

## GSSP BASE PROSPECTUS 15

### 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 from the date of its approval 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 15**") relates to the issuance of securities (the "**Securities**"), which:

- may be issued in note or certificate form;
- may have any maturity;
- will either:
  - not bear interest; or
  - bear periodic interest, which may be either linked to a fixed rate or a floating rate and be subject to a switch option, whereby the Issuer can elect to apply a fixed rate of interest to a Series of Securities under which a floating rate is applicable or vice versa; and
- upon maturity, will each either:
  - pay a cash amount equal to the Calculation Amount if a Relevant Credit Event has not occurred; or
  - if a Relevant Credit Event has occurred and the Conditions to Settlement have been satisfied during the Notice Delivery Period and the Securities are (i) Cash Settled CLS (as defined in the section entitled "Description of the Securities"), pay a cash amount less than the Calculation Amount and may redeem at zero or (ii) Physically Delivered CLS, involve the delivery of a pro rata proportion of the Deliverable Obligations Portfolio.

In addition, the Securities may provide for early redemption at the option of the issuer (a call option).

#### Who is the Issuer?

The Securities will be issued by Barclays Bank PLC (the "**Issuer**") which means that payments of principal and interest (if any) 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 56 to 91 of this Base Prospectus (the "**General Conditions**") and the Credit Linked Conditions set out at pages 92 to 124, 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;
- only certain provisions of Sections C (INTEREST AND EARLY REDEMPTION) and D (SETTLEMENT) may apply to a particular issuance of Securities. The applicable provisions will be specified in the Final Terms.

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 (including any interest payable and any rights of the Issuer to redeem early):

- General Condition 5 will specify whether or not any interest is payable (and if so, how such interest amounts are calculated); and
- General Condition 6 will specify whether the Issuer has the right to redeem the Securities early and at what amount.

The Credit Linked Conditions will apply to all Securities and the provisions that are specified to be applicable in the Final Terms will contain the relevant economic terms applicable to your Securities in relation to how the final redemption amount will be calculated in accordance with:

- Credit Linked Condition 2, if no Relevant Credit Event has occurred, and will specify how the final redemption amount will be calculated; or
- Credit Linked Condition 3, if a Relevant Credit Event has occurred and the applicable Settlement Method is Cash Settlement, and will specify how the final redemption amount will be calculated; or
- Credit Linked Condition 4, if a Relevant Credit Event has occurred and the applicable Settlement Method is Physical Settlement, and will specify how the deliverable entitlement will be calculated.

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, information on selling and transfer restrictions, a general description of the programme and a description of the securities.

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/investor-relations/debtinvestors> and will also be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

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

While the 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;
- the interest payment dates (if any);
- the type of interest (if any) and type of final redemption;
- whether or not the Securities may be redeemed early at the option of the Issuer;
- whether the Securities are Cash Settled CLS or Physically Delivered CLS;
- the types of Credit Events which will apply to the Securities;
- the type of credit linkage applicable to the Securities, for example, whether the Securities are Single Name CLS or Nth-to-Default CLS; 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 and Credit Linked Conditions provide optional provisions, the Final Terms will specify which of those provisions apply to a specific issuance of your Securities.

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

The interest and repayment terms of Securities issued under this Base Prospectus may be linked to the credit of a reference entity or a basket of reference entities (each being an "**Reference Entity**" and together the "**Reference Entities**").

Barclays

**22 October 2013**

## NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENCE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ANNOTATED, 1955 ("**RSA 421-B**"), WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE OF NEW HAMPSHIRE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT, ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

### **IMPORTANT INFORMATION**

**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 10 TO 29 OF THIS BASE PROSPECTUS.**

**THIS BASE PROSPECTUS HAS BEEN PREPARED IN CONNECTION WITH THE INTENDED OFFER OF SECURITIES AT ANY TIME TO ANY LEGAL ENTITY WHICH IS A QUALIFIED INVESTOR AS DEFINED IN THE PROSPECTUS DIRECTIVE (OR IF SUCH ENTITY IS OUTSIDE OF THE EEA TO A PROFESSIONAL HAVING EQUIVALENT STATUS IN THE RELEVANT JURISDICTION).**

**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. THE DEFINITION OF QUALIFIED INVESTOR IS CONTAINED IN ARTICLE 1(2) OF THE 2010 PD AMENDING DIRECTIVE WHICH MAY BE FOUND AT THE FOLLOWING WEBSITE: [HTTP://WWW.ESMA.EUROPA.EU/SYSTEM/FILES/DIR\\_\\_2010\\_73.PDF](http://www.esma.europa.eu/system/files/dir__2010_73.pdf).**

**THE SECURITIES ARE NOT DEPOSIT LIABILITIES OF THE ISSUER AND ARE NOT INSURED BY THE UNITED STATES FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY OF THE UNITED STATES, THE UNITED KINGDOM OR ANY OTHER JURISDICTION.**

## **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.

Securities may not be sold hereunder in circumstances where there is no exemption from the requirement to publish a prospectus under the Prospectus Directive. The Issuer does not consent to the use of the Base Prospectus and Final Terms by any other party.

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.

## **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.

An investor 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 Reference Entities), 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.

## **US 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). Investors should review, inter alia, the most recent consolidated financial statements and any public announcements of the Issuer when deciding whether to purchase any Securities.

## **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 the Base Prospectus and 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 the Base Prospectus and 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 Commission de Surveillance du Secteur Financier in its capacity as competent authority in the Grand Duchy of Luxembourg (the "CSSF") as a base prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in the Grand Duchy of Luxembourg for the purpose of giving information with regard to the issue of Securities pursuant to 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 CSSF.

## **Listing and Admission to Trading**

Applications may be made for the listing of Securities on the Official List of the Luxembourg Stock Exchange and for the admission to trading on the Regulated Market of the Luxembourg 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 non-retail investors.

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

### **Issue Price**

Securities will be issued by the Issuer at the Issue Price specified in the Final Terms. The Issue Price will be determined by the Issuer in consultation with the relevant Dealer at the time of the relevant offer and will depend, amongst other things, on prevailing market conditions at that time. The offer price of such Securities will be the Issue Price or such other price as may be agreed between an investor and the Authorised Offeror making the offer of the Securities to such Investor. The Issuer will not be party to arrangements between an Investor and an Authorised Offeror, and the Investor will need to look to the relevant Authorised Offeror to confirm the price at which such Authorised Offeror is offering the Securities to such Investor.

### **United States Selling Restrictions**

The Securities have not been and will not be registered under the US 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-US persons in reliance on Regulation S ("**Regulation S**") under the Securities Act and, in the case of Registered Securities, within the United States to Qualified Institutional Buyers ("**QIB's**") in reliance on Rule 144A ("**Rule 144A**") under the Securities Act. Prospective investors are hereby notified that sellers of the Securities may be relying on the exemption from the provisions of section 5 of the Securities Act provided by Rule 144A.

The Securities may be in the form of Bearer Securities that are not Cleared Securities and therefore subject to US 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 US 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, US persons (as defined in the US 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 US SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER US 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 BASE PROSPECTUS AND FINAL TERMS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

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## **RISK FACTORS**

Investing in Securities involves substantial risks. The risks highlighted below represent the material 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 material risks, including any risks applicable to the Reference Entity(ies). 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 Issuer's ability to fulfil its obligations under the Securities**
- 5. Risks associated with conflicts of interest**
- 6. Risks associated with the Securities being linked to the credit of one or more Reference Entity(ies)**

**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) TERMS AND CONDITIONS DO NOT PROVIDE FOR FULL REDEMPTION OF THE INITIAL PURCHASE PRICE UPON REDEMPTION OF THE SECURITIES WHICH RESULTS IN THE SETTLEMENT AMOUNT BEING 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 TAX EVENT, AN EXTRAORDINARY MARKET DISRUPTION OR DUE TO AN EVENT IN RELATION TO THE REFERENCE ENTITY(IES) OR THE PERFORMANCE OF THE ISSUER'S OBLIGATIONS BECOME UNLAWFUL) AND 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.**

**THE SECURITIES ARE NOT DEPOSIT LIABILITIES OF THE ISSUER AND ARE NOT INSURED BY THE UNITED STATES FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY OF THE UNITED STATES, THE UNITED KINGDOM OR ANY OTHER JURISDICTION.**

**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 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 theoretical value of the Securities and any bid and offer prices quoted by the Issuer, any affiliate or any third party. 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 with the same characteristics or linked to the same Reference Entity(ies) are subsequently issued, either by the Issuer or another issuer, the supply of securities with such characteristics or linked to such Reference Entity(ies) 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) 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
- perceptions of the credit of the relevant Reference Entity(ies).

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 **Taxes, settlement expenses and conditions to settlement**

Payments of any settlement amounts (or other amounts) due and deliveries of any entitlements may be: (a) subject to deduction, or conditional upon payment by investors of all applicable taxes and settlement expenses (including any taxes and expenses arising in connection with any hedge positions associated with the Securities); and/or (b) subject to certain other conditions to settlement as specified in the terms and conditions of the Securities.

If the Issuer determines that any condition to settlement to be satisfied by an investor has not been satisfied in full, payment of the amount payable or deliverable to such investor will not become due until all such conditions to settlement have been satisfied in full, and no additional amounts will be payable by the Issuer because of any resulting delay or postponement. However, the conditions to settlement will not be capable of being satisfied if the conditions to settlement are not satisfied by the relevant time on the day that is 180 calendar days following the final settlement cut-off date. Therefore, if an investor fails to comply with the conditions, the obligations of the Issuer to that investor may be discharged without any payment or delivery. Investors should familiarise themselves with, and understand, the conditions to settlement relating to the Securities.

If the Securities are subject to physical settlement, the Issuer's obligation to deliver the Investor's entitlement is subject to various additional conditions, including, without limitation, the obligation of the investor to deliver to the Issuer a delivery entitlement instruction within the prescribed time frame. No delivery will be made in respect of a physically settled Security unless the Issuer has received the required instructions, certifications and information and, where applicable, the relevant Security has been delivered and surrendered in accordance with the terms of the Agency Agreement, the terms and conditions of the Securities and the terms of any relevant Global Security.

## 2.6 **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.

In addition, any such change which affects the hedge positions associated with the Securities could negatively affect the value of the Securities and may reduce the amount payable to (or the quantity of any asset deliverable to) investors.

## 2.7 **US 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 US Internal Revenue Code of 1986, as amended which address payments contingent on or determined by reference to dividends paid on US 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). 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 the end of 2013, the European Commission suggest that the FTT may apply from mid 2014. However, the proposal is not yet in final form and there is significant uncertainty about what, if any, changes will be made if implemented. In part, that is because the United Kingdom has mounted a legal challenge at the Court of Justice of the EU against certain aspects of the current proposal.

Under the form initially proposed by the European Commission, 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). These proposals also give both counterparties to a financial transaction joint and several liability for FTT levied on any counterparty that is a financial institution.

Investors 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 mid 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. A revised draft of the RRD was published by the Council of the European Union on 28 June 2013, for further discussion with the European Parliament and the Commission. It is intended that the RRD be finalised by the end of 2013.

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 principal amount of, or interest due on, the Securities and/or convert all or a portion of the principal 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), although the draft RRD does contain certain safeguards providing that creditors should not incur greater losses than would have been incurred had the relevant institution been wound up under normal insolvency proceedings. 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 United Kingdom, 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 Book Entry Securities and may be exposed to additional costs and expenses.

Rights in the Book-Entry 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 Book-Entry 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 Book-Entry 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.

#### 2.12 **Risk factor disclosure for LIBOR/EURIBOR and other benchmarks**

##### **Proposals to reform LIBOR and other benchmark indices**

The London Inter-Bank Offered Rate ("**LIBOR**") is currently being reformed, including (i) the replacement of the administrator, the current administrator the British Bankers Association

will be replaced by Euronext Rate Administration Ltd, a London based subsidiary of NYSE Euronext. Euronext Rate Administration Ltd shall be regulated by the Financial Conduct Authority (the "FCA"), (ii) a reduction in the number of currencies and tenors for which LIBOR is calculated, and (iii) changes in the way that LIBOR is calculated, by compelling more banks to provide LIBOR submissions and basing these submissions on actual transactions data. Investors should be aware that:

- any of these changes or any other changes to LIBOR could affect the level of the published rate, including to cause it to be lower and/or more volatile than what it would otherwise be;
- if the applicable rate of interest is calculated with reference to a currency or tenor which is discontinued, such rate of interest may then be determined by the Determination Agent in its discretion; and
- the administrator of LIBOR will not have any involvement in the Securities and may take any actions in respect of LIBOR without regard to the effect of such actions on the Securities.

Any of the above could have a material adverse effect on the value of, and the amount payable under, any Securities which are linked to a LIBOR rate.

Investors should also note that the Euro Interbank Offered Rate ("EURIBOR") and other so-called "benchmarks" have also been the subject of increased scrutiny and proposals for reform by a number of international authorities and other bodies. Whether any of these proposals will be implemented is currently unclear. However, as with changes to LIBOR, any significant changes to EURIBOR or other benchmark could have a material adverse effect on the value of, and the amount payable under, any Securities which are linked to a EURIBOR rate or other benchmark (as applicable).

### 2.13 Euro and Euro zone risk

Market perceptions concerning the instability of the euro, the potential re-introduction of individual currencies within the Euro zone, or the potential dissolution of the euro entirely, could adversely affect the value of the Notes.

As a result of the credit crisis in Europe, in particular in Greece, Italy, Ireland, Portugal and Spain, the European Commission created the European Financial Stability Facility (the "EFSF") and the European Financial Stability Mechanism (the "EFSM") to provide funding to Euro zone countries in financial difficulties that seek such support. In March 2011, the European Council agreed on the need for Euro zone countries to establish a permanent stability mechanism, the European Stability Mechanism (the "ESM") which will be activated by mutual agreement, to assume the role of the EFSF and the EFSM in providing external financial assistance to Euro zone countries after June 2013.

Despite these measures, concerns persist regarding the debt burden of certain Euro zone countries and their ability to meet future financial obligations, the overall stability of the euro and the stability of the euro as a single currency given the diverse economic and political circumstances in individual Member States. These and other concerns could lead to the re-introduction of individual currencies in one or more Member States, or, in more extreme circumstances, the possible dissolution of the euro entirely. Should the euro dissolve entirely, the legal and contractual consequences for holders of euro denominated obligations would be determined by laws and/or market practice in effect at such time and/or the actions of one or more individual Member States. These potential developments, or market perceptions concerning these and related issues, could adversely affect the value of the Notes.

## 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 error, be conclusive and binding on all persons (including, without limitation, the investors), notwithstanding the disagreement of such persons or other financial institutions, rating agencies or commentators. This exercise of such 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 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 error or where the amendment is of a minor or technical nature and/or where such amendment 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 have an impact on the terms and conditions of the Securities or on their redemption, including a change in law, Issuer tax event (if applicable), hedging disruption and (if applicable) increased cost of hedging (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 (without the consent of investors); or
- elect to redeem the Securities prior to their Scheduled Redemption Date (following which the Issuer shall pay the holder of each Security 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 absolute or contingent obligations under the Securities has become illegal or a physical impossibility, in whole or in part, and for any reason, the Issuer may redeem the Securities. In such circumstances, if and to the extent permitted by law, the Issuer shall pay the holder of each Security an amount equal to the Early Cash Settlement Amount of such Securities. Investors should note that any amount received from the Issuer in such circumstances may be less than their initial investment and could be zero.

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

On an event of default by the Issuer (such as a failure to pay interest or 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. Any amount received by investors in such circumstances may be less than their initial investment and could be zero.

**3.6 Costs associated with any early redemption or cancellation of the Securities**

If the Securities are redeemed or cancelled prior to their scheduled redemption date (including as a result of an exercise of any Issuer call option), the Issuer may take into account when determining the relevant settlement amount or entitlement, and deduct from it, an amount in respect of all costs, losses and expenses (if any) incurred (or expected to be incurred) by or on behalf of the Issuer in connection with the redemption or cancellation of the Securities, including hedging unwind costs. Such costs, losses and expenses will reduce the amount received by investors on redemption or cancellation and may reduce the relevant settlement to zero.

**3.7 The exercise of an Issuer call option**

Where the terms and conditions of the Securities provide that the Issuer has the right to call and redeem or cancel the Securities, the yields received upon redemption or cancellation following an Issuer call may be lower than expected, and the amount received may be lower than the initial price paid for the Securities and may be zero.

Additionally, the Issuer call option feature is likely to limit the market value of the Securities, as during any period when the Issuer may elect to call and redeem or cancel the Securities, the market value is unlikely to rise substantially above the price at which they can be redeemed or cancelled. This may also be true prior to any redemption or cancellation period.

**3.8 Minimum Tradable Amounts; minimum nominal amounts**

Where the terms and conditions of the Securities specify a Minimum Tradable Amount or Specified Denominations 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 or minimum Specified Denomination in its account with the relevant clearing system at the relevant time:

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

Any Securities issued under this Base Prospectus shall have a minimum Specified Denomination and a Minimum Tradable Amount of EUR 100,000 or its equivalent in an alternative currency if such Securities are going to be offered for sale to investors in a Member State of the European Economic Area.

**3.9 Interest**

The Securities may bear interest at a rate that is contingent upon certain factors and/or may vary from one interest payment date to the next. The interest rate reflected by any given interest payment may be less than the rate that the Issuer (or any other bank or deposit taking institution) may pay in respect of deposits for an equivalent period and may be zero.

If a Relevant Credit Event occurs interest will cease to accrue on the Securities on the Calculation Amount of the Securities with effect from the Interest Expiration Date. If Credit Event Accrued Interest is specified as being (i) not applicable in the Final Terms, the Interest Expiration Date will be the day prior to the Interest Payment Date (or Issue Date (as applicable)) immediately preceding the Relevant Event Determination Date or (ii) applicable

in the Final Terms, the Interest Expiration Date will be the day prior to the Relevant Event Determination Date.

If Credit Event Accrued Interest is not specified as applicable in the Final Terms investors may not receive any interest payments or may receive reduced interest payments if a Relevant Credit Event occurs in relation to a Reference Entity prior to the first Interest Payment Date.

### 3.10 **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 currency of the Reference Entity(ies) obligations, and/or different from the investor's home currency, the investor in such Securities will be exposed to the performance of such foreign currency or currencies (including, if applicable, the relative performance of the settlement currency under the Securities and the currency of the Reference Entity(ies) obligations).

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.

### 3.11 **Securities and Unwind Costs**

If the Issuer is required to redeem the Securities as a result of a Relevant Credit Event, the amount payable to investors on redemption of the Securities will be reduced by an amount equal to the sum of all costs, fees, charges, expenses (including, without limitation, loss of funding), taxes and duties incurred by the Issuer and/or any of its Affiliates in connection with payment of the relevant amount or partial redemption of the Securities and the related termination, settlement or re-establishment of any hedge or related trading position, such amount to be apportioned pro-rata amongst each of the Securities. Any such unwind costs will reduce the amount payable to investors in such circumstances.

### 3.12 **Interest rate convertible at the option of the Issuer**

The Securities may bear interest at a rate that may convert, at the option of the Issuer, from a fixed rate to a floating rate or from a floating rate to a fixed rate. Investors will have no control over whether or not this option is exercised by the Issuer. If the Issuer elects to exercise the option, this may affect the market value of the Securities, as the Issuer may have converted the rate to produce a lower overall cost of borrowing. Exercise of the option may result in a lower rate of interest being payable to investors.

### 3.13 **The yield associated with Fixed Rate Securities will differ according to the price at which the Securities are purchased**

The indication of yield stated within any Final Terms of Securities applies only to investments made at (as opposed to above or below) the issue price of such Securities. If an investor invests in Securities at a price other than the issue price of the Securities, the yield on that particular investor's investment in the Securities will be different from the indication of yield on the Securities as set out in the Final Terms.

3.14 **Cheapest to deliver or value**

Where physical settlement applies or where the price of obligations is to be determined by a dealer poll, the Calculation Agent has the discretion to choose the obligations of the Reference Entity(ies) to be delivered or valued. It is likely that the obligations selected in these scenarios will be obligations of the Reference Entity(ies) with the lowest market value, that are permitted to be delivered or valued pursuant to the terms of the Securities. This could result in a lower recovery value and hence greater losses for investors of the Securities.

4. **RISKS ASSOCIATED WITH THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE SECURITIES**

4.1 **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.

4.2 **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.

4.3 **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.

**4.4 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.

**4.5 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.

**4.6 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.

**4.7 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 cybersecurity change rapidly and require continued focus and investment. Failure to protect against such risks may lead to significant financial and legal exposure.

