurrence or official declaration of an event impacting one or more currencies that the Issuer determines would materially disrupt or impair its ability to meet its obligations in the Currency or otherwise settle, clear, or hedge such Series.

"**D Rules**" means the requirements under U.S. Treasury Regulation section 1.163-5(c)(2)(i)(D).

"**Deed of Covenant**" has the meaning given to it by Section A: INTRODUCTION of the General Conditions.

"**Definitive Bearer Securities**" has the meaning given to it in General Condition 1.1(a) (*Form of Securities other than CREST Securities*).

"**Determination Agent**" has the meaning given to it in Section A: INTRODUCTION of the General Conditions.

"**Early Cash Settlement Amount**" means in respect of the Calculation Amount, an amount in the Currency calculated by the Determination Agent on the same basis as the Final Cash Settlement Amount, except that the definition of Warrant Value<sub>final</sub> in respect of each Underlying Warrant shall be the Warrant Value in respect of such Underlying Warrant on the relevant Early Cash Settlement Valuation Date.

"**Early Cash Settlement Date**" means in the case of early redemption or termination, as the case may be, under General Condition 6 (*Warrant Termination Events*), General Condition 7 (*Early Redemption following an Additional Disruption Event*) or General Condition 13 (*Early Redemption for Unlawfulness*) the date falling the Early Redemption Notice Period Number of Business Days specified in the Final Terms, which shall not be more than five, following the Early Cash Settlement Valuation Date.

"**Early Cash Settlement Valuation Date**" means in the case of early redemption or termination, as the case may be, under General Condition 6 (*Warrant Termination Events*), General Condition 7 (*Early Redemption following an Additional Disruption Event*), General Condition 8 (*Events of Default*) or General Condition 13 (*Early Redemption for Unlawfulness*), the day on which the Issuer determines that the Warrant Termination Event, Additional Disruption Event, Event of Default or unlawfulness, as the case may be, has occurred.

"**Early Redemption Notice Period Number**" means, in respect of a Series, five unless otherwise specified in the Final Terms.

"**EUR**", "**euro**" and "**€**" each means the lawful single currency of the member states of the European Union that have adopted or adopt and continue to retain a common single currency through monetary union in accordance with European Union treaty law (as amended from time to time).

**"Euroclear"** means Euroclear Bank S.A./N.V or any successor thereto.

**"Euroclear Rules"** means the terms and conditions governing the use of Euroclear and the operating procedures of Euroclear, as may be amended, supplemented or modified from time to time.

**"Event of Default"** means each of the events set out in General Condition 8 (*Events of Default*).

**"Exchange Date"** means, in relation to a Temporary Global Security, the calendar day falling after the expiry of 40 calendar days after its issue date and, in relation to a Permanent Global Security, a calendar day falling not less than 60 calendar days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Issue and Paying Agent is located and (if applicable) in the city in which the Relevant Clearing System is located.

**"Exchange Event"** means, in respect of Cleared Securities, that the Issuer has been notified that any Relevant Clearing System has permanently ceased doing business and no successor clearing system is available.

**"Extraordinary Market Disruption"** means, on or after the Trade Date, the occurrence or existence of an extraordinary event or circumstance, including any legal enactment (domestic or foreign), the intervention of a public authority (domestic or foreign), a natural disaster, an act of war, strike, blockade, boycott or lockout which the Issuer determines has prevented or will prevent it from performing its obligations, in whole or in part, under the Securities.

**"Extraordinary Resolution"** means a resolution passed in accordance with the Agency Agreement relating to the relevant Series of Securities.

**"Final Cash Settlement Amount"** has the meaning given to it in General Condition 5 (*Final Redemption*).

**"Final Terms"** means, with respect to a Series of Securities, the final terms specified as such for such Securities.

**"Final Valuation Date"** has the meaning given to it in General Condition 5 (*Final Redemption*).

**"GBP", "sterling" and "£"** each means pounds sterling the lawful currency of the United Kingdom.

**"Global Bearer Securities"** has the meaning given to it in General Condition 1.4(a) (*Form of Securities other than CREST Securities*).

**"Holder"** has the meaning given to it in General Condition 1.4 (*Title*).

**"Holder of CREST Securities"** has the meaning given to it in General Condition 1.4 (*Title*).

**"Initial Valuation Date"** has the meaning given to it in General Condition 5 (*Final Redemption*).

**"IR Code"** has the meaning given to it in General Condition 10(c) (*Taxation*).

**"Issue and Paying Agent"** has the meaning given to it in Section A: INTRODUCTION of the General Conditions.

**"Issue Date"** means the issue date specified in the Final Terms.

**"Issue Price"** means the price specified in the Final Terms.

**"Issuer"** means Barclays Bank PLC.

**"Issuer Tax Event"** has the meaning given to it in General Condition 10 (*Taxation*).

"**Manager(s)**" shall mean Barclays Capital Securities Limited or such other entity as specified in the Final Terms.

"**Minimum Tradable Amount**" means the amount, if any, specified as such in the Final Terms.

"**Operator**" has the meaning given to such term in General Condition 1.4(b) (*Title to CREST Securities*).

"**Operator register of corporate securities**" has the meaning given to such term in General Condition 1.4(b) (*Title to CREST Securities*).

"**Participating Security**" has the meaning given to such term in General Condition 1.4 (b) (*Title to CREST Securities*).

"**Paying Agents**" has the meaning given to it in Section A: INTRODUCTION of the General Conditions.

"**Permanent Global Security**" has the meaning given to it in General Condition 1.2(a) (*Exchanges of Global Bearer Securities*).

"**Proceedings**" has the meaning given it in General Condition 19.2 (*Jurisdiction*).

"**Programme**" means the Global Structured Securities Programme as defined in, established by and contemplated in the Agency Agreement, as the same may be from time to time amended, supplemented or modified.

"**Record**" has the meaning given to it in General Condition 1.4(b) (*Title to CREST Securities*).

"**record of uncertificated corporate securities**" has the meaning given to such term in General Condition 1.4(b) (*Title to CREST Securities*).

"**Relevant Clearing System**" means, as appropriate, Euroclear and/or Clearstream, as the case may be, through which interests in Securities are to be held and/or through an account at which such Securities are to be cleared.

"**Relevant Date**" means, in respect of any Security, the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date five calendar days after that on which notice is duly given to the Holders that, upon further presentation of the Security being made in accordance with the General Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

"**Relevant Rules**" means the Clearstream Rules and/or, the Euroclear Rules, as the case may be.

