

ARTICLE 3A

Preference shares

3A.

- (A) **Issue** Preference shares may be issued from time to time in one or more series with such rights, and subject to such restrictions and limitations, as the board may determine in the board resolution approving the issue thereof and so that preference shares may be issued in one or more separate series in each case having attached thereto rights, limitations and restrictions which either are identical (save as to the date from which such preference shares rank for dividend) with the rights, limitations and restrictions attached to any other series of preference shares or are different in any respect from the rights, limitations and restrictions attached to any such other series. Each series of preference shares shall be designated in such manner as may be so determined by the board, and it does not have to make changes to these articles to do this. The terms of any series of preference shares can be set out in language which reflects the substance, rather than the language, of these articles.
- (B) **Distributions** Without prejudice to paragraph (I) of this article 3A and save as the board may determine, prior to the issue thereof, each series of preference shares shall rank, in regard to participation in profits, in priority to the payment of any dividend to the holders of ordinary shares and staff shares and in priority to or pari passu with any other class of shares in the company (except shares which by their terms rank in priority to the preference shares of the relevant series as regards participation in profits). Profits of the company available for distribution and permitted by law to be distributed will be applied in paying to holders of preference shares of each series a preferential dividend ("preference dividend") payable in such currency at such rates (whether fixed or calculated by reference to or in accordance with a specified procedure or mechanism), on such dates and on such other terms as may be determined by the board prior to allotment thereof.
- (C) **Non-payment of dividends** All or any of the following provisions shall apply in relation to any series of preference shares if so determined by the board prior to the allotment thereof:
- (i) If, on any date (the "dividend payment date"), a preference dividend is to be paid but the board considers that distributable profits of the company available for distribution are insufficient (after payment in full, or the setting aside of a sum to enable the payment in full, of dividends expressed to be payable on the relevant dividend payment date on any class of shares in the capital of the company ranking pari passu with or in priority to the relevant series of preference shares as regards participation in the profits of company, and after payment in full, or the setting aside of a sum to enable the payment in full, of all dividends expressed to be payable on a date earlier than the relevant dividend payment date on any class of shares in the capital of the company that ranks pari passu with or

in priority to the relevant series of preference shares in such regard and carries cumulative rights to dividends), then (subject to sub-paragraph (iii) of this article 3A(C)) preference dividends shall be paid to the extent of the distributable profits on a pro rata basis so that:

- (1) the aggregate amount of preference dividends payable on the relevant series of preference shares; and
- (2) the aggregate amount of all dividends which are payable on such date on each other class of shares whose rights state that they rank equally with the relevant series of preference shares with respect to sharing in profits; and
- (3) the aggregate amount of dividends paid or set aside for payment on such date on each other class of shares ranking pari passu with the relevant series of preference shares in such regard and carrying cumulative rights to dividends, on which dividends were expressed to be payable before such date,

will bear to each other the same ratio as the full amounts of dividends:

- (A) expressed to be payable in aggregate on the relevant series of preference shares on such date;
- (B) expressed to be payable in aggregate on each such other pari passu ranking class of shares on which dividends are expressed to be payable on such date; and
- (C) paid, or set aside for payment of, in aggregate on each such other pari passu ranking class of shares carrying cumulative rights to dividends in respect of dividends expressed to be payable before such date,

bear to each other.

- (ii) If it turns out that any such preference dividend should not have been paid, either in whole or in part, as set out in sub-paragraph (i) of this article 3A(C), then provided the board has acted in good faith, neither it (nor any director) nor the company shall incur any liability for any loss which any shareholder may suffer in consequence of such payment having been made.
- (iii) Notwithstanding sub-paragraph (i) of this article 3A(C), on any dividend payment date, the board may, at its discretion, determine that the preference dividend which would otherwise be payable may either not be payable at all or only payable in part.
- (iv) If a preference dividend on any preference share of any series is not paid, or is paid only in part, pursuant to sub-paragraphs (i) or (iii) of this article 3A(C), the holders of those preference shares who did not receive a

preference dividend in whole or in part shall have no claim in respect of such non-payment or non-payment in part, as applicable. The company shall have no obligation to pay the preference dividend accrued for the relevant dividend period or to pay interest thereon, whether or not preference dividends are paid on any preference shares of any series for any future dividend period.