**4.8 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.

**4.9 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.

#### 4.10 **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 4, 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.

### 5. **RISKS ASSOCIATED WITH CONFLICTS OF INTEREST**

#### 5.1 **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 Reference Entity(ies) 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 Reference Entity(ies) 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 Reference Entity(ies) 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 Reference Entity(ies) 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.

#### 5.2 **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 the very broad discretionary powers of the Determination Agent. 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.

### 6. **RISKS ASSOCIATED WITH THE SECURITIES BEING LINKED TO THE CREDIT OF ONE OR MORE REFERENCE ENTITIES**

#### 6.1 **Risk Factors relating to Securities**

Securities have a different risk profile to ordinary unsecured debt securities. The return on a Security is linked to the credit risk of one or more Reference Entities and certain obligations of one or more Reference Entities underlying that Security. Investing in a Security is not equivalent to investing directly in shares of any Reference Entity or in any obligation of any

Reference Entity, nor is it equivalent to investing or hedging using over-the-counter derivatives.

This section describes additional factors to which prospective investors should have regard when considering an investment in Securities.

## 6.2 **Independent review and advice**

Each Holder is fully responsible for making its own investment decisions as to whether the Securities (i) are fully consistent with its (or, if it is acquiring the Securities in a fiduciary capacity, the beneficiary's) financial needs, objectives and conditions, (ii) comply and are fully consistent with all investment policies, guidelines and restrictions applicable to it (or its beneficiary) and (iii) are a fit, proper and suitable investment for it (or its beneficiary).

Holdings are deemed to have sufficient knowledge, experience and professional advice to make their own investment decisions, including, without limitation, their own legal, financial, tax, accounting, credit, regulatory and other business evaluation of the risks and merits of investment in the Securities. Holders should ensure that they fully understand the risks associated with investments of this nature, which are intended to be sold only to sophisticated investors.

Holdings should be aware that neither the Issuer nor any Manager has any duty to conduct or accept any responsibility for conducting or failing to conduct any investigation into the business, financial condition, prospects, creditworthiness, status and/or affairs of any Reference Entity and any Obligations, Underlying Obligations, Underlying Obligors, Reference Obligations and Deliverable Obligations. Holders are solely responsible for making their own independent appraisal of and investigation into such matters. Purchasers of the Securities may not rely on the views or advice of the Issuer for any information in relation to any person other than the Issuer itself.

Securities are complex financial instruments. A prospective investor should not invest in Securities unless it has the expertise (either alone or with a financial adviser) to evaluate how the Securities will perform under changing conditions, the resulting effects on the value of the Securities and the impact this investment will have on the prospective investor's overall investment portfolio.

## 6.3 **Risks related to the structure of a particular issue of Securities**

A number of the Securities may have features which contain particular risks for prospective investors. Set out below is a description of the most common such features:

### (a) **Securities subject to Redemption by the Issuer after a Relevant Credit Event**

The Issuer may redeem Securities earlier than the stated Scheduled Redemption Date if a Relevant Credit Event occurs and the applicable Conditions to Settlement are satisfied. This redemption feature of the Securities is likely to limit their market value. During any period when the Issuer may redeem the Securities, the market value of those Securities generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

At the time of such redemption, an investor may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Securities being redeemed. Prospective Holders should consider such reinvestment risk in light of other investments available at the time.

### (b) **Risk of Loss of Principal**

Investors bear the risk of loss if any Relevant Credit Event occurs and the Conditions to Settlement, if any, are satisfied. The Credit Event Redemption Amount in respect of each Cash Settled CLS is likely to be less than the Calculation Amount as at the relevant Credit Event Redemption Date and may be zero. Similarly, the market value of the Deliverable Obligations



Portfolio in respect of each Physically Delivered CLS is likely to be less than the Calculation Amount as at the Relevant Event Determination Date and may be zero.

The Credit Event Redemption Amount or amount of Deliverable Obligations delivered to a Holder will reflect the market value of the obligations of the Reference Entity in respect of which a Relevant Credit Event occurred less a deduction for Swap Costs. Swap Costs reflect the cost to the Issuer of terminating, liquidating, obtaining or re-establishing any hedges, trading positions, term deposits or funding arrangements entered into by it or on its behalf in respect of the Securities. Swap Costs will be determined by the Determination Agent in its sole and absolute discretion, taking into account, inter alia, the hedging strategy employed in respect of the Securities and prevailing funding rates, interest rates and credit spreads at the time of determination. The Issuer is under no duty to hedge itself with respect to any Securities, nor is it required to hedge itself in a manner that will result in the lowest unwind costs. Holders should be aware that if Swap Costs are greater than the product of the Calculation Amount as at the Relevant Event Determination Date and the Final Price or the market value of the Deliverable Obligations Portfolio, as the case may be, the Credit Event Redemption Amount will be zero.

See also "Risks relating to the CLS Settlement Method" below.

#### 6.4 **Risks relating to the Credit Derivatives Definitions and the Credit Derivatives Determinations Committees**

##### (a) **Credit Derivatives Definitions**

The terms and conditions of the Securities do not incorporate by reference the definitions and provisions of the 2003 ISDA Credit Derivatives Definitions, as amended by the supplements thereto, including the 2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement (the "**July 2009 Supplement**") published on 14 July 2009 (the "**Credit Derivatives Definitions**"), and there may be differences between the definitions used in the Conditions of the Securities and the Credit Derivatives Definitions. Consequently, investing in Securities is not exactly equivalent to investing in a credit default swap that incorporates the Credit Derivatives Definitions.

While ISDA has published and supplemented the Credit Derivatives Definitions in order to facilitate transactions and promote uniformity in the credit derivative market, the credit derivative market has evolved over time and is expected to continue to change. Consequently, the Credit Derivatives Definitions and the terms applied to credit derivatives, including Securities, are subject to interpretation and further evolution. Past events have shown that the views of market participants may differ as to how the Credit Derivatives Definitions operate or should operate. As a result of the continued evolution in the market, interpretation of the Securities may differ in the future because of future market standards. Such a result may have a negative impact on the Securities.

There can be no assurance that changes to the terms applicable to credit derivatives generally will be predictable or favourable to the Issuer or Holders. Future amendments or supplements to the terms applicable to credit derivatives generally will only apply to Securities that have already been issued if the Issuer and the Holders agree to amend the Securities to incorporate such amendments or supplements and other conditions to amending the Securities have been met.

##### (b) **Credit Derivatives Determinations Committees**

Credit Derivatives Determinations Committees were established pursuant to the March 2009 Supplement to the 2003 ISDA Credit Derivatives Definitions to make determinations that are relevant to the majority of the credit derivatives market and to promote transparency and consistency. As at the date of this Base Prospectus, Barclays Bank PLC is a member of each of the Credit Derivatives Determinations Committees. In such capacity, it need not have regard to the interests of any Holders when taking any action or casting any vote. Further information about the Credit Derivatives Determinations Committee may be found at [www.isda.org/credit](http://www.isda.org/credit).

Whether or not a Credit Event or Succession Event has occurred, and certain decisions relating thereto, may be dependent on determinations made by the Credit Derivatives Determinations Committee. In certain circumstances, determinations made by the Determination Agent may be overridden by subsequent determinations made by the Credit Derivatives Determinations Committee. If the Issuer delivers a Credit Event Notice or a Succession Event Notice to a Holder, such Holder should be aware that such notice may be superseded by a determination of the Credit Derivatives Determinations Committee.

In making any determination in its capacity as Determination Agent or Issuer, the Issuer may have regard to (and, in certain circumstances, is bound by) decisions made by the ISDA Credit Derivatives Determinations Committee. Where the Issuer is a member of such committee, it need not have regard to the interests of Holders when taking any action or casting any vote. Further information about the ISDA Credit Derivatives Determinations Committee may be found at [www.isda.org/credit](http://www.isda.org/credit).

Credit Linked Condition 12 sets out certain representations relating to the Credit Derivatives Determinations Committees which are deemed to be made by each Holder.

**6.5 Exposure to Reference Entities, Obligations, Underlying Obligations, Underlying Obligors, Reference Obligations and Deliverable Obligations**

Purchasers of Securities are exposed to the credit risks and other risks associated with the Reference Entities and any related Obligations, Underlying Obligations, Underlying Obligors, Reference Obligations, Deliverable Obligations and any relevant jurisdictional risks.

**(a) Synthetic Exposure**

The Securities do not represent a claim against any Reference Entity and, in the event of any loss, purchasers of Securities will not have recourse under the Securities to any Reference Entity. The Issuer is not obliged to own or hold any Obligation or Reference Obligation, and no inference may be drawn from the Base Prospectus or any Final Terms that the Issuer holds any such Obligation or Reference Obligation or has any credit exposure to any Reference Entity. Unless otherwise provided in the Final Terms, amounts payable under the Securities are not, in any direct or indirect way, limited by or associated with, or linked or calculated by reference to, any loss of bargain, cost of funding or any other actual loss or cost suffered by the Issuer as a result of its holding or not holding any Obligation or Reference Obligation. The purchase of a Security is not equivalent to the purchase of a debt instrument of a related Reference Entity.

**(b) Credit Events**

Potential purchasers should note that not all Credit Events have easily ascertainable triggers and disputes can and have arisen as to whether a specific event did or did not constitute a Credit Event. However, under these Credit Linked Conditions and subject to any subsequent determinations made by a Credit Derivatives Determinations Committee, the Issuer's determination of a Credit Event will, in the absence of manifest error, be conclusive and binding on all persons (including, without limitation, the Holders), notwithstanding the disagreement of such persons or other financial institutions, rating agencies or commentators.

**(c) Succession Events and Substitute Reference Obligations**

Upon the occurrence of a Succession Event, one or more Successor Reference Entities will be deemed to be a Reference Entity in replacement of (or in addition to, as applicable) the Reference Entity originally specified in the Final Terms. Furthermore, upon a Reference Obligation ceasing to exist in the manner specified in the definition thereof, a Substitute Reference Obligation may be selected.

As a result of the circumstances discussed in the preceding paragraph, a Series of Securities may be linked to the credit of certain Reference Entities and its Obligations and Reference Obligations, notwithstanding that such Reference Entities, Obligations and Reference Obligations were not specified in the Final Terms upon issuance of such Series of Securities.

As a result the risks with an investment in the Securities may be materially different to what they were on the Issue Date.

(d) **Redemption after Scheduled Redemption Date**

Redemption may occur irrespective of whether the Relevant Credit Event is continuing on or after a Relevant Event Determination Date. The Credit Event Redemption Date, the Final Delivery Date or the Physical Settlement Date may be later than the Scheduled Redemption Date. In certain circumstances, delivery of Deliverable Obligations contained in the Deliverable Obligations Portfolio may be delayed to a date beyond the Physical Settlement Date. If a potential Credit Event has occurred on or prior to the Scheduled Redemption Date, the Issuer may elect to extend the maturity of the Securities by service of an Extension Notice. During the extension period, the Issuer may deliver a Credit Event Notice.

(e) **Issuer discretion**

The decision as to when and whether to deliver a Credit Event Notice and, if applicable, a Notice of Publicly Available Information, is at the sole and absolute discretion of the Issuer. Such notices are effective when delivered to the Issue and Paying Agent. The delivery of or failure to deliver such notices to Holders will not affect the effectiveness of such notices.

(f) **Risks relating to the CLS Settlement Method**

The CLS Settlement Method specified in the Final Terms will affect how the Securities are redeemed. Prospective investors should assess whether the CLS Settlement Method is appropriate for them prior to investing in the Securities.

Where "Issuer CLS Settlement Option" is applicable, the Issuer may elect the CLS Settlement Method after the occurrence of a Credit Event. Prospective investors should be aware that this may result in a different CLS Settlement Method than the method originally anticipated by the Securities.

6.6 **Physical Settlement**

(a) **Redemption Failure/Alternative Settlement**

In relation to a Physically Delivered CLS, if a Redemption Failure Event occurs, the Security may be subject to alternative settlement and may, in certain circumstances, be redeemed without any payment or Delivery by the Issuer. If the minimum denomination of Deliverable Obligations is not a whole integral number of the amount of the Deliverable Obligations Portfolio, the Issuer may Deliver such whole integral amount of the Deliverable Obligations Portfolio and cash settle the fractional shortfall. If the Credit Event Redemption Amount in respect of such Security cannot be paid when due as a result of a Redemption Failure Event, the Holder, after providing a release and indemnity to the satisfaction of the Issuer, may request such payment to be made to an account or person not affected by such Redemption Failure Event, provided that, if such Redemption Failure Event is continuing for 180 calendar days after the Scheduled Redemption Date, the Issuer's obligations in respect of such payment will be discharged.

(b) **Holder Obligations**

If a Security is a Physically Delivered CLS, the Issuer's obligation to Deliver the Deliverable Obligations Portfolio is subject to various conditions, including, without limitation, the obligation of the Holder to deliver to the Issuer a Delivery Entitlement Instruction within the prescribed time frame. If a Holder fails to do so, the obligations of the Issuer to that Holder may be discharged without any payment or Delivery. In any event, no payment or Delivery will be made in respect of a Physically Delivered CLS unless the Issuer has received any required instructions, certifications and information and, where applicable, the relevant Security has been delivered and surrendered in accordance with the terms of the Agency Agreement (as amended from time to time), the General Conditions and the terms of any relevant Global Security. In addition, the Issuer's obligation to Deliver any Deliverable

Obligations in respect of a Physically Delivered CLS may be superseded by the Issuer's option to elect cash settlement instead of physical settlement in respect of a Security.

(c) **Impossibility and Illegality**

In relation to a Physically Delivered CLS, if as a result of the application of the provisions of Credit Linked Conditions 4.4 to 4.8 it is impossible, impracticable (including if unduly burdensome) or illegal for the Issuer to Deliver (by reason of an impossibility, impracticability or illegality, non-receipt of requisite consents of Consent Required Loans or Assignable Loans included in the Deliverable Obligations Portfolio, the inclusion in the Deliverable Obligations Portfolio of Participations not effected by the Latest Permissible Physical Settlement Date or for any other reason specified in such Credit Linked Conditions), then Credit Linked Conditions 4.4 to 4.8 relating to partial cash settlement may apply in respect of any undeliverable portion of the Deliverable Obligations Portfolio. If such partial cash settlement does not apply, then in respect of the portion of the Deliverable Obligations Portfolio for which it is not possible or legal to take Delivery on the Physical Settlement Date, such Delivery will take place as soon as practicable thereafter in accordance with the provisions of the Credit Derivatives Definitions and in any event on or before the Latest Permissible Physical Settlement Date. The Issuer's obligations will be deemed to be fully discharged with respect to such Security as at the date on which the Deliverable Obligations Portfolio (if any) has been fully Delivered or otherwise as at the date immediately following the Latest Permissible Physical Settlement Date.

6.7 **Auction Settlement**

If "Auction Settlement" is specified as applicable in respect of any Security, then the amounts payable by and/or rights and obligations of the parties under such Security in respect of the relevant Reference Entity or Reference Obligation will be determined in accordance with the Auction Final Price (as defined in these Credit Linked Conditions). This may result in a lower recovery value than a Reference Entity or Reference Obligation would have if such Auction Final Price had not been used.

In its capacity as a Global Dealer Voting Member of each Credit Derivatives Determinations Committee, Barclays Bank PLC will be involved in deciding the terms relating to each Auction and is also required (subject to limited exceptions) to act as a participating bidder in each Auction. In such capacity, the Issuer is under no obligation to consider the interests of Holders when making any decision relating to an Auction or when acting as a participating bidder.

If "Auction Settlement" is specified as applicable with respect to any Securities but the Credit Derivatives Determinations Committee does not decide to conduct an Auction with respect to obligations of the relevant Reference Entity satisfying the relevant characteristics as set out in the Final Terms, then the Fallback CLS Settlement Method shall apply. In such circumstances, either the Final Price will be determined pursuant to the Valuation Method or the Issuer will Deliver to Holders the Deliverable Obligations Portfolio.

Investors should note that they will not be able to deliver a Customer Physical Settlement Request (as defined in the Credit Derivatives Auction Settlement Terms) to the Issuer in respect of their holding of Securities.

6.8 **Cash Settlement**

If "Cash Settlement" is specified as applicable with respect to any Securities, or deemed to apply pursuant to the Issuer CLS Settlement Method or the Fallback CLS Settlement Method, then the Determination Agent will value the Reference Obligation by asking for quotations from Dealers. The date, time and method of such auction, and the selection of the Reference Obligation, will impact the Final Price. The Dealers selected by the Determination Agent must be financial institutions, funds or other entities that purchase or deal in obligations similar to the Reference Obligation and may include the Issuer; however, the Dealers have no duty towards any Holder and may not be aware that the purpose of the auction is to determine a Final Price for purposes of the Securities or any other securities.

Investors should note that the Final Price determined pursuant to a dealer poll may be significantly different to the Auction Final Price, if any, which would have been determined in relation to such Reference Entity.

## 6.9 Recent Market Developments

### (a) Hedging

In the ordinary course of their business, including, without limitation, in connection with their market-making activities, the Issuer, the Manager and/or any Agent or any Affiliate of any of them (each such entity, a "**Programme Party**") may effect transactions for their own account or for the accounts of their customers and hold long or short positions in any applicable Reference Obligation or related derivatives. In addition, in connection with the offering of the Securities, the Issuer and/or any other Programme Party may enter into one or more hedging transactions with respect to any applicable Reference Obligation or related derivatives. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the Issuer and/or any other Programme Party, the Issuer and/or any other Programme Party may enter into transactions with respect to any applicable Reference Obligation or related derivatives which may affect the market price, liquidity or value of the Securities and which could be deemed to be adverse to the interests of the relevant Holders. The Issuer and/or any other Programme Party 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 Holder.

### (b) No Guarantee of Performance

The Securities constitute direct, unsubordinated and unsecured obligations of the Issuer that are linked to the credit risk of the Reference Entities and/or Reference Obligations specified in the Final Terms. No Programme Party guarantees the performance of or otherwise stands behind the performance of any Reference Entity or Reference Obligation or is under any obligation to make good losses suffered as a result of Relevant Credit Events.

### (c) Provision of Information

The Programme Parties, whether by virtue of the types of relationships described herein or otherwise, may possess information in relation to any Reference Entity, any Affiliate of a Reference Entity, any Reference Obligation or any guarantor that is or may be material in the context of the Securities and that may or may not be publicly available or known to the Holders or any other person. The Securities will not create any obligation on the part of any of the Programme Parties to disclose any such relationship or information (whether or not confidential).

### (d) No Representations

None of the Programme Parties makes any representation, express or implied, as to any Reference Entity or any Reference Obligation or the credit quality thereof, or any information contained in any documents provided by any Reference Entity or filed by a Reference Entity with any exchange or with any governmental authority.

### (e) Expenses and Taxation

Holders must pay all Taxes and/or Settlement Expenses, arising from the ownership, transfer, sale, redemption, exercise, cancellation of Securities and/or receipt or transfer of any Settlement Amount. All payments in respect of the Securities will be made subject to deduction for or on account of Taxes and/or Settlement Expenses, and there will be no obligation on the Issuer to gross-up or redeem the Securities early as a result of any such deduction.

The relevant Issuer is not liable for or otherwise obliged to pay any Taxes or Settlement Expenses and all payments made by the Issuer will be made subject to any such Taxes or Settlement Expenses which may be required to be made, paid withheld or deducted. The Issuer

is not obliged to redeem the Securities early as a result of, or make any additional payments to Holders in respect of, any such Taxes or Settlement Expenses.

**6.10 Value of the Securities is linked to the credit of the Reference Entity(ies)**

Investors in the Securities are exposed to the credit of the Reference Entity(ies) to which the Securities are linked. The credit of the Reference Entity(ies) 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 credit of the Reference Entity(ies) which in turn could adversely affect the value of the Securities.

**6.11 Past performance of a Reference Entity is not indicative of future performance**

Any information about the past performance of the Reference Entity(ies) available at the time of issuance of the Securities should not be regarded as indicative of any future performance of such Reference Entity(ies). It is therefore not possible to predict the future value of the Securities based on such past performance.