"**Relevant Stock Exchange**" means, in respect of any Series of Securities, the stock exchange upon which such Securities are listed, being the principal stock exchange of the United Kingdom, if specified in Part B(1) of the Final Terms.

"**Relevant system**" has the meaning given to such term in General Condition 1.4(b) (*Title to CREST Securities*).

"**Scheduled Redemption Date**" means the scheduled date of final redemption as specified in the Final Terms, subject as provided herein.

"**Securities Act**" means the United States Securities Act of 1933, as amended.

"**Security**" or "**Securities**" means any Securities which may from time to time be issued under the Programme in accordance with the terms of this Base Prospectus. Unless the context otherwise requires, any reference to "Security" shall be deemed to refer to a Security having a nominal amount equal to the relevant Specified Denomination.

"**Series**" means the Securities of each original issue together with the Securities of any further issues expressed to be consolidated to form a single Series with the Securities of an original issue.

"**Settlement Amount**" means the Final Cash Settlement Amount or the Early Cash Settlement Amount, as applicable.

"**Specified Denomination**" has the meaning given to it in General Condition 1.3 (*Denomination and Number*).

"**TARGET Business Day**" means a day on which the TARGET System is operating.

"**TARGET System**" means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007 ("**TARGET2**") (or, if such system ceases to be operative, such other system (if any) determined by the Determination Agent to be a suitable replacement).

"**Taxes**" means any tax, duty, impost, levy, charge or contribution in the nature of taxation or any withholding or deduction for or on account thereof, including (but not limited to) any applicable stock exchange tax, turnover tax, stamp duty, stamp duty reserve tax and/or other taxes, duties, assessments or governmental charges of whatever nature chargeable or payable and includes any interest and penalties in respect thereof.

"**TEFRA**" means the U.S. Tax Equity and Fiscal Responsibility Act of 1982.

"**Temporary Global Security**" has the meaning given to it in General Condition 1.2(a) (*Exchanges of Global Bearer Securities*).

"**Trade Date**" means the date specified as such in the Final Terms.

"**Tranche**" has the meaning given to it in Section A: INTRODUCTION of the General Conditions.

"**Uncertificated Regulations**" shall have the meaning ascribed in General Condition 1 (*Form, Title and Transfer*).

"**Underlying Warrant**" has the meaning given to it in the Final Terms.

"**Underlying Warrant Reference Asset**" has the meaning given to it in the Final Terms.

"**unit**" has the meaning given to it in General Condition 3.1 (*Calculations and Publication*).

"**USD**", "**U.S.\$**", "**\$**" and "**U.S. Dollars**" each means United States dollars.

"**Valuation Time**" has the meaning given to it in Condition 5 (*Final Redemption*).

"**Warrant Termination Event**" has the meaning set out in General Conditions 6.1 (*Early Redemption following the occurrence of a Warrant Termination Event*).

"**Withheld Amounts**" has the meaning given to it in General Condition 8 (*Events of Default*).

## 22.2 Interpretations

- (a) Capitalised terms used but not defined in these General Conditions will have the meanings given to them in the Final Terms, the absence of any such meaning indicating that such term is not applicable to the Securities of the relevant Series.
- (b) A reference to a "person" in the Conditions includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) of two or more of the foregoing.



- (c) A reference in the Conditions to a provision of law is a reference to that provision as amended or re-enacted.
- (d) References in the Conditions to a company or entity shall be deemed to include a reference to any successor or replacement thereto.

## PRO FORMA FINAL TERMS

The Final Terms for each Series of Securities will include such of the following information as is applicable with respect to such Securities.



**BARCLAYS BANK PLC**

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

[Up to][●] Securities due [●] pursuant to the Global Structured Securities Programme [(to be consolidated and to form a single series with the [●] Securities due [●], and issued on [●] pursuant to Global Structured Securities Programme (the "**Tranche [●] Securities**"))]  
Issue Price: [●] per cent.

This document constitutes the final terms of the Securities (the "**Final Terms**") described herein for the purposes of Article 5.4 of the Prospectus Directive and is prepared in connection with the Global Structured Securities Programme established by Barclays Bank PLC (the "**Issuer**"). These Final Terms are supplemental to and should be read in conjunction with the GSSP Base Prospectus 5 dated [●] 2013[, as supplemented on [●]], which constitutes a base prospectus (the "**Base Prospectus**") for the purpose of the Prospectus Directive. Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus. A summary of the individual issue of the Securities is annexed to these Final Terms.

The Base Prospectus is available for viewing at <http://www.barclays.com/InvestorRelations/DebtInvestors> and during normal business hours at the registered office of the Issuer and the specified office of the Issue and Paying Agent for the time being in London, and copies may be obtained from such office. Words and expressions defined in the Base Prospectus and not defined in this document shall bear the same meanings when used herein.

**Barclays**

**Final Terms dated [●]**

## Part A – CONTRACTUAL TERMS

1.
    - a. Series number: [●]
    - b. Tranche number: [●]

[The Securities shall be consolidated and form a single series with the Tranche [●] Securities but shall not be fungible with the Tranche [●] Securities until such time as the clearing systems recognise the Securities to be fungible with the Tranche [●] Securities]
  2. Currency: [●]
  3. Securities:
    - a. Aggregate Nominal Amount as at the Issue Date:
      - (i) Tranche: [Up to] [●]
      - (ii) Series: [Up to] [●]
    - b. Specified Denomination: [●]
    - c. Minimum Tradable Amount: [●] [Not Applicable]
    - d. Calculation Amount: [●] [Not Applicable]
  4. Issue Price: 100 per cent. of par. [The Issue Price includes a fee which will be no more than [●] of the Issue Price [and relates solely to the [initial design, arrangement and manufacture][and][custody] of the Securities by the distributor]. Further details of the fee element are available upon request.]
  5. Issue Date: [●]
  6. Scheduled Redemption Date: [●]
  7. Warrant linked Securities:
    - (i) Underlying Warrant(s) and Underlying Warrant Reference Asset(s): [●] Warrants (an "**Underlying Warrant**") linked to [●] (an "**Underlying Warrant Reference Asset**") issued by Barclays Bank PLC (ISIN: [●]; Series Number: [●]) [and [●] Warrants (an "**Underlying Warrant**") linked to [●] (an "**Underlying Warrant Reference Asset**") issued by Barclays Bank PLC (ISIN: [●]; Series Number: [●])]
    - (ii) Final Valuation Date: [●], subject as in General Condition 5 (c) (*Final Redemption – Relevant Defined Terms*)
    - (iii) Valuation Time: [●] [As specified in General Condition 5 (c) (*Final Redemption – Relevant Defined Terms*)]
  8. Form of Securities: [Bearer Securities] [CREST Securities]
- [Temporary Global Security, exchangeable for a Permanent Global Security, exchangeable for a Definitive Bearer Security] [Permanent Global Security, exchangeable for a Definitive Bearer