- (v) If the board considers that paying all or any part of any preference dividend on any preference shares of any series would result in a breach of the capital adequacy requirements of the Financial Services Authority which apply to the company and/or any of its subsidiaries, none of the part of that preference dividend which would result in a breach of the capital adequacy requirements of the Financial Services Authority will be paid, unless the Financial Services Authority otherwise agrees.
- (vi) If, in respect of preference shares of any series, any preference dividend is not paid in full on a dividend payment date (the "relevant dividend payment date") (or a sum is not set aside to provide for its payment in full), the dividend restriction shall apply. The "dividend restriction" means that neither the company nor Barclays Bank PLC may (a) pay a dividend (other than payment by the company of a final dividend declared by its shareholders prior to the relevant dividend payment date, or a dividend paid by Barclays Bank PLC to the company or to another wholly-owned subsidiary of the company) on any of their respective ordinary shares, other preference shares or other share capital ranking pari passu with or junior to the relevant series of preference shares in respect to dividend payments and rights in liquidation or (b) redeem, purchase, reduce or otherwise acquire any of their respective ordinary shares, preference shares or other share capital, other than shares of Barclays Bank PLC held by the company or by a wholly-owned subsidiary of the company (or set aside any sum or establish any sinking fund for the redemption, purchase or other acquisition thereof), until the earlier of (1) the dividend payment date on which the company next pays (or sets aside a sum to provide for the payment of) a preference dividend in full on the relevant series of preference shares and (2) the date on or by which all of the preference shares of the relevant series of preference shares are either redeemed in full or purchased by or for the account of the company, in each case in accordance with these articles and the terms of preference shares of the relevant series of preference shares.

- (D) **Rights on a winding-up etc.** In the event of a winding-up or any other return of capital by way of reduction of capital (other than, unless provided by their terms of issue, a redemption or purchase by the company of any of its issued shares, or a reduction of share capital, permitted by these articles and under applicable law), the assets of the company available for distribution among the members shall be applied in paying to holders of any series of preference shares pari passu in proportion to the amounts paid up or credited as paid up on the preference shares in priority to any payment to the holders of ordinary shares

and any other class of shares in the capital of the company then in issue ranking junior to the relevant series of preference shares and pari passu on such a return of capital with the holders of any other class of preference shares in the capital of the company then in issue (other than any class of shares in the capital of the company then in issue ranking in priority to the relevant series of preference shares on such return of capital) an amount per preference share equal to the aggregate of:

- (i) the amount paid up or treated as paid up in respect of the nominal value of the preference share;
- (ii) any premium which was paid or treated as paid when the preference share was issued;
- (iii) the preference dividend accrued thereon for the then current dividend period to the date of the commencement of the winding-up or other such return of capital; and
- (iv) an amount equal to any dividend that has been resolved to be paid on or after the date of commencement of the winding-up or return of capital but which is payable in respect of a dividend period ending on or before such date.

Holders of preference shares of any series shall not be entitled to participate further in the assets of the company available for distribution among the members.

(E) **Redemption** Save as may otherwise be prescribed by the board in regard to any series of preference shares prior to allotment thereof, the preference shares shall, subject to the statutes at the time of allotment, be redeemable at the option of the company, and shall be governed by the following provisions as to redemption:

- (i) the company may, subject to the statutes at the time of allotment, to these articles and to giving one month's prior written notice to the Financial Services Authority (if required), redeem all or some only of any series of preference shares on the relevant redemption date and on any dividend payment date thereafter. The expression "redemption date" means, in relation to any series of preference shares, any date which falls not less than five years after the date (the "issue date") when such series of preference shares was first issued;
- (ii) subject as mentioned in sub-paragraph (i) of this article 3A(E), there shall be paid on each preference share so redeemed, in whatever currency the board decides prior to the allotment of the relevant series thereof, the aggregate of the nominal amount thereof, any premium credited as paid up upon such preference share and the preference dividend accrued thereon for the then current dividend period to the date fixed for redemption but only to the extent that any such amount was, or would have been, payable

as a cash dividend in accordance with or pursuant to article 3A(B) and article 3A(C);

- (iii) redemption is effected by giving to the holders of the preference shares to be redeemed not less than 30 nor more than 60 days' notice (a "redemption notice"). The redemption notice shall state:
 - (1) the particular series of preference shares to be redeemed;
 - (2) the applicable redemption date;
 - (3) the redemption price (specifying details of the amount of any preference dividend accrued and unpaid to be included therein and stating that preference dividends on the preference shares to be redeemed will cease to accrue on redemption);
 - (4) the place or places at which documents of title in respect of such preference shares are to be presented and surrendered for redemption; and
 - (5) the procedures for redeeming registered and bearer preference shares.