**6.12 Emerging markets**

Where the Securities are linked, directly or 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 to the credit of emerging market Reference Entity(ies), there are specific risks that there is generally less publicly available information about such emerging market Reference Entity(ies) 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 Reference Entity(ies) 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 or indices 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 Reference Entity linked to emerging markets or on the value of the Securities directly.*

## GENERAL DESCRIPTION OF THE PROGRAMME

Description:	<p>Global Structured Securities Programme ("<b>Programme</b>").</p> <p>This Base Prospectus is one of a number of prospectuses which relate to the Programme.</p> <p>Securities are issued under the Agency Agreement.</p>
Issuer (and legislation under which the Issuer operates):	<p>Barclays Bank PLC</p> <p>The Issuer is authorised under the Financial Services and Markets Act 2000 (FSMA) to operate a range of regulated activities within the UK and is subject to consolidated prudential supervision by the United Kingdom Prudential Regulation Authority (the "<b>PRA</b>").</p>
Managers:	<p>Barclays Bank PLC, Barclays Capital Inc. and any other Manager specified in the Final Terms.</p>
Issue and Paying and Transfer Agent:	<p>The Bank of New York Mellon, London Branch</p>
Determination Agent:	<p>Barclays Bank PLC/Barclays Capital Securities Limited.</p>
Status:	<p>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.</p>
Listing:	<p>Applications may be made to admit the Securities for listing on the Luxembourg Stock Exchange. Securities may also be unlisted.</p>
Rating:	<p>Securities may be unrated or rated.</p>
Governing Law:	<p>Securities issued under this Programme may be governed under the laws of one of a number of different jurisdictions. All Securities issued under this Base Prospectus shall be governed under English law.</p>
Issue Price:	<p>The Issue Price may be par or at a discount to, or premium over, par.</p>
Currencies:	<p>Subject to compliance with all applicable laws, regulations and directives, Securities may be issued in any currency.</p>
Maturities:	<p>Any maturity, subject to all applicable laws, regulations or directives.</p>
Method of Issue:	<p>The Securities will be issued in one or more series and each series may be issued in tranches on the same or different issue dates. The Securities of each series are intended to be interchangeable with all other Securities of that series</p>

## General Description of the Programme

Selling Restrictions: The offer and sale of Securities may be restricted in certain jurisdictions.



## DESCRIPTION OF SECURITIES

This overview must be read as an introduction to Credit Linked Securities ("**CLS**") and any decision to invest in the Securities should be based on a consideration of the Base Prospectus as a whole, including the documents incorporated by reference.

### *Issuer*

Barclays Bank PLC.

### *CLS*

#### **General**

CLS are securities issued in Note or Certificate form which are linked to the credit risk of an entity or basket of entities, which may be corporate, sovereign or supra-national entities (each a "**Reference Entity**" and together the "**Reference Entities**"). In purchasing the Securities, investors assume credit exposure to such Reference Entity/Entities.

CLS differ from ordinary debt securities issued by the Issuer in that payments of interest and principal on the Securities are dependent on whether one or more of a number of specified events occurs in relation to the relevant Reference Entity or Reference Entities (referred to as "**Credit Events**") during the Notice Delivery Period and whether, as a result, a "**Relevant Credit Event**" would occur.

The Securities may be linked to the credit risk of a single Reference Entity ("**Single Name CLS**") or to the credit risk of multiple Reference Entities ("**Nth-to-Default CLS**"). In relation to Nth-to Default CLS, the Securities will be subject to redemption in whole on the occurrence of a Relevant Credit Event (for example, where "N" is specified in the Final terms as two, on the occurrence of the second Event Determination Date).

The Securities are issued on the "Issue Date", as set out in the Final Terms and, provided they are not redeemed early following the occurrence of a Relevant Credit Event or otherwise redeemed, purchased or cancelled by the Issuer, they will be redeemed on their scheduled redemption date as set out in the Final Terms (the "**Scheduled Redemption Date**") unless an Extension Notice has been delivered pursuant to the Credit Linked Conditions.

The terms of the Securities comprise the General Conditions, as modified by the Credit Linked Conditions (as set out in this Base Prospectus). The Final Terms applicable to a particular issue of Securities will set out the elections which apply for the purposes of that issuance.

In the event of any inconsistency between the General Conditions and the Credit Linked Conditions, the Credit Linked Conditions shall prevail. In the event of any inconsistency between the General Conditions, the Credit Linked Conditions and the Final Terms, the Final Terms shall prevail.

### *Credit Risk*

The Securities are notes or certificates with an embedded credit derivative, which means that the payment of any interest or principal or invested amount, payable in respect of the Securities is dependent on whether one or more credit-risk-related events (known as Credit Events) occur with respect to one or more Reference Entity(ies). Credit risk refers to the risk that a Reference Entity may fail to perform its payment obligations under a transaction when they are due to be performed as a result of a deterioration in its financial condition.

The credit risk of the Reference Entity(ies) is distinct from the credit risk of the Issuer, to which investors in the Securities are also exposed. In addition to the credit risk of the Issuer in performing its obligations when due under the Securities, an investment in the Securities provides exposure to the credit risk and obligations of the Reference Entity(ies).

The financial condition and creditworthiness of a Reference Entity may change over time. Public information which is available in relation to a Reference Entity may be incomplete, misleading or out of date. The identity of each Reference Entity is subject to change as a result of corporate or other

## Description of Securities

actions such as a merger or demerger. The risks associated with a successor Reference Entity may be greater than the risks associated with the original Reference Entity.

If the Securities are linked to multiple Reference Entities, the probability that a Relevant Credit Event will occur may be increased. The credit risk to investors may further be increased if the Reference Entities are concentrated in a particular industry sector or geographic area, or if they have exposure to similar financial or other risks.

### *Credit Events*

For the purposes of the Securities, a "Credit Event" will be one or more of the following:

- (a) Bankruptcy (broadly, one or more Reference Entities becomes insolvent or enters into formal bankruptcy or rehabilitation proceedings or an administrator is appointed);
- (b) Failure to Pay (subject to a minimum threshold amount, the Reference Entity fails to pay any amounts due on any of its borrowings (including its bonds or loans) or guarantees);
- (c) Obligation Acceleration (the Reference Entity defaults on a minimum amount of its borrowings (including its bonds or loans) or guarantees and as a result such obligations are accelerated);
- (d) Obligation Default (the Reference Entity defaults on a minimum amount of its borrowings (including its bonds or loans) or guarantees and as a result such obligations are capable of being accelerated);
- (e) Restructuring (following a deterioration of the Reference Entity's creditworthiness, any of its borrowings or guarantees, subject to a minimum threshold amount of such borrowings or guarantees, are restructured in such a way as to adversely affect a creditor (such as a reduction or postponement of the interest or principal payable on a bond or loan)); and
- (f) Repudiation/Moratorium ((i) the Reference Entity repudiates or rejects, in whole or in part, its obligations in relation to its borrowings or its guarantees, or it declares or imposes a moratorium with respect to its borrowings or guarantees and (ii) thereafter within a certain period it fails to pay any amounts due on any of its borrowings (including its bonds or loans) or its guarantees, or it restructures any of its borrowings or guarantees in such a way as to adversely affect a creditor).

The Final Terms of the Securities will specify which of the above Credit Events are applicable in relation to the Securities. Whether a Credit Event occurs will be determined in accordance with the Credit Linked Conditions.

### *Event Determination Date*

An "Event Determination Date" may occur either:

- (a) as a result of ISDA publishing a resolution by a Credit Derivatives Determination Committee established by ISDA (a "CDDC") that a Credit Event has occurred in relation to a Reference Entity; or
- (b) in the absence of a resolution of a CDDC, if the Issuer delivers, a Credit Event Notice and if specified as being applicable in the Final Terms, a Notice of Publicly Available Information, following a Credit Event during the Notice Delivery Period.

However, except in specified circumstances, a resolution of a CDDC will be binding for the purposes of the Securities and will prevail over a notice of a Credit Event given by the Issuer.

### *CDDCs*

The CDDCs are committees established by ISDA to make determinations that are relevant to the majority of the credit derivatives market and to promote transparency and consistency. There are five CDDCs each dealing with one of the following regions: Europe Middle East and Africa, the Americas,

Australia and New Zealand, Japan and Asia excluding Japan. A CDDC may have the power to make binding decisions for the purposes of the Securities on critical issues such as whether a Credit Event or a Succession Event has occurred and whether one or more market settlement auctions should take place. The proceedings of each CDDC will be governed by rules published from time to time by ISDA. Holders will have no role in the composition of the CDDC by virtue of the fact that they are investors in the Securities.

The Issuer and certain of its affiliates are currently a member of one or more CDDCs. In reaching decisions, neither the Issuer nor any other member of a CDDC will take account of the interests of the Holders.

#### *Relevant Credit Event*

A Relevant Credit Event is the occurrence of the corresponding Event Determination Date following the occurrence of a Credit Event in respect of a Reference Entity. In the case of a (i) Single Name CLS, the Relevant Credit Event will be the Credit Event relating to the first Event Determination Date in respect of the specified Reference Entity or (ii) Nth-to-Default CLS, the Relevant Credit Event will be the Credit Event relating to the Nth Event Determination Date in respect of the Nth Reference Entity in the Reference Portfolio.

#### *Aggregate Nominal Amount or Calculation Amount*

The amount of credit protection sold by a Holder per Security will in relation to Single Name CLS and Nth-to-Default CLS be equal to (i) the Aggregate Nominal Amount of the Securities divided by the number of Securities in relation to Securities issued in Note form or (ii) the Calculation Amount in relation to Securities issued in Certificate form.

#### *Settlement Methods*

Following the occurrence of a Relevant Credit Event, the Securities may be fully settled by (i) payment of a cash amount ("**Cash Settled CLS**"), which will be determined either by an ISDA auction (see "Auction Final Price" below) or a dealer poll (see "*Final Price*" below); or (ii) delivery of a Holder's pro rata share of a Deliverable Obligations Portfolio (see "**Physical Settlement and Deliverable Obligations Portfolio**" below) ("**Physically Settled CLS**") or be subject to an Issuer election option (the "**Issuer CLS Settlement Option**"), whereby the Issuer can select whether the Securities are to be Cash Settled CLS or Physically Settled CLS following the occurrence of a Relevant Credit Event.

#### *Auction Final Price*

Where the applicable settlement method is auction settlement, the price of the relevant Reference Entity's Obligations will be determined by an ISDA sponsored auction.

Where settlement of the Securities following a Relevant Credit Event is determined by reference to a credit derivatives auction, the outcome of such auction may be affected by technical factors which may result in a lower payment to Holders.

#### *Final Price*

Where the applicable settlement method or fallback settlement method is cash settlement, the price of the relevant Reference Entity's Obligations will be determined by a dealer poll. Such dealer poll may include quotations from the Issuer or an affiliate of the Issuer.

Where settlement is determined by reference to bid quotations sought by the Determination Agent from third party dealers, the Determination Agent will be entitled to seek quotations for eligible obligations of the relevant Reference Entity having the lowest possible market value.

#### *Physical Settlement and Deliverable Obligations Portfolio*

Where the applicable settlement method or fallback settlement method is physical settlement, a Holder will be entitled, following a Relevant Credit Event, to receive its pro rata share of the Deliverable Obligations Portfolio. The Deliverable Obligations Portfolio will consist of eligible loans, bonds or other obligations of the relevant Reference Entity.

## Description of Securities

Where the Issuer's settlement obligations under the terms and conditions of the Securities are to be satisfied by the delivery of a pro rata share of the Deliverable Obligations Portfolio, the Determination Agent will be entitled to seek to deliver those eligible obligations of the relevant Reference Entity having the lowest possible market value.

### *Redemption of Securities following a Relevant Credit Event*

If a Relevant Credit Event occurs and the Securities are Single Name CLS or Nth-to-Default CLS, the Securities will be redeemed in accordance with the applicable settlement method.

Following the occurrence of a Relevant Credit Event, the Issuer will either (i) make payment to the Holders of an amount in cash (the "**Credit Event Redemption Amount**") or (ii) deliver to Holders their pro rata share of the Deliverable Obligations Portfolio.

The Credit Event Redemption Amount will be determined based on the price of certain obligations of the Reference Entity on a specified date following the occurrence of a Relevant Credit Event with respect to such Reference Entity. The price may be determined either by a credit derivatives auction sponsored by ISDA, or, where there is no auction, on the basis of bid quotations received by the Calculation Agent from third party dealers. The Credit Event Redemption Amount is likely to be less than the invested amount, in which case the Holders will suffer a loss.

Each Holder's pro rata share of the Deliverable Obligations Portfolio is likely to be worth less than the Calculation Amount of the Securities, in which case the Holders will suffer a loss.

### *Redemption in the absence of a Relevant Credit Event*

Unless previously redeemed, if no Relevant Credit Event could occur following the Scheduled Redemption Date of the Securities, as specified in the Final Terms, then the Securities will be redeemed at their outstanding principal amount or nominal amount (as applicable) on the Scheduled Redemption Date. However, redemption of the Securities may be substantially delayed beyond the Scheduled Redemption Date even where no Relevant Credit Event is ultimately deemed to have occurred, for example where a Credit Event may have occurred prior to the Scheduled Redemption Date of the Securities, but a Event Determination Date has not yet occurred or where resolution by a CDDC as to whether a Credit Event has occurred is pending as at the Scheduled Redemption Date. In the event of such deferral, where no Relevant Credit Event occurs, interest will be payable on any deferred nominal amount of the Securities at the Issuer's overnight deposit rate in the currency of the Securities (without margin or spread) from the Scheduled Redemption Date until the date on which the Securities are actually redeemed, if Extension Interest is specified as being applicable in the Final Terms. Such rate is likely to be lower than the rate which applied to the Securities prior to the Scheduled Redemption Date. If, Extension Interest is not specified as being applicable in the Final Terms, no interest will accrue on any deferred nominal amount of the Securities.

### *Interest on CLS*

If a Relevant Credit Event occurs interest will cease to accrue on the Securities on the Calculation Amount of the Securities with effect from the Interest Expiration Date. If Credit Event Accrued Interest is specified as being (i) not applicable in the Final Terms, the Interest Expiration Date will be the day prior to the Interest Payment Date (or Issue Date (as applicable)) immediately preceding the Relevant Event Determination or (ii) applicable in the Final Terms, the Interest Expiration Date will be the day prior to the Relevant Event Determination Date.

## FORWARD-LOOKING STATEMENTS

This Base Prospectus contains certain forward-looking statements within the meaning of section 21E of the US Securities Exchange Act of 1934, as amended, and section 27A of the US Securities Act of 1933, as amended, with respect to certain of the Group's plans and its current goals and expectations relating to its future financial condition and performance. Barclays cautions readers that no forward-looking statement is a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as "may", "will", "seek", "continue", "aim", "anticipate", "target", "projected", "expect", "estimate", "intend", "plan", "goal", "believe", "achieve" or other words of similar meaning. Examples of forward-looking statements include, among others, statements regarding the Group's future financial position, income growth, assets, impairment charges and provisions business strategy, capital, leverage and other regulatory ratios, payment of dividends (including dividend pay-out ratios), projected levels of growth in the banking and financial markets, projected costs, original and revised commitments and targets in connection with the Transform Programme, deleveraging actions, estimates of capital expenditures and plans and objectives for future operations and other statements that are not historical fact.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. These may be affected by changes in legislation, the development of standards and interpretations under International Financial Reporting Standards ("**IFRS**"), evolving practices with regard to the interpretation and application of accounting and regulatory standards, the outcome of current and future legal proceedings and regulatory investigations, future levels of conduct provisions, the policies and actions of governmental and regulatory authorities, geopolitical risks and the impact of competition. In addition, factors including (but not limited to) the following may have an effect: capital leverage and other regulatory rules (including with regard to the future structure of the Group) applicable to past, current and future periods; UK domestic, Eurozone and global macroeconomic and business conditions; the effects of continued volatility in credit markets; market related risks such as changes in interest rates and foreign exchange rates; effects of changes in valuation of credit market exposures; changes in valuation of issued securities; volatility in capital markets; changes in credit ratings of the Group; the potential for one or more countries exiting the Eurozone; the ability to implement the Transform Programme; and the success of future acquisitions, disposals and other strategic transactions. A number of these influences and factors are beyond the Group's control.

As a result, the Group's actual future results, dividend payments, and capital and leverage ratios may differ materially from the plans, goals, and expectations set forth in the Group's forward-looking statements. Additional risks and factors are identified in our filings with the U.S. Securities and Exchange Commission (the SEC) including in our Annual Report on Form 20-F for the fiscal year ended December 31, 2012, which is available on the SEC's website at <http://www.sec.gov>.

Any forward-looking statements made herein speak only as of the date they are made and it should not be assumed that they have been revised or updated in the light of new information or future events. Except as required by the CSSF, the Luxembourg Stock Exchange or applicable law, the Issuer expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this Base Prospectus to reflect any change in the Issuer's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. The reader should, however, consult any additional disclosures that the Issuer has made or may make in documents it has published or may publish via the Regulatory News Service of the London Stock Exchange and/or has filed or may file with the US Securities and Exchange Commission.

## INFORMATION INCORPORATED BY REFERENCE

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

- the joint unaudited Interim Results Announcement of the Issuer and Barclays PLC as filed with the SEC on Form 6-K on Film Number 13996454 on 30 July 2013 in respect of the six months ended 30 June 2013 (the "**Interim Management Results Announcement**").
- 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**").
- 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 RNS announcement with RNS Number 07350 made by Barclays PLC on 16 September 2013 in relation to Barclays' underwritten rights issue to raise approximately £5.8 billion (net of expenses) (the "**RNS Announcement**").

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The Issuer has applied 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 the Base Prospectus is either not relevant for investors for the purposes of Article 5(1) of the Prospectus Directive or is covered elsewhere in the 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. Together with the predecessor companies, the Group has over 300 years of history and expertise in banking, and today the Group operates in over 50 countries and employs approximately 140,000 people. The Group moves, lends, invests and protects money for customers and clients worldwide. 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 and one of the largest financial services companies in the world by market capitalisation<sup>1</sup>.

The short term unsecured obligations of the Issuer are rated A-1 by Standard & Poor's Credit Market Services Europe Limited<sup>2</sup>, P-1 by Moody's Investors Service Ltd.<sup>3</sup> and F1 by Fitch Ratings Limited<sup>4</sup> and the long-term obligations of the Issuer are rated A by Standard & Poor's Credit Market Services Europe Limited<sup>5</sup>, A2 by Moody's Investors Service Ltd.<sup>6</sup> and A by Fitch Ratings Limited<sup>7</sup>.

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<sup>8</sup> of £466,627 million (2011: £478,726 million), total deposits<sup>9</sup> 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

<sup>1</sup> Barclays PLC is ranked 26<sup>th</sup> by market capitalisation in its industry. Source: Bloomberg, 15 August 2013.

Notes on Issuer ratings: The information in these footnotes has been extracted from information made available by each rating agency referred to below. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by such rating agencies, no facts have been omitted which would render the reproduced information inaccurate or misleading.

<sup>2</sup> A short-term obligation rated 'A-1' is rated in the highest category by Standard & Poor's. The obligor's capacity to meet its financial commitment on the obligation is strong. Within this category, certain obligations are designated with a plus sign (+). This indicates that the obligor's capacity to meet its financial commitment on these obligations is extremely strong.

<sup>3</sup> 'P-1' Issuers (or supporting institutions) rated Prime-1 have a superior ability to repay short-term debt obligations.

<sup>4</sup> An 'F-1' rating indicates the highest short-term credit quality and the strongest intrinsic capacity for timely payment of financial commitments; may have an added '+' to denote any exceptionally strong credit feature.

<sup>5</sup> An obligation rated 'A' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong. The ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

<sup>6</sup> Obligations rated 'A'; are considered upper-medium grade and are subject to low credit risk. Note: Moody's appends numerical modifiers 1, 2 and 3 to each generic rating classification from 'Aa' through 'Caa'. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

<sup>7</sup> An 'A' rating indicates high credit quality and denotes expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.

<sup>8</sup> Total net loans and advances include balances relating to both bank and customer accounts.

<sup>9</sup> Total deposits include deposits from bank and customer accounts.

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.

Based on the Group's unaudited financial information for the six months ended 30 June 2013, the Group had total assets of £1,533 billion, total net loans and advances<sup>10</sup> of £516,949 million, total deposits<sup>11</sup> of £538,624 million, and total shareholders' equity of £59,394 million (including non-controlling interests of £2,620 million). The profit before tax from continuing operations of the Group for the six months ended 30 June 2013 was £1,648 million after credit impairment charges and other provisions of £1,631 million. The financial information in this paragraph is extracted from the unaudited Interim Results Announcement of the Issuer for the six months ended 30 June 2013.