Pro Forma Final Terms

- Security]
- NGN Form: [Applicable] [Not Applicable]
- CGN Form: [Applicable] [Not Applicable]
- CDIs: [Applicable] [Not Applicable]
9. Trade Date: [●]
10. Early Redemption Notice Period Number: [●] [As specified in General Condition 22.1 (*Definitions*)]
11. Additional Business Centre(s): [●] [Not Applicable]
12. Determination Agent: [Barclays Capital Securities Limited] [Barclays Bank PLC] [●]
13. [Common Depository:] [Common Safekeeper:] [The Bank of New York Mellon] [●] [Not Applicable]
14. a. [Names] [and addresses] of Manager[s] [and underwriting commitments]: [Barclays Bank PLC] [Barclays Capital Inc.] [●] [Not Applicable]
- b. Date of underwriting agreement: [●] [Not Applicable]

**Part B - OTHER INFORMATION**

1. **LISTING AND ADMISSION TO TRADING**

[Application is expected to be made by the Issuer (or on its behalf) for the Securities to be listed on the Official List and admitted to trading on the Regulated Market of the [London Stock Exchange] [Not Applicable] [The Securities issued on [●] were admitted to trading on [the London Stock Exchange] on or around [●]]

[The Securities shall not be fungible with the Tranche [●] Securities until such time as the Securities are listed and admitted to trading as indicated above.]
  
2. **RATINGS**

Ratings: [The Securities have not been individually rated.]

[Upon issuance, the Securities are expected to be rated:

[Standard & Poor's: [●]]

[Moody's: [●]]

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

[Save for any fees payable to the Manager(s) [and save for [any trading and market-making activities of the Issuer and/or its affiliates [in the Underlying Warrant[s] [and/or] the Underlying Warrant Reference Assets [and/or] *specify*]] [and] [the hedging activities of the Issuer and/or its affiliates] [and] [the fact that [the Issuer/an affiliate of the Issuer] is the Determination Agent in respect of the Securities [and the determination agent in respect of the Underlying Warrants]], so far as the Issuer is aware, no person involved in the offer of the Securities has an interest material to the [issue/offer].] [●]
  
4. **REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**
  - (i) Reasons for the offer: [●] [Making profit and/or hedging purposes] [Not Applicable]
  - (ii) Estimated net proceeds: [●] [Not Applicable]
  - (iii) Estimated total expenses: [●] [Not Applicable]
  
5. **PERFORMANCE OF THE UNDERLYING WARRANTS AND OTHER INFORMATION CONCERNING THE UNDERLYING WARRANTS**

The value of the Notes will depend upon the performance of the Underlying Warrant[s] which are:

[●] Warrants linked to [●] issued by Barclays Bank PLC (ISIN: [●]; Series Number: [●]) [and [●] Warrants linked to [●] issued by Barclays Bank PLC (ISIN: [●]; Series Number: [●]).

The Warrant Value in respect of each Underlying Warrant will be published on each Business Day on [●].

Details of the past and future performance and volatility of the Underlying Warrant Reference Assets may be obtained from [●]. The terms and conditions of the Underlying Warrants are available on [●].

Index Disclaimer: [FTSE<sup>®</sup> 100 Index] [EURO STOXX 50<sup>®</sup> Index] [S&P<sup>®</sup> 500 Index] [See the Annex hereto] [Not Applicable]

**[6.] OPERATIONAL INFORMATION**

- (i) ISIN Code: [●]  
[Temporary ISIN Code:] [●]
- (ii) Common Code: [●]  
[Temporary Common Code:] [●]
- (iii) Name(s) and address(es) of any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): [Not Applicable] [●]
- (iv) Delivery: Delivery [against/free of] payment.

**[7.] [DISTRIBUTION]**

Name and address of financial intermediary/ies authorised to use the Base Prospectus ("Authorised Offeror(s)": [●] [Each financial intermediary whose name and address is published on the Issuer's website (<http://www.barclays.com/InvestorRelations/DebtInvestors>)] [Any financial intermediary which is authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2004/39/EC)]

Offer period for which use of the Base Prospectus is authorised by the Authorised Offeror(s) ("Offer Period"): [●]

- Other conditions for use of this Prospectus by the Authorised Offeror(s):
1. [The Public Offer is only made in the United Kingdom]
  2. [●]

**[8.] [TERMS AND CONDITIONS OF THE OFFER]**

- (i) Offer Price: [The Issue Price] [[●]% of the Issue Price]
- (ii) Conditions to which the offer is subject: [●] [Not Applicable]
- (iii) Description of the application process: [●] [Not Applicable]
- (iv) Details of the minimum and/or maximum amount of application: [●] [Not Applicable]

- (v) Details of method and time limits for paying up and delivering the Securities:  [Not Applicable]
- (vi) Manner in and date on which results of the offer are to be made public:  [Not Applicable]
- (vii) Whether tranche(s) have been reserved for certain countries:  [Not Applicable]
- (viii) Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made:  [Not Applicable]
- (ix) Amount of any expenses and taxes specifically charged to the subscriber or purchaser:  [Not Applicable]
- (x) Name(s) and address(es) to the extent known to the Issuer, of the placers in the various countries where the offer takes place:  [Not Applicable]

**SUMMARY**

[•]

**[ANNEX**

[•]



## **CLEARANCE, SETTLEMENT AND TRANSFER RESTRICTIONS**

### **Book-Entry Ownership**

The Issuer may make applications to Euroclear and/or Clearstream for acceptance in their respective book-entry systems in respect of any Series of Bearer Securities. In respect of Bearer Securities, a Temporary Global Security and/or a Permanent Global Security in bearer form may be deposited with a common depositary or delivered to a common safekeeper, as the case may be, for Euroclear and/or Clearstream or an alternative clearing system as agreed between the Issuer and the Managers. Transfers of interests in such Temporary Global Securities or Permanent Global Securities will be made in accordance with the normal Euromarket debt securities operating procedures of Euroclear and Clearstream or, if appropriate, the alternative clearing system.

## **GENERAL INFORMATION APPLICABLE TO CREST SECURITIES AND CDIS**

### **CREST Securities**

CREST Securities may be issued and held in uncertificated registered form in accordance with the Uncertificated Regulations and, as such, are dematerialised and not constituted by any physical document of title. Securities which are CREST Securities shall be specified in the Final Terms.