If some only of the preference shares are to be redeemed, the board shall for the purpose of ascertaining the preference shares to be redeemed cause a drawing to be made at the office (or at such other place as the board decides) in the presence of a representative of the auditors;

- (iv) the provisions of this and the following sub-paragraphs shall have effect in relation to preference shares of any series for the time being issued and outstanding in registered form ("registered preference shares") and represented by certificates ("certificates") and in relation to preference shares of any series which are for the time being issued and outstanding in bearer form ("bearer preference shares") and represented by share warrants ("warrants");
- (v) payment in respect of the amount due on redemption of a registered preference share shall be made (a) in the case of euro preference shares by euro cheque drawn on a branch of a bank in London or the Euro-zone (as the case may be); (b) in the case of dollar preference shares by dollar cheque drawn on a branch of a bank in London or New York (as the case may be); (c) in the case of sterling preference shares by pounds sterling cheque drawn on a branch of a bank in London; and (d) in the case of yen preference shares by yen cheque drawn on a branch of a bank in London or Tokyo (as the case may be) or, upon the request of the holder or joint holders not later than the date specified for the purpose in the notice of redemption, by transfer to (a) in the case of euro preference shares, a euro account maintained by the payee with a branch of a bank in London or the Euro-zone (as the case may be); (b) in the case of dollar preference shares, a dollar account maintained by the payee with a branch of a bank in

London or New York (as the case may be); (c) in the case of sterling preference shares, a pounds sterling account maintained by the payee with a branch of a bank in London; and (d) in the case of yen preference shares, a yen account maintained by the payee with a branch of a bank in London or Tokyo (as the case may be). Such payment will be made against presentation and surrender of the relative certificate at the place or one of the places specified in the redemption notice;

- (vi) payment in respect of the amount due on redemption of a bearer preference share shall be made (a) in the case of euro preference shares by euro cheque drawn on a branch of a bank in London or the Euro-zone (as the case may be); (b) in the case of dollar preference shares by dollar cheque drawn on a branch of a bank in London or New York (as the case may be); (c) in the case of sterling preference shares by pounds sterling cheque drawn on a branch of a bank in London; and (d) in the case of yen preference shares by yen cheque drawn on a branch of a bank in London or Tokyo (as the case may be) or, upon the request of the holder not later than the date specified for the purpose in the notice of redemption, by transfer (a) in the case of euro preference shares to a euro account maintained by the payee with a branch of a bank in London or the Euro-zone (as the case may be); (b) in the case of dollar preference shares to a dollar account maintained by the payee with a branch of a bank in London or New York (as the case may be); (c) in the case of sterling preference shares to a pounds sterling account maintained by the payee with a branch of a bank in London; and (d) in the case of yen preference shares, a yen account maintained by the payee with a branch of a bank in London or Tokyo (as the case may be). Such payment will be made against presentation and surrender of the relative warrant at the place or one of the places specified in the redemption notice. Upon the relevant redemption date all unmatured dividend coupons (if any), and any talon for additional dividend coupons, appertaining thereto (whether or not attached) shall become void and no payment will be made in respect thereof;
- (vii) all payments in respect of redemption moneys will in all respects be subject to any applicable fiscal or other laws and other regulations;
- (viii) as from the relevant redemption date the dividend on the preference shares due for redemption shall cease to accrue except on any such preference share in respect of which, upon the due surrender of the certificate or, as the case may be, the warrant therefor in accordance with sub-paragraph (v) or, as the case may be, (vi) above, payment of the redemption moneys due on such redemption date shall be improperly withheld or refused in which case the said dividend, at the rate then applicable, shall be deemed to have continued and shall accordingly continue to accrue from the relevant redemption date to the date of payment of such redemption moneys. Such preference shares shall not be treated as having been redeemed until the redemption moneys in question, together with the accrued dividend thereon, shall have been paid;