***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 entered into an agreement to combine the majority of its Africa operations (the "**African Business**") with Absa Group Limited ("**Absa**"). Under the terms of the combination, Absa acquired Barclays Africa Limited, the holding company of the African Business, for a consideration of 129,540,636 Absa ordinary shares (representing a value of approximately £1.3 billion for Barclays Africa Limited). The combination completed on 31 July 2013 and, on completion, the Issuer's stake in Absa increased from 55.5% to 62.3%. Absa was subsequently renamed Barclays Africa Group Limited but continues to trade under the name Absa.

#### *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 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 \$5.5 billion.

#### *Prudential Regulation Authority Capital Adequacy Review*

In March 2013, the UK Financial Policy Committee asked the UK Prudential Regulation Authority (PRA) to take steps to ensure that, by the end of 2013, major UK banks and building societies, including Barclays, held capital resources equivalent to 7% of their risk weighted assets. The PRA's calculation of capital adequacy was based on Capital Requirements Directive (CRD IV) definitions, applying them on a fully loaded basis with further prudential adjustments.

The PRA published its assessment in June 2013, further to which Barclays announced that it could meet the adjusted 7% fully loaded Common Equity Tier 1 ratio target set by the PRA by December 2013, through planned balance sheet actions and retained earnings generation in line with Barclays' existing Transform programme.

As part of its review, the PRA also introduced a 3% leverage ratio target, calculated as fully loaded CET1 capital (after further prudential adjustments), together with any further issuance of Additional Tier 1 securities, and divided by a CRD IV leverage exposure measure (the "**PRA Leverage Ratio**").

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<sup>10</sup> Total net loans and advances include balances relating to both bank and customer accounts.

<sup>11</sup> Total deposits include deposits from bank and customer accounts.

As at 30 June 2013, the Group's adjusted fully loaded CRD IV leverage ratio was 2.2%, representing an estimated leverage gap of £12.8 billion in order to meet the 3% target.

In July 2013, the PRA requested that Barclays plan to achieve a 3% PRA Leverage Ratio target by 30 June 2014, ahead of the anticipated CRD IV deadline for compliance in 2018. In order to achieve the target within the PRA's expected timeframe the Group formulated and agreed with the PRA a plan comprised of capital management and leverage exposure actions which was announced on 30 July 2013. The plan announced by the Group included an underwritten rights issue, measures to reduce the Issuer's CRD IV leverage exposure, and the continued execution of the Group's capital plan with the issuance of CRD IV qualifying Additional Tier 1 securities.

On 30 July 2013, the PRA announced that it had agreed and welcomed the Group's plan and concluded that it was a credible plan to meet a PRA Leverage Ratio of 3% by end of June 2014 without cutting back on lending to the real economy.

## **Competition and Regulatory Matters**

### *Structural reform*

A number of regulators are currently proposing or considering legislation and rule making that could have a significant impact on the future legal entity structure, business mix and management of the Barclays PLC group:

The UK Financial Services (Banking Reform) Bill (the "**Bill**"), which gives UK authorities the power to implement key recommendations of the Independent Commission on Banking including: (i) the separation of the UK and EEA retail banking activities of the largest UK banks into a legally, operationally and economically separate and independent entity (so called 'ring-fencing'); (ii) statutory depositor preference in insolvency; and (iii) preference to deposits protected under the Financial Services Compensation Scheme if a bank enters insolvency; and (iii) a reserve power for the PRA to enforce full separation of the retail operations of UK banks to which the reforms apply under certain circumstances. The Bill has completed its passage through the House of Commons and is currently before the House of Lords.

The Bill is primarily an enabling statute which provides the UK Treasury with the requisite powers to implement the underlying bill through secondary legislation. On 8 March 2013, the UK Government published draft secondary legislation. The UK Government intends that both primary and secondary legislation will be in place by May 2015 and that UK banks will be required to be compliant by 1 January 2019.

The EU high Level Expert Group Review (the Liikanen Review) on reform of the structure of the EU banking sector, which includes recommendations for the mandatory separation of proprietary trading and other high-risk trading activities (subject to thresholds) from deposit taking banks. The EU Commission is considering the impact of the Liikanen Review's recommendations on growth and the safety and integrity of financial services in the EU, particularly in light of its current proposed legislative reforms, and will publish proposals on structural separation of banks in Q3 2013. Legislation is not expected to be finalised until 2015, at the earliest;

US federal Reserve proposals to implement section 165 of the Dodd-Frank Act to require the US subsidiaries of foreign banks operating in the US to be held under a US intermediate holding company subject to a comprehensive set of prudential supervisory and local capital requirements prescribed by US regulators, and to implement Section 166 (early remediation requirements). Under the current proposals, the intermediate holding company would be required to meet the enhanced prudential standards and early remediation requirements that are, to a large degree, the same as those applicable to similar US bank holding companies, including some requirements previously assessed as not being applicable to the Barclays PLC group. The US Federal Reserve proposals if adopted in their current form have the potential to significantly increase the absolute and regulatory costs of the Group's US operations. It is also possible that the implementation of Section 165 could have a more onerous effect in relation to the US subsidiaries of foreign banks than on US bank holding companies;

In the US, the so-called "Volcker Rule" will, once effective, significantly restrict the ability of US Bank holding companies and their affiliates, and the US branches of foreign banks, to conduct proprietary trading in securities and derivatives as well as certain activities related to hedge funds and private

## Information relating to the Issuer

equity funds. In October 2011, US regulators proposed rules to implement the Volcker Rule. Those rules have not yet been finalised. Analysis continues of the proposals, but it is clear that compliance with them could entail significant additional compliance and operational costs for the Group. Whilst the statutory Volcker Rule provisions officially took effect in July 2012, the Group has until the end of the conformance period, currently set for July 2014 (subject to possible extensions), in order to conform its activities to the requirements of the rule; and

The European Commission's proposals for a directive providing for a new EU framework for the recovery and resolution of credit institutions and investment firms (the "**Recovery and Resolution Directive**" or "**RRD**").

These laws and regulations and the way in which they are interpreted and implemented by regulators may have a number of significant consequences, including changes to the legal entity structure of Barclays PLC group, changes to how and where capital and funding is raised and deployed within the Barclays PLC group, increased requirements for loss-absorbing capacity within the Barclays PLC group and/or at the level of certain legal entities or sub-groups within the Barclays PLC group and potential modifications to its business mix and model (including potential exit of certain business activities).

### *PCBS Report on Banking Standards*

On 19 June 2013 the Parliamentary Commission on Banking Standards ("**PCBS**") published its final report on the UK Banking sector, which is expected to result in further changes to draft primary and secondary legislation. The PCBS report recommends, amongst other things: (i) a new 'senior persons' regime for individuals in the banking sector to ensure full accountability for decisions made; (ii) reforms to the remuneration of senior management and other influential bank staff to better align risk and reward; and (iii) sanctions and enforcement, including a new criminal offence of reckless misconduct. The UK Government published its response to the PCBS report on 8 July 2013, in which it endorses the report's principal findings and commits to implementing a number of its recommendations.

### *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. The Group receives interchange fees, as a card issuer, from providers of card acquiring services to merchants. The key risks arising from the investigations comprise the potential fines imposed by competition authorities, litigation and proposals for new legislation. The Group may be required to pay fines or damages and could be affected by legislation amending interchange rules. It is not currently possible to predict the likelihood or potential financial impact of these risks.

### *Investigations into LIBOR, ISDAfix and other Benchmarks*

The FCA, the US Commodity Futures Trading Commission (the "**CFTC**"), the SEC, the US Department of Justice Fraud Section (the "**DOJ-FS**") and Antitrust Division (the "**DOJ-AD**"), the European Commission, the UK Serious Fraud Office, the Monetary Authority of Singapore, the Japan Financial Services Agency, the prosecutors' office in Trani, Italy and various US state attorneys general are amongst various authorities conducting investigations (the 'Investigations') into submissions made by the Issuer and other financial institutions to the bodies that set or compile various financial benchmarks, 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 FSA (as predecessor to the FCA), the CFTC and the DOJ-FS in relation to their Investigations and the Issuer agreed to pay total penalties of £290 million, which were 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 (the "**CFTC Order**"). In addition, the Issuer was granted conditional leniency from the DOJ-AD in connection with potential US 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 US\$ 200 million civil monetary penalty, the CFTC Order requires the Issuer to cease and desist from further violations of specified provisions of the US 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 US\$ 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
- 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.

Following the settlements announced on 27 June 2012, 38 US state attorneys general commenced their own investigations into LIBOR, EURIBOR and the Tokyo Interbank Offered Rate. The New York Attorney General, on behalf of this coalition of attorneys general, issued a subpoena dated 17 July 2012

## Information relating to the Issuer

to the Issuer (and subpoenas to a number of other banks) to produce wide-ranging information and has since issued additional information requests to the Issuer for both documents and transactional data.

The Bank is responding to these requests on a rolling basis. In addition, following the settlements the SFO announced on 6 July 2012 that it had decided formally to accept the LIBOR matter for investigation, in respect of which the Bank has received and continues to respond to requests for information.

The European Commission has also been conducting investigations into the manipulation of, among other things, EURIBOR. Barclays PLC is a party to the European Commission's EURIBOR investigation and continues to cooperate. The European Commission has publicly stated that it hopes to be ready to adopt a decision in respect of its investigations towards the end of 2013.

The CFTC and the FCA are also conducting separate investigations into historical practices with respect to ISDAfix, amongst other benchmarks. The Bank has received and continues to respond to subpoenas and requests for information from the CFTC.

It is not practicable to provide an estimate of the financial impact of the matters described in this section "Investigations into LIBOR, ISDAfix and other Benchmarks" or what effect, if any, that these matters might have upon operating results, cash flows or the Issuer's financial position in any particular period.

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

### *Interest Rate Hedging Products Redress*

On 29 June 2012, the FSA announced that a number of UK banks, including the Issuer, would be conducting a review and redress exercise in respect of interest rate hedging products sold on or after December 2001 to retail clients or private customers that are categorised as non-sophisticated for the purposes of the review. During the second half of 2012, the Issuer completed a pilot review of a sample of individual cases. On 31 January 2013, the FSA (as predecessor to the FCA) issued a report on the findings of an initial pilot review conducted by the Issuer and 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 and the Issuer agreed to conduct the exercise in line with the approach set out in that report.

There are approximately 4,000 retail clients or private customers to which interest rate hedging products were sold within the relevant timeframe, of which approximately 2,900 have been categorised as non-sophisticated under the terms of the agreement. As at 31 December 2012, a provision of £850 million had been recognised, reflecting management's best estimate of future redress to customers categorised as non-sophisticated and related costs. The estimate was based on an extrapolation of the results of the initial pilot exercise across the population. The provision recognised in the balance sheet as at 31 December 2012 was £814 million, after utilisation of £36 million during 2012, primarily related to administrative costs.

During 2013, additional cases have been reviewed providing a larger and more representative sample upon which to base the Issuer's provision. As a result, an additional provision of £650 million was recognised as at 30 June 2013, bringing the cumulative expense to £1,500 million. As at 30 June 2013, the provision on the balance sheet was £1,349 million reflecting cumulative utilisation of £151 million. No provision has been recognised in relation to claims from retail clients or private customers categorised as sophisticated which are not covered by the redress exercise, or incremental consequential loss claims from customers categorised as non-sophisticated. These will be monitored and future provisions will be recognised to the extent an obligation resulting in a probably outflow is identified.

While the Group expects that the provision as at 30 June 2013 will be sufficient to cover the full cost of completing the redress, the appropriate provisions level will be kept under review and it is possible that the eventual costs could materially differ to the extent experience is not in line with management estimates.

### *Payment Protection Insurance Redress*

Following the conclusion of the 2011 Judicial Review regarding the assessment and redress of payment protection insurance ("**PPI**"), a provision for PPI redress of £1.0 billion was raised in May 2011 based on FSA guidelines and historic industry experience in resolving similar claims. Subsequently, further provisions totalling £1.6 billion were raised during 2012.

Due to the rate of decline in monthly claims volumes being less than previously expected, an additional provision of £1.35 billion was recognised in June 2013 (bringing the total provisions to £3.95 billion) to reflect updated assumptions regarding future claims volumes, including a provision for operational costs through to December 2014. As at 30 June 2013 £2.3 billion of the provision has been utilised, leaving a residual provision of £1.65 billion.

The basis of the current provision is calculated from a number of key assumptions which continue to involve significant management judgement and modelling:

- Customer initiated claim volumes – claims received but not yet processed and an estimate of future claims initiated by customers where the volume is anticipated to decline over time
- Proactive response rate – volume of claims in response to proactive mailing
- Uphold rate – the percentage of claims that are upheld as being valid upon review
- Average claim redress – the expected average payment to customers for upheld claims based on the type and age of the policy / policies

The provision also includes an estimate of the Group's claims handling costs and those costs associated with claims that are subsequently referred to the FOS.

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 actual experience is not in line with management estimates.

#### *Federal Energy Regulatory Commission Investigation*

The United States Federal Energy Regulatory Commission (the "**FERC**") Office of Enforcement has been investigating the Group's power trading in the western US 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, and proposed civil penalties and profit disgorgement to be paid by the Issuer. On 16 July 2013 the FERC issued an Order Assessing Civil Penalties in which it assessed a US\$ 435 million civil penalty against the Issuer and ordered the Issuer to disgorge an additional \$ 34.9 million of profits plus interest (both of which are consistent with the amounts proposed in the Order and Notice). In order to attempt to collect the penalty and disgorgement amount, FERC must file a civil action in federal court, which could occur at any time on or after the date of the Prospectus. The Group intends to vigorously defend this matter. In September 2013, the Bank was contacted by the criminal division of the United States Attorney's Office in the Southern District of New York and advised that such office is looking at the same conduct at issue in the FERC matter.

#### *Credit Default Swap (CDS) Antitrust Investigations*

Both the European Commission and the DOJ-AD have commenced investigations in the CDS market (in 2011 and 2009, respectively). On 1 July 2013 the European Commission addressed a Statement of Objections to the Issuer and 12 other banks, Markit and ISDA. The case relates to concerns that certain banks took collective action to delay and prevent the emergence of exchange traded credit derivative products. If the European Commission does reach a decision in this matter it has indicated that it intends to impose sanctions. The European Commission's sanctions can include fines. The DOJ-AD's investigation is a civil investigation and relates to similar issues. Putative class actions alleging similar issues have also been filed in the US. 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.

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### *Investigations into Certain Agreements*

The FCA has investigated certain agreements, including two advisory service agreements entered into by the Bank with Qatar Holding in June and October 2008 respectively and whether these may have related to the Barclays PLC group's capital raisings in June and November 2008

The FCA issued Warning Notices against Barclays PLC and the Bank on 13 September 2013.

The existence of the advisory services agreement entered into in June 2008 was disclosed but the entry into the advisory services agreement in October 2008 and the fees payable under both agreements, which amount to a total of £322 million payable over a period of five years, were not disclosed in the announcements or public documents relating to the capital raisings in June and November 2008. While the Warning Notices consider that Barclays PLC and the Bank believed at the time that there should be at least some unspecified and undetermined value to be derived from the agreements, they state that the primary purpose of the agreements was not to obtain advisory services but to make additional payments, which would not be disclosed, for the Qatari participation in the capital raisings. The Warning Notices conclude that Barclays PLC and the Bank were in breach of certain disclosure-related Listing Rules and Barclays PLC was also in breach of Listing Principle 3 (the requirements to act with integrity towards holders and potential holders of Barclays PLC's shares). In this regard, the FCA considers that Barclays PLC and the Bank acted recklessly. The financial penalty in the Warning Notices against the Barclays PLC group is £50 million. However, Barclays PLC and the Bank continue to contest the findings.

The Serious Fraud Office is investigating the same agreements. Its investigation is at an earlier stage and the Barclays PLC group has received and continues to respond to requests for further information.

The DOJ and the SEC are undertaking an investigation into whether the Barclays PLC group relationships with third parties who assist the Issuer to win or retain business are compliant with the United States Foreign Corrupt Practices Act. They are also investigating the agreements referred to above including the two advisory services agreements. The US Federal Reserve has requested to be kept informed of these matters.

It is not possible to estimate the full impact on Barclays PLC group if the final conclusion of these matters is adverse.

### **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	Consultative Group on International Economic and Monetary Affairs, Inc. (Group of Thirty)  Cicely Saunders International
Antony Jenkins	Group Chief Executive	Director, The Institute of International Finance
Tushar Morzaria	Group Finance Director	
David Booth	Non-Executive Director	Director, East Ferry Investors Inc
Tim Breedon CBE	Non-Executive Director	Non-Executive Director, Ministry of Justice Departmental Board



Fulvio Conti	Non-Executive Director	Chief Executive Officer, Enel SpA; Director, AON PLC; 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, The 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
Frits van Paasschen	Non-Executive Director	CEO and President of Starwood Hotels and Resorts Worldwide Inc.
Mike Ashley	Non-Executive Director	

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 30 June 2013, the total number of persons employed by the Group (full time equivalents) was 139,900 (31 December 2012: 139,900).

### **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 Barclays PLC 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 \$4.5 billion (£3.0 billion) of the assets acquired as part of the acquisition had not been received by 30 June 2013, approximately \$3.4 billion (£2.3 billion) of which have been recognised as a receivable on the balance sheet as at 30 June 2013. The receivable reflects an increase of \$0.4 billion (£0.3 billion) recognised in profit or loss during the period, primarily as a result of greater certainty regarding the recoverability of \$769 million (£0.5 billion) from the Trustee in respect of LBI's 15c3-3 reserve account assets. On 16 July 2013, the Trustee paid this amount to BCI. This results in an effective provision as of 30 June 2013 of \$1.1 billion (£0.7 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) \$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 \$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) \$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. On 7 June 2013, the Trustee announced that he was commencing additional distributions to former securities customers of LBI and would continue to make distributions until all customer claims have been fully paid. On 2 July 2013, the Trustee notified BCI that such distributions were 'substantially complete'. Pursuant to a Stipulation and Order dated 24 April 2013, the Trustee had previously reserved \$5.6 billion (£3.7 billion) which was to be available to pay any amounts ultimately due to Barclays PLC, including the US\$ 507 million (£0.3 billion) in respect of ETD Margin and the \$769 million (£0.5 billion) in respect of LBI's 15c3-3 reserve account assets. On 16 July 2013, the Trustee paid BCI the \$769 million (£0.5 billion).

The \$3.4 billion (£2.3 billion) recognised on the Issuer's balance sheet as at 30 June 2013 is consistent with a scenario in which the District Court's rulings are unaffected by future proceedings, but conservatively assuming no recovery by Barclays PLC of any of the ETD Margin not yet recovered by Barclays PLC or the Trustee that is held or owed by institutions outside the United States. In such case,

to the extent Barclays PLC recovers ETD Margin held or owed by institutions outside of the United States, the value of such recovered margin would therefore result in a gain to Barclays PLC. However, there remains a significant degree of uncertainty with respect to the value of such ETD Margin to which Barclays PLC is entitled or that BCI may recover. In a worst case scenario in which the Court of Appeal reverses the District Court's rulings and determines that Barclays PLC is not entitled to any of the clearance box assets or ETD Margin, Barclays PLC estimates that, after taking into account its effective provision, its total losses would be approximately \$6.0 billion (£4.0 billion). Approximately, \$3.3 billion (£2.2 billion) of that loss would relate to clearance box assets and ETD Margin previously received by Barclays PLC and pre-judgment and post-judgment interest on such clearance box assets and ETD Margin that would have to be returned or paid to the Trustee. In this context, Barclays PLC, is satisfied with the valuation of the asset recognised on its balance sheet and the resulting level of effective provision.

#### *American Depositary Shares*

Barclays PLC, the Bank 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 "**Preferred Stock 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 US subprime-related) securities, the Issuer's exposure to mortgage and credit market risk and the Issuer's financial condition. The consolidated amended complaint asserts claims under sections 11, 12(a)(2) and 15 of the Securities Act of 1933. In January 2011, the Court granted the defendants' motion to dismiss the complaint in its entirety, closing the case. In February 2011, the plaintiffs filed a motion asking the Court to reconsider in part its dismissal order and in May 2011, the Court denied in full the plaintiffs' motion for reconsideration. The plaintiffs 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 (the "**Second Circuit**").

On 19 August 2013, the Second Circuit upheld the dismissal of the plaintiffs' claims related to the series 2, 3 and 4 offerings finding that they were time barred. However, the Second Circuit ruled that the plaintiffs should have been permitted to file an amended complaint in relation to the series 5 offering claims. The actions have been sent back to the Court by the Second Circuit and the plaintiffs have been granted leave to file their amended complaint as it relates to the series 5 offering claims.