CREST Securities issued under the Programme will be cleared through CREST and are participating securities for the purposes of the Uncertificated Regulations. The Operator is in charge of maintaining the Operator register of corporate securities. Title to the CREST Securities is recorded and will pass on registration in the Operator register of corporate securities. As at the date of this Base Prospectus, the relevant Operator for the purposes of the Uncertificated Regulations is Euroclear UK & Ireland Limited.

The address of Euroclear UK & Ireland Limited is 33 Cannon Street, London EC4M 5SB, United Kingdom.

### **CDI Securities**

Investors may hold indirect interests in Cleared Securities issued under the Programme by holding CDIs through CREST. CDIs represent indirect interests in the Underlying Securities to which they relate and holders of CDIs will not be the legal owners of the Underlying Securities.

CDIs may be issued by the CREST Depository and held through CREST in dematerialised uncertificated form in accordance with the CREST Deed Poll. CDIs in respect of Underlying Securities will be constituted and issued to investors pursuant to the terms of the CREST Deed Poll.

Following their delivery into Euroclear (directly or through another clearing system using bridging arrangements with Euroclear), interests in Underlying Securities may be delivered, held and settled in CREST by means of the creation of dematerialised CDIs representing the interests in the relevant Underlying Securities. Interests in the Underlying Securities will be credited to the CREST nominees' account with Euroclear and the CREST nominee will hold such interests as nominee for the CREST Depository which will issue CDIs to the relevant CREST participants.

Each CDI will be treated as one Underlying Security having a nominal amount of the minimum denomination, for the purposes of determining all rights and obligations and all amounts payable in respect thereof. The CREST Depository will pass on to holders of CDIs any amounts received by it as holder of the Underlying Securities on trust for such CDI holder. CDI holders will also be able to receive from the CREST Depository notices of meetings of holders of Underlying Securities and other relevant notices issued by the Issuer.

Transfers of interests in Underlying Securities by a CREST participant to a participant of Euroclear or another Relevant Clearing System will be effected by cancellation of the CDIs and transfer of an interest in such Securities underlying the CDIs to the account of the relevant participant with Euroclear or such other Relevant Clearing System. The CDIs will have the same securities identification number as the ISIN of the Underlying Securities and will not require a separate listing on the Official List.

The rights of the holders of CDIs will be governed by the arrangements between CREST, the Relevant Clearing System and the Issuer, including the CREST Deed Poll (in the form contained in Chapter 3 of the CREST International Manual (which forms part of the CREST Manual)) executed by the CREST Depository. These rights may be different from those of holders of Securities which are not represented by CDIs.

The attention of investors in CDIs is drawn to the terms of the CREST Deed Poll, the CREST Manual and the CREST Rules, copies of which are available from Euroclear UK & Ireland Limited at 33 Cannon Street, London EC4M 5SB or by calling +44 20 7849 0000 or from the Euroclear UK & Ireland Limited website at [www.euroclear.com/site/public/EUI](http://www.euroclear.com/site/public/EUI).

## TAXATION

### General Taxation Information

The information provided below does not purport to be a complete overview of tax law and practice currently applicable to the Securities. Transactions involving Securities (including purchases, transfers and/or redemptions), the accrual or receipt of any premium payable on the Securities and the death of a holder of any Security may have tax consequences for investors which may depend, amongst other things, upon the tax residence and/or status of the investor. Investors are therefore advised to consult their own tax advisers as to the tax consequences of transactions involving Securities and the effect of any tax laws in any jurisdiction in which they may be tax resident or otherwise liable to tax. In particular, no representation is made as to the manner in which payments under the Securities would be characterised by any relevant taxing authority.

Purchasers and/or sellers of Securities may be required to pay stamp taxes and other charges in addition to the issue price or purchase price (if different) of the Securities.

Prospective holders of Securities are referred to General Conditions 3 (*Calculations and Publication*).

Terms defined in the sections below are defined for the purpose of the relevant section only.

As used below, the Savings Directive shall mean European Council Directive 2003/48/EC on the taxation of savings income.

### United Kingdom Taxation

The comments are of a general nature based on current United Kingdom tax law and HM Revenue & Customs ("HMRC") published practice and are an overview of the understanding of the Issuer of current law and practice in the United Kingdom relating only to certain aspects of United Kingdom taxation. They are not intended to be exhaustive. They relate only to persons who are the beneficial owners of Securities and do not apply to certain classes of taxpayers (such as persons carrying on a trade of dealing in Securities, certain professional investors and persons connected with the Issuer) to whom special rules may apply.

Investors who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice.

### Withholding Tax

The Securities will not bear interest under their terms but payment of premium on redemption could be treated as interest for United Kingdom withholding tax purposes. In this section the term interest means amounts treated as interest for United Kingdom tax purposes.

### Payments of interest by the Issuer only

The Issuer, provided that it continues to be a bank within the meaning of section 991 of the Income Tax Act 2007 (the "Act"), and provided that the interest on Securities is paid in the ordinary course of its business within the meaning of section 878 of the Act, will be entitled to make payments of interest without withholding or deduction for or on account of United Kingdom income tax.

### Payments of interest in respect of Securities which are listed on a recognised stock exchange

Payments of interest under Securities may be made without withholding or deduction for or on account of United Kingdom income tax, provided that such Securities carry a right to interest, and are and remain listed on a "recognised stock exchange", as defined in section 1005 of the Act. The London Stock Exchange is a recognised stock exchange. Securities will satisfy this requirement if they are admitted to trading on the relevant recognised stock exchange, and are (in the case of the UK) included in the Official List or (in a country outside the UK where there is a recognised stock exchange) are officially listed in accordance with provisions corresponding to those generally applicable in EEA states.

## Taxation

Provided, therefore, that Securities are and remain so listed, interest on such Securities will be payable without withholding or deduction for or on account of United Kingdom income tax whether or not the Issuer carries on a banking business in the United Kingdom and whether or not the interest is paid in the ordinary course of its business.

### **Payments of interest to certain holders**

Interest on Securities may also be paid without withholding or deduction for or on account of United Kingdom income tax where, at the time the payment is made, the Issuer reasonably believes that either:

- (i) the person beneficially entitled to the interest payable on such Securities is within the charge to United Kingdom corporation tax as regards the payment of such interest; or
- (ii) the payment is made to one of the classes of exempt bodies or persons set out in section 936 of the Act,

provided that HMRC has not given a direction (in circumstances where it has reasonable grounds to believe that such payment of interest will not be an "excepted payment" at the time the payment is made) that the interest should be paid under deduction of tax.