- (ix) if the due date for the payment of the redemption moneys on any euro preference share is not a day (other than a Saturday or Sunday) on which (1) banks in London are open for business (2) foreign exchange dealings may be conducted in euro and (3) the Trans-European Automated Real Time Gross Settlement Express Transfer System (TARGET or TARGET2) (or any successor thereto determined by the company) is open (a "euro business day"), then payment of such moneys will be made on the next succeeding day which is a euro business day (and without any interest or other payment in respect of such delay);
- (x) if the due date for the payment of the redemption moneys on any dollar preference share is not a day (other than a Saturday or Sunday) on which (1) banks in New York or London are open for business or (2) foreign exchange dealings may be conducted in dollars (a "dollar business day"), then payment of such moneys will be made on the next succeeding day which is a dollar business day (and without any interest or other payment in respect of such delay);
- (xi) if the due date for the payment of the redemption moneys on any sterling preference share is not a day (other than a Saturday or Sunday) on which banks in London are open for business (a "London business day"), then payment of such moneys will be made on the next succeeding day which is a London business day (and without any interest or other payment in respect of such delay);
- (xii) if the due date for the payment of the redemption moneys on any yen preference share is not a day (other than a Saturday or Sunday) on which (1) banks in Tokyo or London are open for business or (2) foreign exchange dealings may be conducted in yen (a "Tokyo business day"), then payment of such moneys will be made on the next succeeding day which is a Tokyo business day (and without any interest or other payment in respect of such delay);
- (xiii) the receipt of the holder for the time being of any registered preference share (or in the case of joint holders the receipt of any of them) and the receipt of the person delivering any warrant to the place or one of the places specified in accordance with sub-paragraph (iii) of this article 3A(E), in respect of the moneys payable on redemption of the registered preference share or, as the case may be, the bearer preference share, shall constitute an absolute discharge to the company; and
- (xiv) upon the redemption or purchase of any class of preference shares the company may, if determined by the board, convert the unissued preference shares existing as a result of such redemption or purchase into shares of any other class of share capital into which the authorised share capital of the company is or may at any time be divided of the same nominal amount and denominated in the same currency as such class of

preference shares or into unclassified shares of the same nominal amount and in the same currency as such class of preference shares.

(F) **Purchases** The company may at any time purchase, or cause to be purchased for its account, all or any of any series of preference shares, subject to the provisions of the statutes, these articles and all other applicable rules and regulations and subject to the consent of or prior notification to the Financial Services Authority (if required), at any price. The company shall not be required to select the preference shares to be purchased rateably or in any other particular manner as between the holders of any series of preference shares or as between them and the holders of shares of any other class of shares or in accordance with the rights as to dividends or capital conferred by any class of shares.

(G) **Form of Transfer**

- (i) Title to any preference share represented by a share warrant to bearer will pass by delivery of the relevant bearer preference share warrants. Title to any preference share in registered form will pass by transfer and registration on the register for such preference shares.
- (ii) The bearer of any share warrant for any preference share and the persons (if any) in whose names any preference shares are for the time being registered, shall (to the fullest extent permitted by applicable law) be deemed to be, and shall be treated as, the holders and absolute owners of the relevant preference shares for the purpose of receiving payment in respect thereof and for all other purposes (notwithstanding any notice of ownership or writing thereon or any notice of previous loss or theft thereof or any trust or other interest therein), whether or not any payment in respect of the preference shares shall be overdue.
- (iii) Each exchange or registration of transfer of preference shares in registered form will, subject to and in accordance with these articles, be effected by entry on the register for such preference shares kept by the company's registrar at its office in the United Kingdom. No fee shall be charged on the registration of any instrument of transfer or other instrument relating to or affecting the title to the preference shares, but the person requesting such registration will be required to pay any related taxes, stamp duties or other governmental charges.
- (iv) Upon presentation to the company's registrar at its office in the United Kingdom, a bearer preference share warrant may be exchanged for the relevant preference share in registered form, in which event the holder of the bearer preference share warrant will be registered as a holder of the preference shares in the register of members of the company and will receive a certificate made out in such holder's name. The exchange of preference shares represented by a bearer preference share warrant for preference shares in registered form will also be subject to applicable UK tax laws and regulations in effect at the time of the exchange. No

exchange will be made unless any resulting taxes, stamp duties or other governmental charges have been paid to the company. Preference shares in registered form will not be exchangeable, in whole or in part, for preference shares represented by a share warrant to bearer.

(H) **Voting at general meetings of the company** The holders of any series of preference shares shall not be entitled to receive notice of, or attend or vote at, any general meeting of the company.