The Issuer considers that these Preferred Stock 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 Barclays PLC group's possible loss in relation to these claims or any effect that they might have upon operating results in any particular financial period.

#### *US Federal Housing Finance Agency and Other Residential Mortgage-Backed Securities Litigation*

The US Federal Housing Finance Agency ("**FHFA**"), acting for two US 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

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the National Credit Union Administration relating to purchases of RMBS. Barclays PLC 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 \$8.7 billion, of which approximately \$2.6 billion was outstanding as at 30 June 2013. Cumulative losses reported on these RMBS as at 30 June 2013 were approximately \$0.5 billion. If the Bank were to lose these cases Barclays PLC 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 30 June 2013), 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 30 June 2013 to be approximately \$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 Barclays PLC cash collateral of approximately C\$ 533 million together with accrued interest thereon. The Bank appealed the Ontario Court's decision to the Court of Appeal for Ontario. On 26 July 2013, the Court of Appeal delivered its decision dismissing the Bank's appeal. Barclays PLC is currently considering its options with respect to the decision. If the Court of Appeal'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 recognised to date. Barclays PLC has updated these provisions to take full account of the Court of Appeal's decision.

### *LIBOR and other Benchmarks Civil Actions*

Following the settlements of the Investigations referred to in "Competition and Regulatory Matters – Investigations into LIBOR, ISDAfix and other Benchmarks", a number of individuals and corporates in a range of jurisdictions have threatened or brought civil actions against the Barclays PLC group in relation to LIBOR and/or other benchmarks. As at the date of this Prospectus, it is not possible to estimate the Group's possible loss in relation to these claims or what effect, if any, they might have upon operating results, cash flows or the Group's financial position in any particular financial period.

The Bank 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 US Dollar LIBOR, the first of which was filed on 15 April 2011. The complaints are substantially similar and allege, amongst other things, that the Bank and the other banks individually and collectively violated various provisions of the Sherman Act, the US Commodity Exchange Act, the Racketeer Influenced and Corrupt Organizations Act ("**RICO**"). and various state laws by suppressing or otherwise manipulating US 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 US Dollar LIBOR-linked over-the-counter transactions; (ii) purchased US Dollar LIBOR-linked financial instruments on an exchange; (iii) purchased US Dollar LIBOR-linked debt securities; (iv) purchased adjustable-rate mortgages linked to US Dollar LIBOR; or (v) issued loans linked to US Dollar LIBOR. The majority of the US Dollar LIBOR cases are consolidated before one United States District Court in the Southern District of New York (the "**Court**"). On 29 March 2013, that Court issued a decision dismissing the majority of claims against the Issuer and other panel bank defendants in six leading cases, including three proposed class actions.

Following the decision, plaintiffs in the three proposed class actions moved the Court for permission to either file an amended complaint or appeal an aspect of the decision.

On 23 August 2013, the Court issued an order denying the majority of the motions presented by the three proposed class action plaintiffs. As a result of this order, a proposed class action pertaining to the purchase of U.S. Dollar LIBOR-linked debt securities has been dismissed entirely; the claims alleged in a proposed class action pertaining to the purchase of U.S. Dollar-linked financial instruments on an exchange are limited to claims under the US Commodity Exchange Act; and the claims in a proposed class action relating to allegations of plaintiffs that engaged in U.S. Dollar LIBOR-linked over-the-counter transactions are limited to claims for unjust enrichment and breach of implied covenant of good faith and fair dealing. Some, but not all aspects of the judge's decision are appealable within 30 days.

The plaintiffs in the other three actions filed a new action in state court based on the same allegations as those initially alleged in the proposed class action cases discussed above. Defendants, including Bank, have removed that action to federal court and are currently seeking to have it transferred back to the Court. Additionally, a number of other actions before the Court remain stayed, pending further proceedings in the lead actions.

Until there are further proceedings, the ultimate impact of the Court's decision will be unclear, although it is possible that the decision will be interpreted by courts to affect other litigation, including the actions described below, some of which concern different benchmark interest rates.

An additional individual US Dollar LIBOR action was commenced on 13 February 2013 in the United States District Court for the Southern District of New York against the Issuer and other banks. Plaintiffs allege that defendants conspired to increase US Dollar LIBOR, which caused the value of bonds pledged as collateral for a loan to decrease, ultimately resulting in the sale of the bonds at the bottom of the market. This action has been assigned to a different judge in the Southern District of New York, and is proceeding on a different schedule than is the consolidated action, with a motion to dismiss to be fully submitted to the court by the end of 2013.

An additional class action was commenced on 30 April 2012 in the United States District Court for the Southern District of New York 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 US antitrust laws between 2006 and 2010. The defendants have filed a motion to dismiss, which will be fully submitted to the Court by the end of 2013.

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 US Commodity Exchange Act beginning as early as 1 January 2005 and continuing through to 31 December 2009. On 23 August 2012 the plaintiffs voluntarily dismissed the complaint.

On 12 February 2013, a class action was commenced 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. The action is currently pending in the United States District Court for the Southern District of New York. The plaintiffs have indicated that they plan to file an amended complaint before the end of 2013.

In addition, the Issuer has been granted conditional leniency from the DOJ-AD in connection with potential US antitrust law violations with respect to financial instruments that reference EURIBOR. As a result of that grant of conditional leniency, the Issuer is eligible for (i) a limit on liability to actual rather than treble damages if damages were to be awarded in any civil antitrust action under US antitrust law based on conduct covered by the conditional leniency and (ii) relief from potential joint-and-several liability in connection with such civil antitrust action, subject to the Issuer satisfying the DOJ and the court presiding over the civil litigation of its satisfaction of its cooperation obligations. The plaintiffs have indicated that they plan to file an amended complaint before the end of 2013.

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 United States District Court for the Southern District of New York in connection with the Issuer's role as a contributor panel bank to

## Information relating to the Issuer

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 alleged that the Issuer's daily US Dollar LIBOR submissions constituted false statements in violation of US Securities laws. The complaint was brought on behalf of a proposed class consisting of all persons or entities 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 US Securities Exchange Act 1934. On 13 May 2013, the court granted the Issuer's motion to dismiss the complaint in its entirety. Plaintiffs' motion for reconsideration of that dismissal was denied on 13 June 2013. Plaintiffs filed a notice of appeal with the United States Court of Appeals for the Second Circuit on 12 July 2013, and the appeal will be fully submitted to the Court of Appeals by the end of 2013.

In addition to US actions, legal proceedings have been brought or threatened against the Bank in connection with alleged manipulation of LIBOR and EURIBOR, in a number of jurisdictions, including England and Wales and Italy. The number of such proceedings, the benchmarks to which they relate and the jurisdiction in which they may be brought are anticipated to increase over time.

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 Group's financial position in any particular period.

### *Other Legal and Regulatory Proceedings*

Barclays PLC, the Bank and the Barclays PLC group are engaged in various other legal and regulatory 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 Group does not expect the ultimate resolution of any of these other 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 Group 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 Group is able reliably to estimate the probable loss where the probable loss is not *de minimis*.

In relation to Card Protection Plan Limited ("**CPP**"), on 22 August 2013 the FCA announced that it had reached an agreement with CPP and 13 high street banks and credit card issuers, including Barclays PLC, for redress to be paid to customers who were mis-sold CPP's Card Protection and Identity Protection policies. As at 30 June 2013, a provision, based upon a number of assumptions including expected customer response rates, was held for the cost of redress and associated operational costs. Taking into account information known at this early stage of the redress process, Barclays PLC considers that its existing provision is adequate.

### **Significant Change Statement**

Save for (i) the reduction in the adjusted income of Barclays PLC and its subsidiary undertakings in July and August 2013 which was £0.5 billion lower than in the comparable period in 2012 and (ii) the resulting 5% reduction in Barclays PLC and its subsidiary undertaking's adjusted income for the eight month period ended 31 August 2013 compared to those months in 2012 disclosed in paragraph 4 (*Current Trading and Prospects*) of the RNS Announcement dated 16 September 2013, there has been no significant change in the financial or trading position of the Group since 30 June 2013.

### **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 43 to 44 of this Base Prospectus under the headings '*London Interbank Offered Rate*', '*Interest Rate Hedging Product Redress*', '*Payment Protection Insurance Redress*', '*FERC Investigation*', '*Credit*

*Default Swap (CDS) Antitrust Investigations'* and *'Other Regulatory Investigations'*) and *'The Issuer and the Group — Legal Proceedings'* (on pages 48 to 52 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.

## TERMS AND CONDITIONS OF THE SECURITIES

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

*The provisions within Sections C (INTEREST AND EARLY REDEMPTION) will only be applicable where specified in the Final Terms. In particular, the Final Terms will indicate:*

- *whether or not the Securities pay interest and, if so, the type of interest payable; and*
- *whether or not the Securities may be redeemed early at the option of the Issuer or the Holders, in each case in accordance with the relevant sub-paragraph from General Condition 5 (Interest) and General Condition 6 (Early Redemption), as is specified to be applicable in the Final Terms.*

*The provisions of the Credit Linked Conditions shall apply to all Securities, certain provisions will only apply if these are specified to be applicable in the Final Terms. In particular, the Final Terms will indicate:*

- *whether the Securities will be Cash Settled CLS; or*
- *whether the Securities will be Physically Delivered CLS,*

*unless the Final Terms specify that Issuer CLS Settlement Method applies, in which case the Issuer will decide whether the Securities are Cash Settled CLS or Physically Delivered CLS upon the occurrence of a Relevant Event Determination Date.*

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

*References in the General Conditions and the Credit Linked Conditions to "Securities" are to the Securities of one Series only, not to all Securities that may be issued pursuant to the Programme.*

## A. INTRODUCTION

The Securities are issued as a Series of notes ("**Notes**") or certificates ("**Certificates**") (in each case as specified in the Final Terms) 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, have 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 Transfer Agents and the Registrar.

The determination agent, the issue and paying agent, the registrar, the local paying agents and the local transfer agents are referred to respectively as the "**Determination Agent**", the "**Issue and Paying Agent**", the "**Registrar**", the "**Paying Agents**", and the "**Transfer Agents**" (together, the "**Agents**"). The Issue and 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.

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, first payment of interest, if applicable, and aggregate nominal amount of the Tranche) and will be set out in the Final Terms.

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**

Securities will be issued in bearer form ("**Bearer Securities**"), with or without coupons (the "**Coupons**") or talons (the "**Talons**") or in registered form ("**Registered 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 Bearer Security. Registered Securities may initially be issued in global form ("**Global Registered Securities**" and, together with Global Bearer Securities, "**Global Securities**") if specified in the Final Terms, which may only be exchanged for Securities in definitive form ("**Definitive Registered Securities**" and, together with Definitive Bearer Securities, "**Definitive Securities**"), if specified in the Final Terms, or upon an Exchange Event occurring, and in each case in accordance with the terms of the relevant Global Registered Security. Registered Securities may initially be issued as Definitive Registered Securities if specified in the Final Terms. The Issuer will promptly give notice to Holders if an Exchange Event occurs.

**(b) Initial Issue of Global Securities**

If "**NGN Form**" is specified as applicable in the Final Terms with respect to a Global Bearer Security or the Final Terms specifies that a Global Registered Security is to be held under the New Safekeeping Structure ("**NSS**") ("**NGN Form**"), such Global Bearer Security or Global Registered Security will be delivered on or prior to the original issue date of the Series or Tranche to a common safekeeper (a "**Common Safekeeper**"). The aggregate nominal amount or number, as applicable, of the Global 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 Security may be delivered on or prior to the original issue date of the Series or Tranche to a Common Depository for the Relevant Clearing System (and, in the case of Registered Securities, registered in the name of any nominee for the Relevant Clearing System). The Relevant Clearing System will then credit each subscriber with an aggregate nominal amount or number, as applicable, of the Global Security equal to the nominal amount or number, as applicable, thereof for which it has subscribed and paid.

**(c) Exchange of Global 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-US 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 Securities. Temporary Global Securities will not be exchangeable for Definitive Securities.

If the Global Security is in CGN Form, 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 or aggregate number, as applicable, 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 Securities, an equal aggregate nominal amount or aggregate number, as applicable, of duly executed and authenticated Definitive Securities.

If the Global 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 Securities.

(d) **Registered Securities**

Registered Securities of each Series which are sold in an "offshore transaction" within the meaning of Regulation S under the Securities Act ("**Unrestricted Securities**") will be represented by interests in a Regulation S Global Security, without Coupons or Talons or deposited with, and registered in the name of, a Common Depository or a Common Safekeeper on behalf of the Relevant Clearing System on its issue date.

Registered Securities of each Series resold pursuant to Rule 144A of the Securities Act ("**Restricted Securities**") will be represented by a global restricted certificate without Coupons (a "**Rule 144A Global Security**"), deposited with either (i) a custodian for, and registered in the name of a nominee of, DTC or (ii) a Common Depository or a Common Safekeeper on behalf of the Relevant Clearing System on its issue date.

1.2 **Denomination and Number**

The Final Terms in respect of Securities that are Notes 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, the Settlement Currency and the Calculation Amount. All Notes of a Series that are Registered Securities shall have the same Specified Denomination.

In the case of a Series with more than one Specified Denomination, Bearer Securities of one Specified Denomination will not be exchangeable for Bearer Securities of another Specified Denomination.

The Final Terms in respect of Securities that are Certificates will specify the Settlement Currency of such Securities, the Issue Price per Security, the number of Securities being issued and the Calculation Amount. All Certificates of a Series shall have the same Calculation Amount.

1.3 **Title**

(a) **Title to Securities**

Title to Bearer Securities and any Coupons or Talons, as the case may be, passes by delivery and title to Registered Securities passes by registration in the Register that the Issuer shall procure is kept by the Registrar in accordance with the provisions of the Agency Agreement.

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, Coupon, Talon or Registered 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 Security representing it) or its theft or loss) and no person shall be liable for so treating the Holder.

In these General Conditions, "**Holder**" means the bearer of any Bearer Security or the person in whose name a Registered Security is registered, except that, in respect of any Global 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 or delivery 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).

1.4 **Transfers**

(a) **Transfers of Cleared Securities**

Subject to paragraph (d) (*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 Euroclear or Clearstream, as the case may be.

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

(i) **Non-cleared Bearer Securities**

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

(ii) **Non-cleared Registered Securities**

Non-cleared Registered Securities may be transferred only through the Register by delivery to the Registrar or any Transfer Agent of (i) the relevant Definitive Registered Security or Global Registered Security representing such Registered Securities to be transferred, (ii) the duly completed form of transfer, Option Exercise Notice or notice of redemption and surrender and (iii) any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Securities, a new Definitive Registered Security shall be issued to the transferee in respect of the part transferred and a further new Definitive Registered Security or Global Registered Security in respect of the balance of the holding not transferred shall be issued to the transferor. Transfers of part only of a holding of Registered Securities represented by a non-cleared Global Registered Security may only be made (i) if an Exchange Event occurs; or (ii) with the consent of the Issuer, provided that, the registered Holder has given the Registrar not less than 10 Business Days' notice at its specified office of the registered Holder's intention to effect such transfer. All transfers of Securities and entries on the Register will be made subject to the detailed regulations concerning transfers of Securities scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and each Holder. A copy of the current regulations will be made available by the Registrar to any Holder upon request.

Transfers of Registered Securities will be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any Taxes that may be imposed in relation to it (or the giving of an indemnity as the Issuer, Registrar or the relevant Transfer Agent may require).

(c) **Registered Security Closed Periods**

No Holder may require the transfer of a Definitive Registered Security (i) during the period of 15 calendar days ending on the due date for redemption or exercise, or any date on which the Securities may be called for redemption by the Issuer at its option pursuant to General Condition 6.1 (*Early Redemption following the Exercise of a Call Option by the Issuer*) (ii) on any day after the date any Delivery Entitlement Instruction (if earlier) is delivered by such

Holder, (iii) after any such Security has been called for redemption or (iv) during the period of seven calendar days ending on (and including) any Record Date.

(d) **Minimum Tradable Amount**

The Securities will, if a Minimum Tradable Amount is specified in the Final Terms (the "**Minimum Tradable Amount**"), be transferable only in a nominal amount in the case of Notes or in a number in the case of Certificates, 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 Interest Amounts and 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, delivery 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.

3.3 **Calculation Amount**

(a) **General**

If the Settlement Amount or Entitlement 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 or Entitlement 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 cash in respect of each Security (other than a Definitive Security) shall be based on the aggregate nominal amount or number of all such Securities outstanding on such date (or the relevant affected portion thereof),

## General Conditions

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 or entitlement which is payable or deliverable under these Conditions in respect of a Security and which is calculated by reference to a Calculation Amount, references to "Security" shall mean (A) in the case of a Note, a Note having a nominal amount (or face value) equal to the Calculation Amount and (B) in the case of a Certificate, a single Certificate.
- (iii) For the avoidance of doubt, in relation to any amount or entitlement which is payable or deliverable under these Conditions in respect of a Security which is a Zero Coupon Security and which is calculated by reference to a Calculation Amount or an Aggregate Nominal Amount, references to "Calculation Amount" or "Aggregate Nominal Amount" as applicable shall be deemed to refer to "Accreted Calculation Amount".

### 3.4 Business Day Convention

If any date specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day and where in each case the Business Day Convention is specified in the Final Terms to be:

- (i) "**Following**", such date shall be postponed to the next day that is a Business Day;
- (ii) "**Modified Following**", such date shall be postponed to the next day that is a Business Day unless it would fall in the next calendar month, in which case such date shall be brought forward to the immediately preceding Business Day;
- (iii) "**Nearest**", such date shall be brought forward to the first preceding day that is a Business Day if the relevant date otherwise falls on a day other than a Sunday or a Monday and shall be postponed to the first following day that is a Business Day if the relevant date otherwise falls on a Sunday or a Monday; or
- (iv) "**Preceding**", such date shall be brought forward to the immediately preceding Business Day.

## 4. PAYMENTS AND DELIVERIES

### 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. Payments of interest will be made as set out above but against and subject to the presentation and surrender of the relevant Coupon.

Notwithstanding the foregoing, payments of principal or interest 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 interest or 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 Definitive Registered Securities

Payments of principal in respect of each Definitive Registered Security will be made against and subject to the condition to settlement, presentation and surrender of the relevant Definitive Registered Security at the specified office of the Registrar or any of the Transfer Agents and in the manner provided in the immediately following paragraph below.

Payments of interest in respect of each Definitive Registered Security will be made on the relevant due date to the Holder, or the first named of any joint Holders appearing in the Register at the close of business on the relevant Record Date by cheque drawn on an Account Bank and mailed to such Holder at the address in the Register, or by electronic transfer to an account in the relevant currency maintained by the payee with an Account Bank.

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

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

No payment or delivery 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-US beneficial ownership in the form set out in the Agency Agreement.

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

All payments and deliveries in respect of Bearer Securities in CGN Form will be made against and subject to presentation for endorsement and, if no further payment or delivery 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 and Global Securities held under NSS**

If a Global Bearer Security is a Cleared Security in NGN Form or a Global Registered Security is a Cleared Security held under the NSS, the Issuer shall procure that details of each such payment and delivery shall be entered in the records of the Relevant Clearing System. Payments and deliveries in respect of Securities in NGN Form will be made to its Holder. Each payment and delivery 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) **Global Registered Securities that are Cleared Securities**

All payments and deliveries in respect of Cleared Securities that are represented by a Global Registered Security will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Record Date.

##### (e) **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 Security must look solely to the Relevant Clearing System for his share of each payment or delivery made by the Issuer to the bearer of such Global Bearer Security or the Holder of the underlying Registered Securities. The obligations of the Issuer will be discharged by payment or delivery to the bearer of such Global Bearer Security or the Holder of the underlying Registered Security, as the case may be, in respect of each amount so paid or delivered.

##### (f) **Exercise of Options or Partial Redemption in Respect of Registered Securities**

In the case of an exercise of an Issuer's or Holder's option in respect of, or a partial redemption of, a holding of Registered Securities represented by a single Definitive Registered Security or Global Registered Security, as the case may be, a new Definitive Registered Security shall be issued to the Holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Securities of the same holding having different terms, a separate Definitive Registered Security or Global Registered Security shall be issued in respect of those Registered Securities of that holding that have the same terms. New Definitive Registered Securities shall only be issued against surrender of the relevant existing Definitive Registered Security or Global

Registered Security to the Registrar or any Transfer Agent. In the case of a transfer of Registered Securities to a person who is already a Holder of Registered Securities, a new Definitive Registered Security representing the enlarged holding shall only be issued against surrender of the Definitive Registered Security or Global Registered Security representing the existing holding.