### **Securities with a maturity of less than 365 calendar days**

Interest on Securities having a maturity of less than one year from the date of issue and which are not issued under arrangements, the effect of which is to render such Securities part of a borrowing with a total term of a year or more, may also be paid without deduction for or on account of United Kingdom income tax.

### **Other withholdings**

In other cases, an amount may have to be withheld from payments of interest on Securities for or on account of United Kingdom income tax at the basic rate, subject to the availability of other exemptions or reliefs or to any direction to the contrary from HMRC in respect of such relief as may be available under an applicable double taxation treaty.

In addition, an amount for or on account of United Kingdom income tax at the basic rate may have to be withheld on payments on Securities where such payments do not constitute interest for United Kingdom tax purposes but instead constitute annual payments, subject to the availability of exemptions or reliefs or subject to any direction to the contrary from HMRC in respect of such relief as may be available under an applicable double taxation treaty.

### **Reporting Requirements**

HMRC has powers, in certain circumstances, to obtain information about: payments derived from securities (whether income or capital); certain payments of interest; and securities transactions.

The persons from whom HMRC can obtain information include: a person who receives (or is entitled to receive) a payment derived from securities; a person who makes such a payment (received from, or paid on behalf of another person); a person by or through whom interest is paid or credited; a person who effects or is a party to securities transactions (which includes an issue of securities) on behalf of others; registrars or administrators in respect of securities transactions; and each registered or inscribed holder of securities.

The information HMRC can obtain includes: details of the beneficial owner of securities; details of the person for whom the securities are held, or the person to whom the payment is to be made (and, if more than one, their respective interests); information and documents relating to securities transactions; and, in relation to interest paid or credited on money received or retained in the United Kingdom, the identity of the security under which interest is paid. HMRC is generally not able to obtain information (under its power relating solely to interest) about a payment of interest to (or a receipt for) a person that is not an individual. This limitation does not apply to HMRC's power to obtain information about payments derived from securities.

In certain circumstances the information which HMRC has obtained using these powers may be exchanged with tax authorities in other jurisdictions.

Investors are also directed to the disclosure below in respect of the Savings Directive.

### **Taxation of Gains- United Kingdom resident individuals**

If a Security qualifies as an "excluded indexed security" any redemption or transfer of the Security by an individual Securityholder who is resident for tax purposes in the United Kingdom or who carries on a trade, profession or vocation in the United Kingdom through a branch or agency to which the Security is attributable ("**UK Tax Resident Individual**") will generally give rise to a chargeable gain or allowable loss for the purposes of the United Kingdom taxation of chargeable gains. An excluded indexed security is, in broad terms, a security which provides that the holder is entitled to receive at redemption an amount equal to the amount subscribed for the security multiplied by any increase or decrease in the value of a specified asset (expressed as a percentage) over the life of the security. Depending on the Final Terms, Securities are generally expected to qualify as excluded indexed securities.

Securities will generally fall to be treated as deeply discounted securities for the purposes of Chapter 8 of Part 4 of the Income tax (Trading and Other Income) Act 2005 where the amount payable on the redemption at maturity could or will give rise to a "deep gain" and the Securities do not qualify as excluded indexed securities. A deep gain exists where the issue price is less than the maximum sum payable on redemption of a Security and the amount by which it is less (expressing the difference between the issue price and the redemption amount as a percentage of the redemption amount) is greater than the percentage figure equal to one half the number of years between the issue date and redemption, where this is less than thirty years, or 15 per cent in other cases. Where a Security falls to be treated as a deeply discounted security, gains realised on redemption or transfer of the Security by a Securityholder who is a UK Tax Resident Individual will generally be taxable as income but such Securityholder will not be able to claim relief from income tax in respect of costs incurred on the acquisition, transfer or redemption, or losses incurred on the transfer or redemption, of the Security.

If the Securities do not qualify as excluded indexed securities or are not treated as deeply discounted securities, payment of premium on redemption could be treated as interest for United Kingdom tax purposes. Any such interest amount received by a UK Tax Resident Individual will generally be chargeable to United Kingdom income tax by direct assessment even where such interest is paid without withholding.

### **United Kingdom Stamp Duty and Stamp Duty Reserve Tax ("SDRT")**

Depending upon the terms and conditions of the relevant Securities (including, but not limited to, whether the Securities are in bearer form or CREST Securities), UK stamp duty or SDRT should not be payable on the issue or on the subsequent transfer of such Securities.

Prospective Securityholders should take their own advice from an appropriately qualified professional advisor in this regard.

### **European Union Taxation**

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

Under European Council Directive 2003/48/EC on the taxation of savings income (the "**Directive**") each EU Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State; however, for a transitional period, Austria and Luxembourg will (unless they elect otherwise) instead apply a withholding system in relation to such payments, deducting tax at a rate of 35 per cent. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU territories to the exchange of information relating to such payments.

A number of non-EU countries, including Switzerland, and certain dependent or associated territories of certain Member States have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a

person for, an individual or certain other persons in a Member State. In addition, the Member States have entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident in one of those territories.

Prospective holders of Securities should note that the European Commission has announced proposals to amend the Savings Directive. If implemented, the proposed amendments would *inter alia* extend the scope of the Savings Directive to (i) payments made through certain intermediate structures (whether or not established in a Member State) for the ultimate benefit of an EU resident individual, and (ii) a wider range of income similar to interest.

### **United States Taxation**

**TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, INVESTORS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS BASE PROSPECTUS IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY INVESTORS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON INVESTORS UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS INCLUDED HEREIN BY THE ISSUER IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE ISSUER OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) INVESTORS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.**

The following is an overview of certain material U.S. federal income tax consequences of the acquisition, ownership and disposition of Securities by a non-U.S. holder. For purposes of this section, a "non-U.S. holder" is a beneficial owner of Securities that is: (i) a non-resident alien individual for U.S. federal income tax purposes; (ii) a foreign corporation for U.S. federal income tax purposes; or (iii) an estate or trust whose income is not subject to U.S. federal income tax on a net income basis. If the investor is not a non-U.S. holder, he/she should consult his/her tax advisor with regard to the U.S. federal income tax treatment of an investment in Securities.

An individual may, subject to certain exceptions, be deemed to be a resident of the United States for federal income tax purposes by reason of being present in the United States for at least 31 days in the calendar year and for an aggregate of at least 183 days during a three year period ending in the current calendar year (counting for those purposes all of the days present in the current year, one third of the days present in the immediately preceding year, and one sixth of the days present in the second preceding year).