(I) **Variations of rights and further issues**

(i) The company may at any time or from time to time, without the consent or sanction of the holders of preference shares of any series, create and issue further preference shares or other share capital ("further shares") of one or more series ranking as regards participation in the profits and assets of the company pari passu with, or junior to, the preference shares, but not (other than on a redemption or purchase by the company of any such shares, or a reduction of share capital, permitted by these articles and under applicable law) in priority thereto unless the holders of each class of preference shares to which such shares are to rank in priority have so sanctioned or consented thereto in accordance with article 6, and so that, save as aforesaid, the further shares of any series may either carry rights identical in all respects (except as regards the date from which such shares rank for dividend) with the preference shares of any series or carry rights differing therefrom in any respect including, but without limitation, in that:

- (1) the rate and/or basis of calculating dividends may differ and the dividend may be cumulative or non-cumulative;
- (2) such shares may rank for dividends as from such date as may be provided by the terms of issue thereof and the dates for payment of dividend may differ;
- (3) such shares may be denominated in any currency or, if permitted by law, any basket of currencies;
- (4) a premium may be payable on return of capital or there may be no such premium;
- (5) such shares may be redeemable at the option of the company or may be non-redeemable;
- (6) different or no restrictions may apply in the event a dividend is not paid on such shares on a scheduled dividend payment date therefor; and
- (7) such shares may be convertible into ordinary shares or any other class of shares ranking as regards participation in the profits and assets of the company pari passu with or junior to any class of the

sterling preference shares, dollar preference shares, euro preference shares or yen preference shares,

in each case on such terms and conditions as may be prescribed by the terms of issue thereof.

- (ii) Subject to legislation in force at the relevant time, a series of preference shares shall have such rights to share in the profits and assets of the company and such other rights as the board shall decide to give it before the preference shares of that series are first allotted but any such decision shall be without prejudice to any preference shares then in issue and no such decision shall vary or abrogate all or any of the rights, preferences, privileges, limitations or restrictions attaching to those preference shares then in issue without such consent to the variation or abrogation as is required by these articles

(J) **Substitution** The company may at any time or from time to time, without the consent or sanction of the holders of preference shares of any series create and issue further preference shares of one or more series which provide for the company to substitute or exchange such further preference shares in whole, but not in part, with other instruments in an equivalent nominal face amount to the aggregate liquidation preference of such preference shares, at any time without any requirement for consent or approval of the holders of the further preference shares. Upon such substitution, the proceeds of redemption of the preference shares would be mandatorily applied to the subscription or purchase of the instruments so issued. The board may determine on issue of any series of preference shares the method of substitution and the terms of the instrument that will be issued in substitution for such preference shares.

(K) **Other Terms** The board may decide any other terms and conditions of issue of a series of preference shares whatsoever.

(L) **Definitions** For the purposes of this article:

- (i) "dividend period" means the period from and including a dividend payment date (or the issue date) to but not including the next succeeding dividend payment date;
- (ii) "dollar preference shares" means the preference shares of US\$0.25 each in the capital of the company referred to in articles 3 and 3A or, as the case may require, the number thereof for the time being in issue and the preference shares of US\$100 each in the capital of the company referred to in articles 3 and 3A or, as the case may require, the number thereof for the time being in issue;
- (iii) "euro preference shares" means the preference shares of €100 each in the capital of the company referred to in articles 3 and 3A or, as the case may require, the number thereof for the time being in issue;

- (iv) "Euro-zone" means the region comprised of member states of the European Union which adopt the Euro in accordance with the Treaty establishing the European Community, as amended;
- (v) "preference shares" means the dollar preference shares, euro preference shares, sterling preference shares or yen preference shares, as the case may be;
- (vi) "sterling preference shares" means the preference shares of £100 each in the capital of the company referred to in articles 3 and 3A or, as the case may require, the number thereof for the time being in issue;
- (vii) "yen preference shares" means the preference shares of ¥10,000 each in the capital of the company referred to in articles 3 and 3A or, as the case may require, the number thereof for the time being in issue;
- (viii) references to "US\$", "dollars" and "cents" are references to the lawful currency for the time being of the United States of America;
- (ix) references to "€" and "euro" are references to the lawful currency of the member states of the European Union that have adopted or adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time;
- (x) references to "£" and "sterling" are references to the lawful currency for the time being of the United Kingdom;
- (xi) references to "yen", "¥" and "JPY" are references to the lawful currency of Japan;