(g) **Payments through DTC**

Payments of principal and interest in respect of Global Registered Securities held by a custodian for, and registered in the name of a nominee of, DTC will, if such Global Registered Securities are denominated in US dollars, be made in accordance with General Condition 4.3(d) (*Global Registered Securities that are Cleared Securities*) and General Condition 4.3(e) (*Relationship of Accountholders and Relevant Clearing Systems*). Payments of principal and interest in respect of Global Registered Securities held by a custodian for, and registered in the name of a nominee of, DTC will, if such Global Registered Securities are denominated in a currency other than US dollars, be made or procured to be made by the Exchange Agent in the relevant currency in accordance with the following provisions. The amounts payable by the Exchange Agent or its agent to DTC with respect to such Global Registered Securities will be received in such currency, from the Issuer by the Exchange Agent. The Exchange Agent will make payments by wire transfer of same day funds to the designated bank account in such currency of those DTC participants entitled to receive the relevant payment who have made an irrevocable election to DTC, in the case of interest payments, on or prior to the third DTC Business Day after the Record Date for the relevant payment of interest and, in the case of payments of principal, at least 12 DTC Business Days prior to the relevant payment date of principal, to receive that payment in such currency, provided that the Registrar has received the related notification from DTC on or prior to the fifth DTC Business Day after the Record Date for the relevant payment of interest or at least 10 DTC Business Days prior to the relevant payment date of principal, in respect of such payment, and the Registrar has accordingly notified the Exchange Agent in accordance with the Agency Agreement. If DTC does not so notify the Registrar, the relevant payment will be made in US dollars. The Exchange Agent, after conversion of amounts in such currency into US dollars, will deliver such US dollar amount in same day funds to DTC for payment through its settlement system to those DTC participants entitled to receive the relevant payment who did not elect to receive such payment in such currency. The Agency Agreement sets out the manner in which such conversions are to be made. "**DTC Business Day**" means any day on which DTC is open for business.

4.4 **Unmatured Coupons and Unexchanged Talons**

(a) **Unmatured Coupons and Unexchanged Talons Void**

Upon the due date for redemption of any Definitive Bearer Security, unexpired Coupons and unexpired Talons relating to such Security (whether or not attached) shall become void and no payment shall be made in respect of them.

(b) **Requirement for Indemnity**

Where any Definitive Bearer Security is presented for redemption without all unexpired Coupons and any unexpired Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

4.5 **Taxes, Settlement Expenses and Conditions to Settlement**

Payment of any Settlement Amount (or any other amount payable to Holders) and delivery of any Entitlement (or any other asset deliverable to Holders) shall be subject to deduction, or conditional upon payment by the relevant Holder(s), of any applicable Taxes and Settlement Expenses (including, without limitation, any Taxes incurred by the Issuer in the delivery of any Entitlement to the relevant Holder) (as determined by the Determination Agent) and any other amounts payable as specified in the Conditions. The Issuer shall notify the Holder(s) of (a) such applicable Taxes, Settlement Expenses and other amounts payable and (b) if applicable, the manner in which such amounts shall be paid by the Holder(s).



#### 4.6 **Payments on Business Days**

Subject to the application of any Business Day Convention, if the date on which any amount is payable is not (i) a Business Day and (ii) in the case of Definitive 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 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.

### C. **INTEREST AND EARLY REDEMPTION**

#### 5. **INTEREST**

##### (a) **Type of interest**

The Final Terms will specify whether the Securities pay:

- Fixed Rate Interest;
- Floating Rate Interest; or
- Zero Coupon.

In respect of Fixed Rate Securities and Floating Rate Securities only, the Final Terms will indicate whether or not a Switch Option is applicable.

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

The Final Terms will contain provisions applicable to the determination of interest (if any) and must be read in conjunction with this General Condition 5 (*Interest*) for full information on the manner in which interest is calculated on the Securities. In particular, the Final Terms will specify the following information items where relevant to the particular Securities:

- the Interest Commencement Date;
- the Fixed Rate(s);
- the Reference Rate;
- the Floating Rate Option(s);
- the Interest Payment Date(s);
- the Scheduled Redemption Date;
- the Calculation Amount;
- the Day Count Fraction;
- details of any applicable Switch Option; and
- details of any applicable call option.

#### 5.1 **Fixed Rate Interest**

##### (a) **Application**

This General Condition 5.1 applies to Fixed Rate Securities only.

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### (b) **Rate of interest and when paid**

Each Fixed Rate Security bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Fixed Rate(s) specified in the Final Terms to apply to the Interest Payment Date falling on or about the end of an Interest Calculation Period. Interest will be payable on the Interest Payment Date falling on or about the end of each such Interest Calculation Period.

### (c) **Interest Amount**

The Interest Amount payable in respect of each Security (representing a nominal amount equal to the Calculation Amount) on any Interest Payment Date shall be calculated by the Determination Agent by multiplying the Fixed Rate for an Interest Payment Date by the Calculation Amount, and then further multiplying such amount by the applicable Day Count Fraction.

### (d) **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 Specified Denomination (unless a different amount is specified in the Final Terms, in which case, such amount).
- **"Day Count Fraction"** means the fraction equal to the number of days of the relevant Interest Calculation Period divided by the number of days of the year, in each case as determined by the applicable convention, which may be any of "Actual/Actual(ICMA)", "Act/Act(ICMA)", "Actual/Actual", "Actual/Actual (ISDA)", "Actual/365 (Fixed)", "Actual/360", "30/360", "360/360", "Bond Basis", "30E/360", "Eurobond Basis", "30E/360 (ISDA)" (each as defined in General Condition 22.1 (*Definitions*) in the definition "Day Count Fraction Conventions"), as specified in the Final Terms.
- **"Fixed Rate"** means the percentage rate of interest per annum for the relevant Interest Payment Date as set out in the Final Terms.
- **"Interest Calculation Period"** means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the next succeeding Interest Period End Date and each successive period beginning on (and including) an Interest Period End Date and ending on (but excluding) the next succeeding Interest Period End Date, as applicable.
- **"Interest Payment Date"** means each date specified in the Final Terms, subject to adjustment in accordance with the relevant Business Day Convention.
- **"Interest Period End Date"** means each date specified in the Final Terms or, if none, each Interest Payment Date (after adjustment due to any applicable Business Day Convention), provided that if the Final Terms specifies that the Interest Period End Date is not subject to adjustment, the Interest Period End Date will be each date specified as such (or, if none, each Interest Payment Date) disregarding any adjustment to the Interest Payment Date due to any applicable Business Day Convention.

## 5.2 **Floating Rate Interest**

### (a) **Application**

This General Condition 5.2 applies to Floating Rate Securities only.

**(b) Accrual of interest and when paid**

Each Floating Rate Security bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate of Interest applicable for that Interest Calculation Period, as determined below. Interest will be payable on the Interest Payment Date falling on or about the end of each such Interest Calculation Period.

**(c) Interest Amount****(i) Calculation of Interest Amount**

The Interest Amount payable in respect of each Security (representing a nominal amount equal to the Calculation Amount) on any Interest Payment Date shall be calculated by the Determination Agent by multiplying the Rate of Interest for the Interest Payment Date by the Calculation Amount, and then further multiplying such amount by the applicable Day Count Fraction.

**(ii) Determination of Rate of Interest**

Subject to (iii) immediately below, the rate of interest (the "**Rate of Interest**") for an Interest Payment Date will be the Floating Rate determined for such Interest Payment Date in accordance with paragraph (d) (*Floating Rate*) immediately below plus the "Spread" percentage rate specified in the Final Terms for the relevant Interest Payment Date (which rate may be negative) (the "**Spread**").

**(iii) Cap Rate and Floor Rate**

If the Final Terms specifies a "Cap Rate" percentage ("**Cap Rate**") or a "Floor Rate" percentage ("**Floor Rate**") (in each case either (i) generally or (ii) in relation to one or more Interest Payment Dates), then the Rate of Interest for any relevant Interest Payment Date shall be no higher than the Cap Rate or lower than the Floor Rate (and in no event shall any Rate of Interest be lower than zero).

**(d) Floating Rate**

The Final Terms will specify whether the Floating Rate to be determined for each Interest Payment Date (each as defined below) shall be determined in accordance with either "Screen Rate Determination" (in which case (i) below will apply) or "ISDA Determination" (in which case (ii) below will apply).

**(i) Screen Rate Determination for Floating Rate Securities**

Where "Screen Rate Determination" is specified to be applicable in the Final Terms ("**Screen Rate Determination**"), the Floating Rate for an Interest Payment Date will, subject as provided below, be either:

- (A) the offered quotation (where "Offered Quotation" is specified as applicable in the Final Terms); or
- (B) the arithmetic mean of the offered quotations (where "Arithmetic Mean" is specified as applicable in the Final Terms),

in each case expressed as a percentage rate per annum, for the Reference Rate of the relevant Designated Maturity which appear(s) on the Relevant Screen Page as at the Relevant Screen Time on the Interest Determination Date relating to such Interest Payment Date, as determined by the Determination Agent. In the case of (B) above only, if five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Determination Agent for the purpose of determining the arithmetic mean of such offered quotations.

If, on any Interest Determination Date relating to an Interest Payment Date, the Relevant Screen Page is not available, or (in the case of (A) above) no such offered quotation appears on the Relevant Screen Page or (in the case of (B) above), fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the Relevant Screen Time, subject to the next sentence, the Determination Agent shall request each of the Reference Banks to provide the Determination Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate of the relevant Designated Maturity as soon as practicable after the Relevant Screen Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Determination Agent with such offered quotations, the Floating Rate for such Interest Payment Date shall be the arithmetic mean of such offered quotations as determined by the Determination Agent. If this paragraph applies and the Determination Agent determines that fewer than two Reference Banks are providing offered quotations, the Floating Rate for such Interest Payment Date shall be the last published offered quotation for the Reference Rate that appeared on the Relevant Screen Page, or such other rate as determined by the Determination Agent.

(ii) **ISDA Determination for Floating Rate Securities**

Where "ISDA Determination" is specified to be applicable in the Final Terms ("**ISDA Determination**"), the Floating Rate for an Interest Payment Date will be the relevant ISDA Rate in respect of the Reset Date corresponding to such Interest Payment Date. For the purposes of this General Condition 5.2 (*Floating Rate Interest*) the "**ISDA Rate**" in respect of an Interest Payment Date means a floating interest rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (A) the Floating Rate Option is as specified in the Final Terms;
- (B) the Designated Maturity is the period specified in the Final Terms; and
- (C) the relevant Reset Date is as specified in the Final Terms,

where, for the purposes of this sub-paragraph, "Floating Rate", "Floating Rate Option", "Designated Maturity", "Reset Date", "Swap Transaction" and "Calculation Agent" have the meanings given to those terms in the ISDA Definitions (and the Calculation Agent for this purpose shall be the Determination Agent specified in the Final Terms).

In respect of any short or long Interest Calculation Period as specified in the Final Terms, the Determination Agent will determine the relevant Floating Rate using Linear Interpolation.

(e) **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 Specified Denomination (unless a different amount is specified in the Final Terms, in which case, such amount).
- "**Day Count Fraction**" means the fraction equal to the number of days of the relevant Interest Calculation Period divided by the number of days of the year, in each case as determined by the applicable convention, which may be any of "Actual/Actual(ICMA)", "Act/Act(ICMA)", "Actual/Actual", "Actual/Actual (ISDA)", "Actual/365 (Fixed)", "Actual/360", "30/360", "360/360", "Bond Basis", "30E/360", "Eurobond Basis", "30E/360 (ISDA)", "1/1" (each as defined in General Condition 22.1 (*Definitions*) in the definition "Day Count Fraction Conventions"), as specified in the Final Terms.
- "**Designated Maturity**" means, in respect of:

- (a) a Reference Rate, the period of time specified in respect of such Reference Rate in the Final Terms; and
- (b) a Floating Rate Option, the period of time as specified in General Condition 5.2(d)(ii) (*ISDA Determination for Floating Rate Securities*) above.
- "**Floating Rate**" means, in respect of an Interest Payment Date, the percentage rate of interest per annum for the relevant Interest Payment Date calculated in accordance with paragraph (d) (*Floating Rate*) above.
- "**Floating Rate Option**" means the floating rate option as specified in the Final Terms.
- "**Interest Calculation Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the next succeeding Interest Period End Date and each successive period beginning on (and including) an Interest Period End Date and ending on (but excluding) the next succeeding Interest Period End Date, as applicable.
- "**Interest Determination Date**" means, with respect to a Floating Rate and an Interest Calculation Period, the date specified in the Final Terms or, if none is so specified:
  - (a) the first day of such Interest Calculation Period, if the relevant currency is sterling;
  - (b) the date falling two TARGET Business Days prior to the first day of such Interest Calculation Period, if the relevant currency is euro; or
  - (c) in any other case, the date falling two London Banking Days prior to the first day of such Interest Calculation Period.
- "**Interest Payment Date**" means each date specified in the Final Terms, subject to adjustment in accordance with the relevant Business Day Convention.
- "**Interest Period End Date**" means each date specified in the Final Terms or, if none, each Interest Payment Date (after adjustment due to any applicable Business Day Convention), provided that if the Final Terms specifies that the Interest Period End Date is not subject to adjustment, the Interest Period End Date will be each date specified as such (or, if none, each Interest Payment Date) disregarding any adjustment to the Interest Payment Date due to any applicable Business Day Convention.
- "**Reference Banks**" means the principal office of four major banks in the relevant interbank market, in each case selected by the Determination Agent.
- "**Relevant Screen Page**" means such screen page as specified in the Final Terms (or the relevant screen page of such other service or services as may be nominated as the information vendor for the purpose of displaying comparable rates in succession thereto) or such other equivalent information vending service as is so specified.
- "**Relevant Screen Time**" means the time specified in the Final Terms.
- "**Reference Rate**" means the floating interest rate specified in the Final Terms.
- "**Reset Date**" means the date or dates specified in the Final Terms or, if no such date is specified in the Final Terms, the first day of the relevant Interest Calculation Period.

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### 5.3 **Switch Option**

#### (a) **Application**

This General Condition 5.3 applies to Fixed Rate Securities or Floating Rate Securities in respect of which the Final Terms specifies that the Switch Option is applicable.

#### (b) **Switch Option**

The Issuer may, at its option (the "**Switch Option**"), elect to switch the interest payable in respect of the Securities from:

- (i) in the case of Fixed Rate Securities, interest calculated by reference to a Fixed Rate to interest calculated by reference to a Rate of Interest (as described in General Condition 5.2 (*Floating Interest Rate*)); or
- (ii) in the case of Floating Rate Securities, interest calculated by reference to a Rate of Interest to interest calculated by reference to a Fixed Rate.

The Issuer may exercise the Switch Option only once during the term of the Securities. It may determine not to exercise the Switch Option.

#### (c) **Exercise**

The Issuer may exercise the Switch Option on any Business Day falling within any period specified as a "Switch Exercise Period" (the "**Switch Exercise Period**") in the Final Terms. The last day of each Switch Exercise Period shall be a date falling not less than the number of Business Days specified as the "Switch Notice Period Number" of Business Days in the Final Terms (which shall not be less than five Business Days) preceding the Interest Payment Date for such Switch Exercise Period. The Final Terms will specify which Interest Payment Date (the "**Switch Date**") corresponds to each Switch Exercise Period.

#### (d) **Effect**

Upon exercise of the Switch Option:

- (i) in respect of Fixed Rate Securities, as at the Switch Date the Securities will be deemed to (A) no longer be Fixed Rate Securities and so stop accruing interest at the Fixed Rate of interest as at (but excluding) the last day of the Interest Calculation Period ending on or around the Switch Date and (B) become Floating Rate Securities and so start accruing interest at the Rate of Interest from (and including) the Interest Calculation Period beginning on or around the Switch Date in accordance with General Condition 5.2 (*Floating Rate Interest*); or
- (ii) in respect of Floating Rate Securities, as at the Switch Date the Securities will be deemed to (A) no longer be Floating Rate Securities and so stop accruing interest at the Rate of Interest as at (but excluding) the last day of the Interest Calculation Period ending on or around the Switch Date and (B) become Fixed Rate Securities and so start accruing interest at the Fixed Rate of interest from (and including) the Interest Calculation Period beginning on or around the Switch Date in accordance with General Condition 5.1 (*Fixed Rate Interest*).

### 5.4 **Zero Coupon**

#### (a) **Application**

This General Condition 5.4 applies to Zero Coupon Securities only.

#### (b) **No interest**

No amount of interest will accrue or become payable on Zero Coupon Securities.

6. **Early Redemption**

6.1 **Early Redemption following the Exercise of a Call Option by the Issuer**

(a) **Application**

If "Call Option" is specified to apply in the Final Terms, then this General Condition 6 will apply.

(b) **Early Redemption**

The Issuer may (at its option), by giving not less than three Business Days' irrevocable notice to Holders (such notice, a "**Call Option Redemption Notice**" and the date on which it is delivered, the "**Call Notice Delivery Date**") elect to redeem all (but not some only) of the Securities, provided that the Securities have not been redeemed or purchased and cancelled prior to the Call Notice Delivery Date, on the Optional Cash Settlement Date at the Optional Cash Settlement Amount provided that: (i) the Call Notice Delivery Date is within the Issuer Option Exercise Period and (ii) the Optional Cash Redemption Date is prior to the Scheduled Redemption Date.

(c) **Relevant defined terms**

For the purposes of this General Condition 6, the following terms shall have the following meanings (and to the extent not defined below, shall have the meaning set out in the Definitions):

- "**Issuer Option Exercise Period**" means the period specified as such in the Final Terms.
- "**Optional Cash Redemption Date**" means the date specified as such in the relevant Call Option Redemption Notice.
- "**Optional Cash Settlement Amount**" means an amount per Calculation Amount determined by the Determination Agent as the pro rata proportion of the market value of the Securities on the Call Notice Delivery Date taking into account the event triggering the redemption and adjusted to take into account any costs, losses and expenses and any Local Jurisdiction Taxes and Expenses which are incurred (or expected to be incurred) by (or on behalf of) the Issuer in connection with the early redemption of the Securities, including (without duplication or limitation) hedging termination and funding breakage costs (whether actual or notional). In determining such amount, the Determination Agent may take into account prevailing market prices and/or proprietary pricing models or, where these pricing methods may not yield a commercially reasonable result, may determine such amount in a commercially reasonable manner.

6.2 **Early Redemption or Adjustment following the Occurrence of an Additional Disruption Event**

If an Additional Disruption Event occurs, the Issuer may:

- (i) determine whether an appropriate adjustment can be made to the Conditions and any other provisions relating to the Securities to account for the economic effect of such event on the Securities and to preserve substantially the economic effect to the Holders of a holding of the relevant Security. If the Determination Agent determines that such adjustment(s) can be made, the Issuer shall determine the effective date of such adjustment(s) and take the necessary steps to effect such adjustment(s). 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. 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, it shall notify the Issuer of such determination and no adjustment(s) shall be made; or

## General Conditions

- (ii) on giving not less than the Early Redemption Notice Period Number of Business Days' irrevocable notice to the Holders (an "**Additional Disruption Event Redemption Notice**"), redeem all of the Securities of the relevant Series in whole, subject to General Condition 3 (*Calculations and Publication*) and General Condition 4 (*Payments and Deliveries*), at their Early Cash Settlement Amount on the Early Cash Redemption Date.

### 6.3 No Accrued Interest upon Early Redemption

For the avoidance of doubt, where the Securities are redeemed early pursuant to the Conditions, the Issuer shall be under no obligation to pay any interest amount in respect of the period falling from the Interest Payment Date immediately prior to the date of early redemption to the relevant early redemption date.

## D. SETTLEMENT

### 7. SETTLEMENT

#### Conditions to Settlement

If the Issuer determines that any condition to settlement to be satisfied by a Holder has not been satisfied in respect of the Securities on or prior to the date on which settlement would otherwise have been scheduled to occur, payment or delivery of the relevant Settlement Amount or Entitlement shall not become due until the date on which all conditions to settlement have been satisfied in full (such Settlement Amount or Entitlement the "**Conditional Settlement Amount**"). No additional amounts shall be payable or deliverable as a result of any such delay or postponement.