This overview is based on interpretations of the IR Code, Treasury regulations issued thereunder, and rulings and decisions currently in effect (or in some cases proposed), all of which are subject to change. Any of those changes may be applied retroactively and may adversely affect the U.S. federal income tax consequences described herein. Investors considering the purchase of Securities should consult their own tax advisors concerning the application of U.S. federal income tax laws to their particular situations as well as any consequences of the purchase, beneficial ownership and disposition of Securities arising under the laws of any other taxing jurisdiction.

**INVESTORS SHOULD CONSULT THEIR TAX ADVISORS AS TO THE U.S. FEDERAL, STATE, LOCAL, AND OTHER TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF SECURITIES.**

### **U.S. Federal Tax Treatment of Non-U.S. Holders**

In general and subject to the discussion in the following paragraphs, payments on the Securities to a non-U.S. holder and gain realized on the sale, exchange, redemption or other disposition of the Securities by a non-U.S. holder will not be subject to U.S. federal income or withholding tax, unless (1) such income is effectively connected with a trade or business conducted by such non-U.S. holder in the United States, or (2) in the case of gain, such non-U.S. holder is a non-resident alien individual who holds the Securities as a capital asset and is present in the United States for more than 182 days in the taxable year of the sale and certain other conditions are satisfied.

It is possible that Securities that do not guarantee a return of principal ("**Non-Principal-Protected Securities**") could be treated as forward or executory contracts for U.S. federal income tax purposes. The Internal Revenue Service ("**IRS**") released a notice in 2007 that may affect the taxation of non-U.S. holders of Non-Principal-Protected Securities. According to the notice, the IRS and the Treasury Department are actively considering whether, among other issues, the holder of instruments such as Non-Principal-Protected Securities should be required to accrue ordinary income on a current basis. It is not possible to determine what guidance they will ultimately issue, if any. It is possible, however, that under such guidance, non-U.S. holders of such Securities will ultimately be required to accrue income currently and that non-U.S. holders of such Securities could be subject to withholding tax on deemed income accruals and/or other payments made in respect of such Securities. In addition, alternative treatments of Non-Principal-Protected Securities are possible under U.S. federal income tax law. Under one such alternative characterisation, it is possible that an investor could be treated as owning the Underlying Asset of such Securities.

If the amount that is payable on a Security is determined by reference to dividends that are paid or declared with respect to a U.S. stock, it is possible that the IRS could assert that investors should be subject to U.S. withholding tax in respect of such dividends. Similarly, in the case of Securities that are linked to one or more assets characterised as "U.S. real property interests" (as such term is defined in section 897(c) of the IR Code), non-U.S. holders may be subject to special rules governing the ownership and disposition of U.S. real property interests. Prospective non-U.S. holders should consult their own tax advisors regarding the possible alternative treatments of the Securities.

In addition, the Treasury Department has issued proposed regulations under section 871(m) of the IR Code which address payments contingent on or determined by reference to dividends paid on U.S. equities which could ultimately require the Issuer to treat all or a portion of any payment in respect of the Securities as a "dividend equivalent" payment that is subject to withholding tax at a rate of 30 per cent. (or a lower rate under an applicable treaty). However, such withholding would potentially apply only to payments made after 31 December 2013. Investors could also be required to make certain certifications in order to avoid or minimize such withholding obligations, and could be subject to withholding (subject to the investor's potential right to claim a refund from the IRS) if such certifications were not received or were not satisfactory. Investors should consult their tax advisors concerning the potential application of these regulations to payments received with respect to the Securities when these regulations are finalised.

#### **Foreign Account Tax Compliance Withholding.**

A 30 per cent. withholding tax will be imposed on certain payments to certain non-U.S. financial institutions that fail to comply with information reporting requirements or certification requirements in respect of their direct and indirect United States shareholders and/or United States accountholders. United States accountholders subject to such information reporting or certification requirements may include holders of the Securities. To avoid becoming subject to the 30 per cent. withholding tax on such payments, the Issuer and other non-U.S. financial institutions may be required to report information to the IRS regarding the holders of Securities and, in the case of holders who (i) fail to provide the relevant information, (ii) are non-U.S. financial institutions who have not agreed to comply with these information reporting requirements, or (iii) hold Securities directly or indirectly through such non-compliant non-U.S. financial institutions, withhold on a portion of payments under the Securities. Under final regulations issued by the Treasury Department, such withholding will not apply to payments made before 1 January 2014 with respect to U.S. source payments (e.g., "dividend equivalent" payments) and before 1 January 2017 with respect to non-U.S. source payments.

## PURCHASE AND SALE

Pursuant to the Master Subscription Agreement dated 5 August 2009 (as amended, supplemented and/or restated from time to time, the "**Master Subscription Agreement**"), each Manager (being, at the date of this Base Prospectus, Barclays Capital Securities Limited in its capacity as a Manager) has agreed with the Issuer the basis on which it may from time to time agree to purchase Securities. Any such agreement will extend to those matters stated under "*Summary*" and "*Terms and Conditions of the Securities*". In the Master Subscription Agreement, the Issuer has agreed to reimburse the relevant Manager for certain of its expenses in connection with the Securities issued under the Programme.

No representation is made that any action has been or will be taken by the Issuer or the Managers in any jurisdiction that would permit a public offering of any of the Securities or possession or distribution of this Base Prospectus or any other offering material or any Final Terms in relation to any Securities in any country or jurisdiction where action for that purpose is required (other than actions by the Issuer to meet the requirements of the Prospectus Directive for offerings contemplated in this Base Prospectus and the Final Terms). No offers, sales, resales or deliveries of any Securities, or distribution of any offering material relating to any Securities, may be made in or from any jurisdiction and/or to any individual or entity except in circumstances which will result in compliance with any applicable laws and regulations and which will not impose any obligation on the Issuer and/or the Managers.

### Selling Restrictions

#### **European Economic Area**

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

- (a) if the Issuer expressly specifies that an offer of those Securities may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Public Offer**"), following the date of publication of a prospectus in relation to such Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the Final Terms contemplating such Public Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Final Terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Public Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Manager or Managers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Securities referred to in (b) to (d) above shall require the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression "an offer of Securities to the public" in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an



investor to decide to purchase or subscribe for the Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State. The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

### **United Kingdom**

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

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Securities in circumstances in which section 21(1) of the FSMA would not, if it was not an authorised person, apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Securities in, from or otherwise involving the United Kingdom.

### **United States of America**

#### **U.S. Tax Selling Restrictions**

Securities issued in bearer form for U.S. tax purposes ("**Bearer Instruments**") may not be offered, sold or delivered within the United States or its possessions or to a United States person except as permitted under U.S. Treasury Regulation section 1.163-5(c)(2)(i)(D) (the "**D Rules**").

The Issuer and each Manager has represented and agreed (and each additional Manager named in a set of Final Terms will be required to represent and agree) that in addition to the relevant U.S. Securities Selling Restrictions set forth below:

- (a) except to the extent permitted under the D Rules, (x) it has not offered or sold, and during the restricted period it will not offer or sell, Bearer Instruments to a person who is within the United States or its possessions or to a United States person and (y) such Manager has not delivered and agrees that it will not deliver within the United States or its possessions definitive Bearer Instruments that will be sold during the restricted period;
- (b) it has and agrees that throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Bearer Instruments are aware that Bearer Instruments may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person (except to the extent permitted under the D Rules);
- (c) if it is a United States person, it is acquiring the Bearer Instruments for purposes of resale in connection with their original issuance, and if it retains Bearer Instruments for its own account, it will do so in accordance with the requirements of the D Rules;
- (d) with respect to each affiliate or distributor that acquires Bearer Instruments from a Manager for the purpose of offering or selling such Bearer Instruments during the restricted period, the Manager either repeats and confirms the representations and agreements contained in sub clauses (a), (b) and (c) above on such affiliate's or distributor's behalf or agrees that it will obtain from such affiliate or distributor for the benefit of the Issuer and each Manager the representations and agreements contained in such sub clauses; and
- (e) it has not and agrees that it will not enter into any written contract (other than confirmation or other notice of the transaction) pursuant to which any other party to the contract (other than one of its affiliates or another Manager) has offered or sold, or during the restricted period will offer or sell, any Bearer Instruments except where pursuant to the contract the relevant Manager has obtained or will obtain from that party, for the benefit of the Issuer and each

## Purchase and Sale

Manager, the representations contained in, and that party's agreement to comply with, the provisions of sub clauses (a), (b), (c) and (d).

Terms used in this section (U.S. Tax Selling Restrictions) shall, unless the context otherwise requires, have the meanings given to them by the Internal Revenue Code and the U.S. Treasury Regulations thereunder, including the D Rules.

### ***U.S. Securities Selling Restrictions***

The Securities have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this section (*U.S. Securities Selling Restrictions*) shall, unless the context otherwise requires, have the meanings given to them by Regulation S under the Securities Act.

Each Manager has agreed (and each further Manager named in the Final Terms will be required to agree) that it will not offer or sell Securities (i) as part of their distribution at any time or (ii) otherwise until 40 calendar days after the completion of the distribution of an identifiable tranche of which such Securities are part, as determined and certified to the Agent by such Manager (in the case of a non-syndicated issue) or the relevant lead Manager (in the case of a syndicated issue), within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each Manager to which it sells Securities during the Distribution Compliance Period a confirmation or other notice setting out the restrictions on offers and sales of the Securities within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding sentence have the meanings given to them by Regulation S. Neither such Manager nor its affiliates, nor any persons acting on its or their behalf, have engaged or will engage in any directed selling efforts (as defined in Regulation S) with respect to the Securities, and such Manager, its affiliates and all persons acting on its or their behalf have complied and will comply with the offering restrictions requirement of Regulation S.

**"Distribution Compliance Period"** means the period that ends 40 calendar days after the completion of the distribution of each Series of Securities, as certified by the relevant Manager (in the case of a non-syndicated issue) or the relevant lead Manager (in the case of a syndicated issue).

The Securities are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

This Base Prospectus has been prepared by the Issuer for use in connection with the offer and sale of Securities outside the United States and for the resale of the Registered Securities in the United States and for the listing of Securities on the Relevant Stock Exchange. The Issuer and the Managers reserve the right to reject any offer to purchase the Securities, in whole or in part, for any reason. The Base Prospectus does not constitute an offer to any person in the United States or to any U.S. person. Distribution of this Base Prospectus by any non-U.S. person outside the United States is unauthorised, and any disclosure without the prior written consent of the Issuer of any of its contents to any of such U.S. person or other person within the United States is prohibited.

### ***US Retirement Plan Selling Restrictions***

The Securities may not be sold or transferred to, and each purchaser by its purchase of Securities shall be deemed to have represented and covenanted that it is not acquiring the Securities for or on behalf of, and will not transfer Securities to, any pension or welfare plan, as defined in section 3 of the Employee Retirement Income Security Act ("**ERISA**"), that is subject to Title I of ERISA or any plan or arrangement that is subject to section 4975 of the Internal Revenue Code, or an entity the assets of which are considered assets of such a plan, except that such purchase for or on behalf of a plan shall be permitted when, in the sole judgement of the relevant Manager, and to the extent:

- (a) such purchase is made by or on behalf of a bank collective investment fund maintained by the purchaser in which no plan (together with any other plans maintained by the same employer or employee organisation) has an interest in excess of 10 per cent of the total assets in such collective investment fund, and the other applicable conditions of Prohibited Transaction Class Exemption ("**PTCE**") 91–38 issued by the US Department of Labor are satisfied;