The conditions to settlement to be satisfied by a Holder include, without limitation, (a) receipt of all instructions, certifications and information by the Issuer, the Issue and Paying Agent and the Relevant Clearing System, as applicable, required by the Issuer, the Issue and Paying Agent and/or the Relevant Clearing System to effect payment or delivery of the relevant Settlement Amount or Entitlement to the Holder (or to its order) within the required time period, (b) the condition to settlement in General Condition 4.5 (*Taxes, Settlement Expenses and Conditions to Settlement*), (c) the deposit of a duly completed Delivery Entitlement Instruction or any other applicable notice in accordance with the Conditions, as applicable, and (d) the deposit, presentation or surrender of the relevant Security, as applicable.

If the conditions to settlement to be satisfied by a Holder have not been satisfied by (i) 10.00 am, London time, if the Securities are not Cleared Securities or (ii) 10.00 am, Luxembourg or Brussels time, or such other time as determined by the Determination Agent as appropriate for the Relevant Clearing System, on the day that is 180 calendar days following the applicable Final Settlement Cut-off Date (the "**Security Settlement Cut-off Date**") as determined by the Determination Agent, the relevant conditions to settlement will not be capable of being satisfied. With effect from the Security Settlement Cut-off Date, the relevant Holder shall have no right to receive any payment or delivery of the Conditional Settlement Amount and shall have no claim against the Issuer in relation thereto.

## E. GENERAL PROVISIONS

### 8. EVENTS OF DEFAULT

- 8.1 If any of the following events occurs and is continuing (each an "**Event of Default**") the Holder may (in the case of any of the events in paragraphs (a) to (d) below) give notice to the Issue and Paying Agent that such Security is, and in all cases such Security shall immediately become, due and payable at the Early Cash Settlement Amount (notwithstanding that "Physical Settlement" is specified as the CLS Settlement Method in the Final Terms or elected by the Issuer pursuant to the Issuer CLS Election Option, Cash Settlement shall be deemed to be the CLS Settlement Method):

- (a) any interest has not been paid within 14 calendar days of the due date for 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

- (b) the Issuer fails to deliver any Entitlement, in relation to the partial redemption of the Securities, on the due date for delivery and such failure to deliver has not been remedied within 30 calendar days of notice of such failure having been given to the Issuer by any Holder, provided that an Event of Default shall not occur under this General Condition 8 if any of the conditions to settlement to be satisfied by the Holder have not been so satisfied as at the due date for delivery or if a Redemption Failure Event has occurred and is continuing pursuant to Credit Linked Condition 5; or
- (c) the Issuer breaches any other provision of such 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 or number, as the case may be, of the relevant Series demanding remedy; or
- (d) an order is made or an effective resolution is passed for the winding-up of the Issuer (otherwise than in connection with a scheme of reconstruction, merger or amalgamation, the terms of which have previously been approved by an Extraordinary Resolution of the Holders).

## 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 Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain:

- (a) an Issue and Paying Agent;
- (b) a Registrar and a Transfer Agent in relation to Registered Securities;
- (c) one or more Determination Agent(s);
- (d) Paying Agents having specified offices in at least two major European cities;
- (e) such other agents as may be required by any stock exchange on which the Securities may be listed; and
- (f) to the extent not already satisfied pursuant to (d) or (e), 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.

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 Issuer and Determination Agent

Each of the Issuer and 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 Issuer and Determination Agent shall make such determinations and calculations in their sole and absolute discretion and (save in the case of manifest or proven error) such determinations and calculations 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.

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 Coupon; 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 or Coupon is presented for payment; or
- (c) where such withholding or deduction is required by the rules of the US 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 US 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 Registered 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 or Coupon 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 or Coupon is presented, 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 and claims for interest shall become void unless made within five years of the appropriate Relevant Date.

12. **REPLACEMENT OF SECURITIES**

Should any Security or Coupon 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, in the case of Bearer Securities, or the Registrar, in the case of Registered Securities, or of such other Paying Agent or Transfer Agent, if the Issuer designates such and gives notice of the designation to Holders. The replacement of any Security or Coupon 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.

13. **EARLY REDEMPTION FOR UNLAWFULNESS**

If the Issuer determines that the performance of any of its absolute or contingent 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 or terminate 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 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 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 or on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)), if the securities are listed; 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 (a) or (if applicable) (b) 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 Registered Securities, if mailed to the relevant Holders of such Registered Securities at their respective designated addresses appearing in the Register and will be deemed delivered on the third weekday (being a day other than a Saturday or a Sunday) after the date of mailing; and/or

- (e) in the case of Cleared Securities, if given to the Relevant Clearing System provided that any publication or other requirements required pursuant to General Condition 14.1(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 (including where General Condition 14.1(b) applies).

#### 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. This provision shall not prejudice any right of the person delivering the notice to deliver a new or corrected notice. The Issuer, Operator, Paying Agent, Registrar or Transfer 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, acting in its capacity as Issuer of the Securities shall be entitled at any time, without the consent of the Holders, to substitute any other entity, the identity of which shall be in the discretion of the Issuer, to act as issuer in respect of Securities issued by it that are then outstanding pursuant to the Programme (the "**New Bank Issuer**"), provided that 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, (b) in the case of Securities eligible for sale in the United States to "qualified institutional buyers" in accordance with Rule 144A of the Securities Act, the New Bank Issuer would not be an "investment company" required to register as such under the US Investment Company Act of 1940, as amended, and (c) 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 Luxembourg Stock Exchange and any other Relevant Stock Exchange 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, (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

In addition to the powers described 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 nominal amount (in the case of Notes) or number (in the case of Certificates) 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 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 principal 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 principal or interest due on any Securities, or extend the date for payment of interest or Interest Amounts on the Securities;
- (ii) to reduce or cancel the nominal amount of, or any premium payable on redemption or exercise of, the Securities;
- (iii) to reduce the rate or rates of interest in respect of the Securities or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Securities;
- (iv) if a Minimum Tradable Amount or Entitlement is specified in the Final Terms, to amend any such value;
- (v) to vary any method of, or basis for, calculating any Settlement Amount or Entitlement (other than as provided for in the Conditions);
- (vi) to vary the currency or currencies of payment or denomination of the Securities; or
- (vii) 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 (in the case of Notes) or number (in the case of Certificates) 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 at the meeting.

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 Settlement Currency of the Security in the case of Notes, or in respect of each integral currency unit of the applicable Calculation Amount, in the case of Certificates.

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 (provided that all unmatured Coupons relating thereto are attached thereto or surrendered therewith) 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.

19. **GOVERNING LAW AND JURISDICTION**

19.1 **Governing Law**

The Securities and 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, Coupons and/or the Agency Agreement and accordingly any legal action or proceedings arising out of or in connection with them.

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**

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 INTERPRETATIONS**

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 the General Condition 1.3 (*Title*).

"**Accreted Calculation Amount**" means, in respect of Zero Coupon Securities, an amount determined by the Determination Agent in its sole and absolute discretion, in accordance with the following formula:

$$\text{Calculation Amount} \times \text{Issue Price} \times (1 + Y/X)^n$$

Where:

"**X**" means the compounding frequency expressed as the number of calendar months, as specified in the Final Terms;

"**n**" means an amount equal to the product of X and T;

"**Y**" means the accretion rate, as specified in the Final Terms; and

"**T**" means the actual number of calendar days, from (and including) the Issue Date to (but excluding) the earlier to occur of the relevant redemption date and the Scheduled Redemption Date divided by 360.

"**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 (a) a Change in Law, Extraordinary Market Disruption and Issuer Tax Event, and (b) if so specified as applicable in the Final Terms, Hedging Disruption and Increased Cost of Hedging.

"**Additional Disruption Event Redemption Notice**" has the meaning given to it in General Condition 6.2(ii) (*Early Redemption or Adjustment following the Occurrence of an Additional Disruption Event*).

"**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.

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

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

"**Aggregate Nominal Amount**" means, in respect of a Series that are Notes, 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.

"**Associated Costs**" means, in respect of each Security, an amount determined by the Determination Agent equal to such Security's pro rata proportion of an amount which the Determination Agent determines is appropriate in the context of any financial product which references directly or indirectly such Securities (the "**Related Financial Product**") to take into account the total amount of any and all actual and anticipated costs associated with or expected to be incurred by the Issuer and/or any hedging counterparty in relation to any Related Financial Product, in each case in connection with or arising as a result of the cancellation of such Securities, including, without limitation, any funding related costs and any costs associated with unwinding the Related Financial Product and/or any hedge positions relating to such Related Financial Product, all as determined by the Determination Agent by reference to such source(s) as it determines appropriate.

"**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*).

**"Bearer Securities"** has the meaning given to it in General Condition 1.1 (*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); and
- (d) in relation to any sum payable in euro, a TARGET Business Day.

**"Business Day Convention"** means any of the conventions specified in General Condition 3.4 (*Business Day Convention*).

**"Cap Rate"** has the meaning given to it in General Condition 5.2 (*Floating Rate Interest*).

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

**"Calculation Amount"** means, in respect of a Security, that is a (a) Note, the Specified Denomination of such Note unless a different currency amount is specified as the "Calculation Amount" in the Final Terms, in which case the Calculation Amount shall be that currency amount or (b) Certificate, the currency amount specified as the "Calculation Amount" in the Final Terms.

**"Call Notice Delivery Date"** has the meaning given to it in General Condition 6.1 (*Early Redemption Following the Exercise of a Call Option by the Issuer*).

**"Call Option Redemption Notice"** has the meaning given to it in General Condition 6.1 (*Early Redemption Following the Exercise of a Call Option by the Issuer*).

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

**"CGN Form"** has the meaning given to it in General Condition 1.1 (*Form of 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), or (c) due to the request of any regulator or supervisory authority, or the issuance of any order, rule, regulation, or guidance by any regulator or supervisory authority, the Issuer determines that (i) it will or there is a substantial likelihood that it will, within the next 30 calendar days, but before the Scheduled Redemption Date of the Securities, become illegal to hold, acquire or dispose of Hedge Positions related to the Securities, (ii) the Issuer or any of its Affiliates will incur a materially increased cost in performing their obligations under such Securities (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on their tax position), or (iii) the Issuer or any of its Affiliates will be subjected to materially less favourable regulatory capital treatment with respect to the Securities, as compared with the regulatory capital treatment applicable to the Securities as at the Trade Date. For the avoidance of doubt, for the purposes of the foregoing, "any applicable law or regulation" shall include the Dodd-Frank Wall Street



Reform and Consumer Protection Act of 2010, any rules and regulations promulgated thereunder and any similar law or regulation (collectively, the "**Wall Street Act**"), and any consequences of a Change in Law as set out herein shall apply to any Change in Law arising from any such act, rule or regulation. Furthermore, any additional capital charges or other regulatory capital requirements imposed in connection with the Wall Street Act, if material, shall constitute "a materially increased cost in performing its obligations under such Securities" for the purposes of (b)(i) of this definition.

"**Cleared Securities**" means any Securities that are Global Securities held by a Common Depository, Common Safekeeper or custodian for, or registered in the name of a nominee of, 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 (or, but for the occurrence of a Settlement Disruption Event, would have been) open for the acceptance and execution of settlement instructions.

"**Clearstream**" means Clearstream Banking, société anonyme and 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 the General Condition 1.1 (*Form of Securities*).

"**Conditional Settlement Amount**" has the meaning given to it in General Condition 7 (*Conditions to Settlement*).

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

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

"**Day Count Fraction**" has the meaning given to it in General Condition 5.1 (*Fixed Rate Interest*) or General Condition 5.2 (*Floating Rate Interest*) (as applicable).

"**Day Count Fraction Conventions**" means, in respect of the calculation of an amount of interest on any Security for an Interest Calculation Period any of the following (as applicable):

- (a) if "**Actual/Actual (ICMA)**" or "**Act/Act (ICMA)**" is specified in the Final Terms, a fraction equal to "number of days accrued/number of days in year", as such terms are used in Rule 251 of the statutes, by-laws, rules and recommendations of the International Capital Market Association (the "**ICMA Rule Book**"), calculated in accordance with Rule 251 of the ICMA Rule Book as applied to non US dollar denominated straight and convertible bonds issued after 31 December 1998, as though the interest coupon on a bond were being calculated for a coupon period corresponding to the Interest Calculation Period in respect of which payment is being made;
- (b) if "**Actual/Actual**" or "**Actual/Actual (ISDA)**" is specified in the Final Terms, the actual number of calendar days in the Interest Calculation Period divided by 365 (or, if any portion of that Interest Calculation Period falls in a leap year, the sum of (i) the actual number of calendar days in that portion of the Interest Calculation Period falling in a leap year divided by 366 and (ii) the actual number of calendar days in that portion of the Interest Calculation Period falling in a non-leap year divided by 365);

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- (c) if "**Actual/365 (Fixed)**" is specified in the Final Terms, the actual number of calendar days in the Interest Calculation Period divided by 365;
- (d) if "**Actual/360**" is specified in the Final Terms, the actual number of calendar days in the Interest Calculation Period divided by 360;
- (e) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the Final Terms, the number of calendar days in the Interest Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Interest Calculation Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Calculation Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Interest Calculation Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Calculation Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Interest Calculation Period unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Interest Calculation Period unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

- (a) if "**30E/360**" or "**Eurobond Basis**" is specified in the Final Terms, the number of calendar days in the Interest Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Interest Calculation Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Calculation Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Interest Calculation Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Calculation Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Interest Calculation Period unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Interest Calculation Period unless such number would be 31, in which case D<sub>2</sub> will be 30;

- (b) if "**30E/360 (ISDA)**" is specified in the Final Terms, the number of calendar days in the Interest Calculation Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Interest Calculation Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Calculation Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Interest Calculation Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Calculation Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Interest Calculation Period unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Interest Calculation Period unless (i) that day is the last day of February but not the Scheduled Redemption Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30.

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

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

"**Definitions**" means the definitions set out on pages 78 to 90 of this Base Prospectus.

"**Definitive Bearer Security**" and "**Definitive Bearer Securities**" have the meanings given to them in General Condition 1.1 (*Form of Securities*).

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

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

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

"**Distribution Compliance Period**" means the period that ends 40 calendar days after the completion of the distribution of each Series, 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).

"**DTC**" means The Depository Trust Company or any successor thereto.

"**DTC Business Day**" has the meaning given to it in General Condition 4.3(g) (*Payments through DTC*).

"**Early Cash Redemption Date**" means the date specified as such in the Additional Disruption Event Redemption Notice.

**"Early Cash Settlement Amount"** means, unless otherwise specified in the General Conditions, in respect of any early redemption of the Securities, an amount per Security determined by the Determination Agent as the pro rata proportion of the market value of the Securities or in respect of Zero Coupon Securities, the Accreted Calculation Amount, following the event triggering the early redemption, adjusted to take into account any costs, losses and expenses which are incurred (or expected to be incurred) by (or on behalf of) the Issuer in connection with the early redemption of the Securities, including (without duplication or limitation) hedging termination and funding breakage costs plus, if Associated Costs is specified to apply in the Final Terms, any Associated Costs. In determining the Early Cash Settlement Amount, the Determination Agent may take into account prevailing market prices and/or proprietary pricing models or, where these pricing methods may not yield a commercially reasonable result, may estimate such Early Cash Settlement Amount in a commercially reasonable manner. The Early Cash Settlement Amount will be determined by the Determination Agent on or as soon as reasonably practicable following the event giving rise to the early redemption of the Securities. For the purposes of calculating any Early Cash Settlement Amount at any time following an Event of Default, the Determination Agent will ignore the effect of such Event of Default upon the market value of the Securities.

**"Early Redemption Notice Period Number"** means, in respect of a Series, ten (10) unless otherwise specified in the Final Terms.

**"ECOFIN"** means the Economic and Financial Affairs Council of the European Union.

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

**"EURIBOR"** means the Euro Interbank Offered Rate.

**"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.

**"Eurozone"** means the region comprising of member states of the European Union that have adopted the euro as the single currency in accordance with the Treaty establishing the European Community as amended by the Treaty on European Union.

**"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 (i) 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, and (ii) Global Securities that are not Cleared Securities, that the Issuer has failed to make any payment of principal when due.

**"Expenses"** means, in respect of a Security, all taxes, duties and/or expenses, including any applicable depository charges, transaction charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising in connection with the redemption of such Security and/or delivery or transfer of a pro rata proportion of the Deliverable Obligations Portfolio.

**"Extraordinary Market Disruption"** means, on or after the Trade Date, 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 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 Securities.

**"Final Settlement Cut-off Date"** means the Scheduled Redemption Date, the Optional Cash Redemption Date, the Credit Event Redemption Date, the Delivery Date or the Early Cash Redemption Date as applicable.

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

**"Fixed Rate"** has the meaning given to it in General Condition 5.1 (*Fixed Rate Interest*).

**"Fixed Rate Securities"** means Securities in respect of which the Type of Interest specified in the Final Terms is "Fixed Rate Interest".

**"Floating Rate"** has the meaning given to it in General Condition 5.2 (*Floating Rate Interest*).

**"Floating Rate Option"** has the meaning given to it in General Condition 5.2 (*Floating Rate Interest*).

**"Floating Rate Securities"** means Securities in respect of which the Type of Interest specified in the Final Terms is "Floating Rate Interest".

**"Floor Rate"** has the meaning given to it in General Condition 5.2 (*Floating Rate Interest*).

**"Following"**, in respect of Business Day Conventions, has the meaning given to it in General Condition 3.4 (*Business Day Convention*).

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

**"General Conditions"** has the meaning given to it in the preamble to the section "Terms and Conditions of the Securities".

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

**"Global Security"** or **"Global Securities"** has the meaning given to it in General Condition 1.1 (*Form of Securities*).

**"Hedging Disruption"** means that the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk of issuing and performing its obligations with respect to the relevant Series, or (b) freely realise, recover, receive, repatriate, remit or transfer the proceeds of any such transaction(s) or asset(s).

**"Holder"** has the meaning given to it in General Condition 1.3 (*Title*).

**"Increased Cost of Hedging"** means that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk of issuing and performing its obligations with respect to the relevant Series, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the

## General Conditions

deterioration of the creditworthiness of the Issuer shall not be deemed an Increased Cost of Hedging.

**"Interest Amount"** means in respect of an Interest Calculation Period, the amount of interest payable in respect of each Security for that Interest Calculation Period.

**"Interest Calculation Period"** has the meaning given to it in General Condition 5.1 (*Fixed Rate Interest*) or General Condition 5.2 (*Floating Rate Interest*) (as applicable).

**"Interest Commencement Date"** means, in respect of any interest bearing Security, the Issue Date or such other date as may be set out in the Final Terms.

**"Interest Determination Date"** has the meaning given to it in General Condition 5.2 (*Floating Rate Interest*).

**"Interest Payment Date"** has the meaning given to it in General Condition 5.1 (Fixed Rate Interest) or General Condition 5.2 (*Floating Rate Interest*) (as applicable).

**"Interest Period End Date"** has the meaning given to it in General Condition 5.1 (*Fixed Rate Interest*) or General Condition 5.2 (*Floating Rate Interest*) (as applicable).

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

**"ISDA"** means the International Swaps and Derivatives Association, Inc.

**"ISDA Definitions"** means the 2006 ISDA Definitions, published by ISDA, as amended and updated as at the Issue Date of the Securities.

**"ISDA Determination"** has the meaning given to it in General Condition 5.2(d) (*Floating Rate*).

**"ISDA Rate"** has the meaning given to it in General Condition 5.2 (*Floating Rate Interest*).

**"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 Option Exercise Period"** has the meaning given to it in General Condition 6.1 (*Early Redemption Following the Exercise of a Call Option by the Issuer*).

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

**"LIBOR"** means the London Interbank Offered Rate.

**"Linear Interpolation"** means the straight-line interpolation by reference to two rates based on the relevant ISDA Rate or Reference Rate (as applicable), one of which will be determined as if the Specified Duration were the period of time for which rates are available next shorter than the length of the affected Interest Calculation Period and the other of which will be determined as if the Specified Duration were the period of time for which rates are available next longer than the length of such Interest Calculation Period.

**"Manager"** means Barclays Bank PLC, Barclays Capital Inc., or any other entity, in each case as specified in the Final Terms.

**"Minimum Tradable Amount"** has the meaning given to it in General Condition 1.4(d) (*Minimum Tradable Amount*).

"**Modified Following**", in respect of Business Day Conventions, has the meaning given to it in General Condition 3.4 (*Business Day Convention*).

"**Nearest**", in respect of Business Day Conventions, has the meaning given to it in General Condition 3.4 (*Business Day Convention*).

"**New Bank Issuer**" has the meaning given to it in General Condition 15 (*Substitution*).

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

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

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

"**Number of Securities**" means the number specified in the Final Terms.

"**Optional Cash Redemption Date**" has the meaning given to it in the relevant sub section of General Condition 6 (*Early Redemption*).