- (b) such purchase is made by or on behalf of an insurance company pooled separate account maintained by the purchaser in which, at any time while the Securities are outstanding, no plan (together with any other plans maintained by the same employer or employee organisation) has an interest in excess of 10 per cent of the total of all assets in such pooled separate account, and the other applicable conditions of PTCE 90–1 issued by the US Department of Labor are satisfied;
- (c) such purchase is made on behalf of a plan by (i) an investment adviser registered under the US Investment Advisers Act of 1940, as amended (the "**Investment Advisers Act**"), that had as at the last day of its most recent fiscal year total assets under its management and control in excess of US\$85 million and had stockholders' or partners' equity in excess of US\$1 million, as shown in its most recent balance sheet prepared in accordance with generally accepted accounting principles, or (ii) a bank as defined in section 202(a)(2) of the Investment Advisers Act with equity capital in excess of US\$1 million as at the last day of its most recent fiscal year or (iii) an insurance company which is qualified under the laws of more than one state to manage, acquire or dispose of any assets of a pension or welfare plan, which insurance company had as at the last day of its most recent fiscal year, net worth in excess of US\$1 million and which is subject to supervision and examination by a State authority having supervision over insurance companies and, in any case, such investment adviser, bank or insurance company is otherwise a qualified professional asset manager, as such term is used in PTCE 84–14 issued by the US Department of Labor, and the assets of such plan when combined with the assets of other plans established or maintained by the same employer (or affiliate thereof) or employee organisation and managed by such investment adviser, bank or insurance company, do not represent more than 20 per cent of the total client assets managed by such investment adviser, bank or insurance company at the time of the transaction, and the other applicable conditions of such exemption are otherwise satisfied;
- (d) such plan is a governmental plan (as defined in section 3(3) of ERISA) which is not subject to the provisions of Title I of ERISA or section 4975 of the Internal Revenue Code;
- (e) such purchase is made by or on behalf of an insurance company using the assets of its general account, of which the reserves and liabilities for the general account contracts held by or on behalf of any plan, together with any other plans maintained by the same employer (or its affiliates) or employee organisation, do not exceed 10 per cent of the total reserves and liabilities of the insurance company general account (exclusive of separate account liabilities), plus surplus as set forth in the National Association of Insurance Commissioners Annual Statement filed with the state domicile of the insurer, in accordance with PTCE 95–60, and the other applicable conditions of such exemption are otherwise satisfied;
- (f) such purchase is made by an in-house asset manager within the meaning of Part IV(a) of PTCE 96–23, such manager has made or properly authorized the decision for such plan to purchase Securities, under circumstances such that PTCE 96–23 is applicable to the purchase and holding of Securities; or
- (g) such purchase will not otherwise give rise to a transaction described in section 406 of ERISA or section 4975(c)(1) of the Internal Revenue Code for which a statutory or administrative exemption is unavailable.

### General

The selling restrictions may be modified by the agreement of the Issuer and the relevant Manager, including following a change in a relevant law, regulation or directive.

No action has been taken in any jurisdiction that would permit a public offering of any of the Securities, or possession or distribution of this Base Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Manager has agreed that it will comply with all relevant laws, regulations and directives, and obtain all relevant consents, approvals or permissions, in each jurisdiction in which it purchases, offers, sells or delivers Securities or has in its possession or distributes this Base Prospectus, any other

## Purchase and Sale

offering material or any Final Terms, and neither the Issuer nor any Manager shall have responsibility therefor.

## GENERAL INFORMATION

### Authorisation and Consents

The establishment of the Programme and the issue of Securities under the Programme have been duly authorised by resolutions of an authorised committee of the Board of Directors of the Issuer on 12 April 2013.

The Issuer has obtained all necessary consents, approvals and authorisations in connection with establishing and updating the Programme and will obtain all such consents, approvals and authorisations in connection with the issue and performance of each Security or Series issued under this Programme.

### Use of Proceeds

The Issuer intends to apply the net proceeds from the sale of any Securities either for hedging purposes or for general corporate purposes unless otherwise specified in the Final Terms relating to a particular Security or Series. If, in respect of any particular issue of Securities, there is a particular identified use of proceeds, this will be stated in the Final Terms.

### Base Prospectus and Supplements

This Base Prospectus may be used for a period of one year from its date in connection with a public offer of Securities in the EU, or for the listing and admission to trading of Series. A revised Base Prospectus will be prepared in connection with the listing of any Series issued after such period unless all consents necessary are obtained for an extension of such period.

If at any time the Issuer shall be required to prepare a supplement to this Base Prospectus (a "**Supplement**") pursuant to section 87 of the FSMA, or to give effect to the provisions of Article 16(1) of the Prospectus Directive, the Issuer will prepare and make available an appropriate amendment or supplement to this Base Prospectus or a further base prospectus which, in respect of any subsequent issue of Securities to be offered to the public or to be admitted to trading on the Regulated Market of the London Stock Exchange shall constitute a supplemental base prospectus as required by the FCA and section 87 of the FSMA.

### Listing

Any Series may be admitted to listing on the Official List of the UK Listing Authority and to trading on the Regulated Market of the London Stock Exchange, if specified in the Final Terms.

### Clearing Systems

The Securities issued under the Programme may be accepted for clearance through Euroclear, Clearstream and any other relevant clearing system as set out in the Final Terms. The appropriate common code for each Series allocated by Euroclear and Clearstream will be set out in the Final Terms, together with the International Securities Identification Number (the "**ISIN**") for that Series. Transactions will normally be effected for settlement not earlier than three Business Days after the date of the transaction.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream is 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of any additional clearing system will be set out in the Final Terms.

### Documents Available

For as long as this Base Prospectus remains in effect or any Securities remain outstanding, copies of the following documents will, when available, be made available during usual business hours on a weekday (Saturdays, Sundays and public holidays excepted) for inspection and, in the case of (b), (c), (h) and (i) below, shall be available for collection free of charge at the registered office of the Issuer, at <http://www.barclays.com/InvestorRelations/DebtInvestors> and at the specified office of the Issue and Paying Agent. The Final Terms in respect of any Series, shall also be available at the specified office of

## Purchase and Sale

the relevant Paying Agents and in respect of CREST Securities, at the specified office of the CREST Agent:

- (a) the constitutional documents of the Issuer;
- (b) the documents set out in the "*Incorporation by Reference*" section of this Base Prospectus;
- (c) all future annual reports and semi-annual financial statements of the Issuer;
- (d) the Master Subscription Agreement;
- (e) the Agency Agreement;
- (f) the Deed of Covenant;
- (g) the current Base Prospectuses in respect of the Programme and any future supplements thereto;
- (h) any Final Terms issued in respect of Securities admitted to listing, trading and/or quotation by any listing authority, stock exchange, and/or quotation system since the most recent base prospectus was published; and
- (i) any other future documents and/or announcements issued by the Issuer.

### **Post-issuance Information**

The Issuer does not intend to provide any post-issuance information in relation to any of the Securities or the performance of any Underlying Asset or any other underlying relating to Securities, except if required by any applicable laws and regulations.

### **Temporary ISIN and Temporary Common Code**

Any Temporary ISIN or Temporary Common Code specified in the Final Terms will apply until such time as the Relevant Clearing System recognises the Securities of the relevant Tranche to be fungible with any other Tranches of the relevant Series.

### **Index Disclaimers**

The following Index Disclaimers apply to Securities in respect of which the Underlying Warrant Reference Asset(s) are specified to include one or more of the FTSE<sup>®</sup> 100 Index, the EURO STOXX 50<sup>®</sup> Index or the S&P<sup>®</sup> 500 Index. Where the Underlying Warrant Reference Asset(s) include any other equity indices, the relevant index disclaimers will be set out in the applicable Final Terms.

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