"**Optional Cash Settlement Amount**" has the meaning given to it in the relevant sub section of General Condition 6 (*Early Redemption*).

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

"**Payment Date**" means a day on which a payment is due in respect of the Securities.

"**Permanent Global Security**" has the meaning given to it in General Condition 1.1 (*Form of Securities*).

"**Preceding**", in respect of Business Day Conventions, has the meaning given to it in General Condition 3.4 (*Business Day Convention*).

"**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.

"**Rate of Interest**" has the meaning given to it in General Condition 5.2 (*Floating Rate Interest*).

"**Record**" has the meaning given to it in General Condition 1.3 (*Title*).

"**Record Date**" means, in relation to a payment under a Registered Security, the fifteenth calendar day (whether or not such fifteenth calendar day is a Business Day) before the relevant due date for such payment, except that, with respect to Cleared Securities that are represented by a Global Registered Security, it shall be the Clearing System Business Day immediately prior to the due date for payment or delivery.

"**Reference Banks**" has the meaning given to it in General Condition 5.2 (*Floating Rate Interest*).

"**Reference Rate**" has the meaning given to it in General Condition 5.2 (*Floating Rate Interest*).

"**Register**" means, with respect to any Registered Securities, the register of holders of such Securities maintained by the applicable Registrar.

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

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

**"Regulation S Global Security"** means a Regulation S Security in global form.

**"Relevant Clearing System"** means, as appropriate, Euroclear, Clearstream, DTC and/or such other clearing system specified in the Final Terms, 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 or Coupon, the date on which payment or delivery in respect of it first becomes due (or would have first become due if all conditions to settlement had been satisfied) 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 or Coupon being made in accordance with these General Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

**"Relevant Rules"** means the Clearstream Rules, the Euroclear Rules, and/or the terms and conditions and any procedures governing the use of such other Relevant Clearing System relating to a particular issue of Securities, as applicable.

**"Relevant Screen Page"** has the meaning given to it in General Condition 5.2 (*Floating Rate Interest*).

**"Relevant Screen Time"** has the meaning given to it in General Condition 5.2 (*Floating Rate Interest*).

**"Relevant System"** has the meaning given to it in General Condition 1.3 (*Title*).

**"Replacement Security"** has the meaning given to it in General Condition 15 (*Substitution*).

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

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

**"Rule 144A Global Security"** has the meaning given to it in General Condition 1.1 (*Form of Securities*).

**"Scheduled Redemption Date"** means, in respect of any Series that are Notes or Certificates, the scheduled date of redemption of such Securities as specified in the Final Terms.

**"Screen Rate Determination"** has the meaning given to it in General Condition 5.2(d) (*Floating Rate*).

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

**"Security"** means any Note or Certificate which may from time to time be issued pursuant to the Programme. Unless the context otherwise requires, any reference to "Security" shall be deemed to refer to a Note having a nominal amount equal to the relevant Specified Denomination or to a single Certificate.

**"Security Settlement Cut-off Date"** has the meaning given to it in General Condition 0 (*Conditions to Settlement*).

**"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 Optional Cash Settlement Amount, the Early Cash Settlement Amount, Credit Event Redemption Amount or Cash Settlement Amount, as applicable.



**"Settlement Currency"** means the currency specified as such in the Final Terms.

**"Settlement Disruption Event"** means, in the opinion of the Determination Agent, that an event beyond the control of the Issuer has occurred as a result of which the Issuer cannot make or procure delivery of the Deliverable Obligations Portfolio.

**"Settlement Expenses"** means, in respect of any Security or Securities, any costs, fees and expenses or other amounts (other than in relation to Taxes) payable by a Holder in respect of such Security (where Notes, representing a nominal amount equal to the Calculation Amount) on or in respect of or in connection with the redemption, exercise or settlement of such Security or Securities as determined by the Determination Agent.

**"Settlement Method"** means in respect of a Security, the method specified as such in the Final Terms.

**"Specified Currency"** means the currency or currencies specified in the Final Terms.

**"Specified Denomination"** means the denomination specified in the Final Terms.

**"Specified Jurisdiction"** means the jurisdiction specified in the Final Terms, provided that if the Specified Currency is specified to be euro in the Final Terms, Specified Jurisdiction is to mean any of the Eurozone countries.

**"Spread"** has the meaning given to it in General Condition 5.2 (*Floating Rate Interest*).

**"Switch Date"** has the meaning given to it in General Condition 5.3 (*Switch Option*).

**"Switch Exercise Period"** has the meaning given to it in General Condition 5.3 (*Switch Option*).

**"Switch Notice Period Number"** has the meaning given to it in General Condition 5.3 (*Switch Option*).

**"Switch Option"** has the meaning given to it in General Condition 5.3 (*Switch Option*).

**"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, 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 US Tax Equity and Fiscal Responsibility Act of 1982.

**"Temporary Global Security"** has the meaning given to it in General Condition 1.1 (*Form of Securities*).

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

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

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

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"**Uncertificated Regulations**" means the United Kingdom Uncertificated Securities Regulations 2001 (SI 2001/3755) including any modification or re-enactment thereof from time to time in force.

"**Underlying Securities**" has the meaning given to it in General Condition 1.3 (*Title*).

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

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

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

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

"**Zero Coupon Securities**" means Securities in respect of which the Type of Interest specified in the Final Terms is "Zero Coupon".

### 22.2 Interpretation

- (a) Capitalised terms used but not defined in these General Conditions will have the meanings given to them in the Final Terms or the Credit Linked Conditions, 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 these General 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 these General Conditions to a provision of law is a reference to that provision as amended or re-enacted.
- (d) References in these General Conditions to a company or entity shall be deemed to include a reference to any successor or replacement thereto.

## CREDIT LINKED CONDITIONS

The terms and conditions applicable to the Securities shall comprise the General Conditions and the additional terms and conditions set out below (the "**Credit Linked Conditions**"), in each case subject to completion in the Final Terms. In the event of any inconsistency between the General Conditions and the Credit Linked Conditions set out below, the Credit Linked Conditions shall prevail. In the event of any inconsistency between (i) the General Conditions or the Credit Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail. Capitalised terms used herein but not otherwise defined shall have the meanings given to them in the General Conditions or the Final Terms.

### 1. TYPES OF SECURITIES

Securities may be Single Name CLSs or Nth-to-Default CLSs, as specified in the Final Terms.

"**Single Name CLS**" means a Security, payments in respect of which are determined by reference to the occurrence of a Relevant Credit Event with respect to a single Reference Entity.

"**Nth-to-Default CLS**" means a Security, payments in respect of which are determined by reference to the occurrence of a Relevant Credit Event, with respect to the Reference Portfolio.

#### 1.1 Credit Event Determination

The Issuer may, at any point during the Notice Delivery Period, deliver a Credit Event Notice (provided that a Relevant Event Determination Date may only occur following the Scheduled Redemption Date where an Extension Notice has been delivered) in accordance with the provisions of these Credit Linked Conditions and the Final Terms.

The Issuer's determination of a Credit Event will, in the absence of manifest error and subject to the "Event Determination Date" definition, be conclusive and binding on all persons (including, without limitation, the Holders). Neither the Issuer nor the Issue and Paying Agent will have any liability whatsoever for the failure of the Issuer for any reason to determine that a Credit Event has occurred or with respect to the Issuer's timing as to when to deliver a Credit Event Notice, Notice of Publicly Available Information or Notice of Physical Settlement, nor will they have any duty or responsibility to investigate or check whether any Credit Event has, or may have, occurred or may be continuing.

#### 1.2 Relevant Credit Events

If a Relevant Event Determination Date has occurred in respect of a Reference Entity during the Notice Delivery Period and on or prior to the Securities Extension Date, then, notwithstanding anything to the contrary in General Conditions 3, 5 or 6:

- (a) interest will cease to accrue as at the Interest Expiration Date; and
- (b) the Issuer may redeem each Cash Settled CLS at the Credit Event Redemption Amount on the Credit Event Redemption Date and each Physically Delivered CLS by Delivery of the Deliverable Obligations Portfolio on or before the Final Delivery Date, subject to and in accordance with the provisions of these Credit Linked Conditions and the Final Terms.

If the Issuer elects to redeem the Securities in accordance with (b) above, the Issuer shall deliver, or may cause the Issue and Paying Agent at the expense of the Issuer to deliver, a notice (a "**Credit Event Redemption Notice**") in accordance with Credit Linked Condition 7 to the Holders, with a copy to the Determination Agent and the Issue and Paying Agent. The Credit Event Redemption Notice will:

- (i) identify the Series of Securities to which the Credit Event Redemption Notice relates;
- (ii) state the Issuer's intention to redeem the Securities pursuant to Credit Linked Condition 3 or 4, as applicable; and

## Credit Linked Conditions

- (iii) if "**Issuer CLS Settlement Option**" is specified as applicable in the Final Terms, state the CLS Settlement Method that shall apply to the Securities.

If a Credit Event Notice, Notice of Publicly Available Information or, if applicable, Notice of Physical Settlement specifies the information required to be specified in a Credit Event Redemption Notice, such notice will be deemed to be a Credit Event Redemption Notice.

Where the Securities are Nth-to-Default CLS and the Conditions to Settlement are satisfied with respect to more than one Reference Entity on the same day, the Determination Agent shall determine in its sole discretion the order in which such Conditions to Settlement were satisfied.

### 1.3 Credit Event Notice after Restructuring

Upon the occurrence of a Relevant Event Determination Date in respect of a Restructuring Credit Event:

- (a) the Issuer may deliver multiple Credit Event Notices with respect to such Restructuring Credit Event if "Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" or "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" are specified as being applicable in the Final Terms, each such Credit Event Notice setting forth the portion of the Security (by reference to its applicable Calculation Amount per Security, determined on or about the date of the Credit Event Notice) with respect to each Security to which such Credit Event Notice applies (the aggregate of such amounts with respect to a Series being the "**Exercise Amount**");
- (b) if the Issuer has delivered a Credit Event Notice that specifies an Exercise Amount that is less than the Calculation Amount per Security (determined on or about the date of the Credit Event Notice), the rights and obligations of the Issuer shall, with effect from the date such Credit Event Notice is effective, be construed as if the Issuer had issued two Securities, one of which has a Calculation Amount equal to such Securities pro rata share of the Exercise Amount which, upon satisfaction of the Conditions to Settlement, will be settled (and, if applicable, redeemed) in accordance with the applicable CLS Settlement Method, and the other of which will have a Calculation Amount equal to the Calculation Amount, immediately prior to such Credit Event Notice minus such Security's pro rata share of the Exercise Amount, and will continue in effect with such modifications required as determined by the Determination Agent to preserve the economic effects of the two Securities considered in the aggregate;
- (c) the Exercise Amount in connection with a Credit Event Notice describing a Restructuring must be an amount that is at least 1,000,000 units of the Settlement Currency (or, if Japanese Yen, 100,000,000 units) or an integral multiple thereof or the entire then outstanding Aggregate Nominal Amount, if the Securities are Notes, or the aggregate Calculation Amount of the aggregate number of Certificates outstanding on or about the date of the relevant Credit Event Notice, as applicable. If no Exercise Amount is specified by the Issuer, the Exercise Amount shall be deemed to be the then outstanding Aggregate Nominal Amount or the aggregate Calculation Amount of the aggregate number of Certificates outstanding on or about the date of the relevant Credit Event Notice, as applicable.

Upon redemption of part of each such Security, the relevant Security, or, if the Securities are represented by a Global Security, such Global Security, shall be endorsed to reflect such partial redemption.

### 1.4 Deferred Redemption Date

Notwithstanding anything to the contrary in General Condition 5, in addition to amounts of interest (if any) accrued in accordance with the Credit Linked Conditions, in respect of the Extended Interest Period (if any), unless "Extension Interest" is specified as not applicable in the Final Terms and no Relevant Event Determination Date occurs on or prior to the Securities Extension Date, interest ("**Extension Interest**") on each interest bearing Security will be payable in arrears on the Deferred Redemption Date in an amount determined by the Determination Agent equal to the sum for each day in the Extended Interest Period of the product of (i) the Calculation Amount per Security on such day, (ii) the Barclays Bank PLC

overnight deposit rate for deposits in the Settlement Currency for such day, such interest will be calculated on the basis of daily compounding and the actual number of days elapsed, without the addition of any margin and (iii) 1/360. If "Extension Interest" is specified as not applicable in the Final Terms, no amount of Extension Interest or other interest shall accrue or be payable on each such Security in respect of any period on or following the Scheduled Redemption Date, notwithstanding that the Deferred Redemption Date occurs following such date.

2. **REDEMPTION ABSENT SATISFACTION OF THE CONDITIONS TO SETTLEMENT**

Unless previously redeemed or purchased and cancelled, and subject to Credit Linked Conditions 3, 4 and 5 below, each Security will be redeemed by the Issuer at the Final Cash Settlement Amount on the later of the Scheduled Redemption Date and the Deferred Redemption Date.

"**Final Cash Settlement Amount**" means an amount per Security equal to the Calculation Amount.

3. **REDEMPTION OF CASH SETTLED CLSs**

Notwithstanding anything to the contrary in General Condition 6, following delivery of a Credit Event Redemption Notice in relation to a Cash Settled CLS, each Security will be redeemed at its Credit Event Redemption Amount on the Credit Event Redemption Date.

4. **REDEMPTION OF PHYSICALLY DELIVERED SECURITIES**

4.1 **Redemption of Physically Delivered CLSs**

Notwithstanding anything to the contrary in General Condition 6, following delivery of a Credit Event Redemption Notice in relation to a Physically Delivered CLS, each Security will be redeemed by Delivery of such Security's pro rata share (on a per Calculation Amount per Security basis, determined on or about the date of the Credit Event Redemption Notice) of the Deliverable Obligations Portfolio, subject to and in accordance with this Credit Linked Condition 4.

4.2 **Delivery of Deliverable Obligations on shortfall**

Subject to Credit Linked Condition 4.4, and unless otherwise elected by the Issuer in accordance with the Issuer CLS Settlement Option, if all or any part of the Deliverable Obligations Portfolio to be Delivered to a Holder is not a whole integral multiple of the smallest unit of transfer for any such Deliverable Obligation at the relevant time of Delivery, as determined by the Determination Agent, the Issuer will Deliver and such Holder will only be entitled to receive the portion of the Deliverable Obligations Portfolio specified by the Determination Agent which is closest to but less than the full Deliverable Obligations Portfolio, after consideration of such smallest unit or units of transfer (such portion of the Deliverable Obligations Portfolio that is not so Delivered being a "**Delivery Shortfall**"), and the Issuer will pay to such Holder in the Settlement Currency at the same time as such Delivery an amount in cash equal to the value of such Delivery Shortfall, as determined by the Determination Agent.

4.3 **Delivery of Deliverable Obligations Portfolio**

(a) **Delivery of Entitlement**

Subject to the rest of this Credit Linked Condition 4, the Issuer may Deliver only the Deliverable Obligations specified in the Notice of Physical Settlement and only in the amounts specified therein. The Issuer may continue to attempt to Deliver the whole of the Deliverable Obligations specified in the Notice of Physical Settlement (i) in the case of Deliverable Obligations that are Bonds or Loans, after the Physical Settlement Date and (ii) in the case of Deliverable Obligations that are not Bonds or Loans, for an additional five Business Days after the Physical Settlement Date.

The following provisions apply to the delivery of all Entitlements in respect of Securities.

- (i) The Issuer shall, subject to General Conditions 3 (*Calculations and Publication*), 4 (*Payment and Deliveries*) and 7 (*Settlement*) on any relevant Delivery Date, deliver or procure the delivery of (A) the relevant Bond Entitlement in respect of each Security to such account in respect of Cleared Securities in the Relevant Clearing System in accordance with the Relevant Rules and, in respect of all other Securities, such account as may be notified by the relevant Holder to the Issuer in the relevant Delivery Entitlement Instruction and (B) the relevant Non Bond Entitlement to the Holder or such broker as may be notified by the relevant Holder to the Issuer in the relevant Delivery Entitlement Instruction, in each case at the risk and expense of the relevant Holder. If a Holder does not provide the Issuer with sufficient instructions in a timely manner to enable the Issuer and/or the Relevant Clearing System, if applicable, to effect any required delivery of the Entitlement, the due date for such delivery shall be postponed accordingly. The Issuer and the Relevant Clearing System, if applicable, shall determine whether any instructions received by it are sufficient and whether they have been received in time to enable delivery on any given date. The Issuer shall not be responsible for any delay or failure in the transfer of any Entitlement once such steps have been carried out, whether resulting from settlement periods of clearing systems, acts or omissions of registrars or otherwise and shall have no responsibility for the lawfulness of the acquisition or transfer of the Entitlement or any interest therein by any Holder or any other person.
- (ii) Delivery of any Entitlement shall be subject to the condition to settlement in General Condition 4.5 (*Taxes, Settlement Expenses and Conditions to Settlement*).
- (iii) The Issuer will endeavour to deliver (or procure delivery of) the relevant Entitlement to the Holder on the relevant Delivery Date. The Issuer shall, subject as provided below, on the relevant Delivery Date, deliver or procure the delivery of the Transfer Documentation relating to the Entitlement to or to the order of the Holder or to such bank or broker as the Holder has specified in the relevant Delivery Entitlement Instruction.
- (iv) All Entitlements will be delivered at the risk of the relevant Holder.

(b) **Liability**

Redemption of the Securities, payments by the Issuer and any Agent and any delivery of an Entitlement, in whole or in part, by or on behalf of the Issuer and/or any Agent will be subject in all cases to all applicable fiscal and other laws, regulations and practices in force at such time (including, without limitation, any Relevant Rules) and none of the Issuer, the Relevant Clearing System or any Agent shall incur any liability whatsoever if it is unable to effect any payments or deliveries contemplated, after using all reasonable efforts, as a result of any such laws, regulations and practices. Neither the Issuer nor any Agent shall under any circumstances be liable for any acts or defaults of the Relevant Clearing System in the performance of their respective duties in relation to the Securities or, in relation to the delivery of the Entitlement.

(c) **Delivery delay**

Until the date on which the Deliverable Obligations Portfolio has been fully Delivered (or, if applicable, the Latest Permissible Physical Settlement Date), the Issuer or any other person (whether or not on behalf of the Issuer) may continue to be the legal owner of the Deliverable Obligations comprising the Deliverable Obligations Portfolio which are not possible, practical or legal to deliver. None of the Issuer nor any such other person will (a) be under any obligation to deliver or procure delivery to the relevant Holder or any other person any letter, certificate, notice, circular or any other document or payment whatsoever received by the Issuer or that person, (b) be under any obligation to exercise or procure exercise of any or all rights (including voting rights) attaching to such Deliverable Obligations comprising the Deliverable Obligations Portfolio until the date on which the Deliverable Obligations Portfolio has been fully Delivered (or, if applicable, the Latest Permissible Physical Settlement Date),

(c) be under any liability to such Holder or any other person in respect of any loss or damage which such Holder or other person may sustain or suffer as a result, whether directly or indirectly, of the Issuer or any person (whether or not on behalf of the Issuer) being the legal owner of such Deliverable Obligations comprising the Deliverable Obligations Portfolio until the date on which the Deliverable Obligations Portfolio has been fully Delivered (or, if applicable, the Latest Permissible Physical Settlement Date) or (d) have any liability whatsoever to such Holder or any other person if, as a result of a Redemption Failure Event or for any other reason whatsoever (including, without limitation, Credit Linked Conditions 4.4 to 4.8) it is unable to effect Delivery of any Deliverable Obligations comprising the Deliverable Obligations Portfolio and its obligations hereunder are deemed to be fully discharged in accordance with the Credit Linked Conditions.

#### 4.4 **Partial Cash Settlement due to Impossibility or Illegality**

If, due to an event beyond the control of the Issuer, it is impossible, impracticable (including if unduly burdensome) or illegal for the Issuer to Deliver, or due to an event beyond the control of the Issuer it is impossible, impracticable (including if unduly burdensome) or illegal for any Holder (the "**Affected Holder**", which term shall apply to the relevant Holder in this Credit Linked Condition 4) to accept Delivery of, any of the Deliverable Obligations specified in the Notice of Physical Settlement on the Physical Settlement Date (including, without limitation, failure of the relevant clearance system or due to any law, regulation or court order, but excluding market Conditions or the failure to obtain any requisite consent with respect to the Delivery of Loans) (the "**Undeliverable Obligation**"), then on or before such date (i) the Issuer shall Deliver and the Affected Holder shall take Delivery of any of the Deliverable Obligations specified in the Notice of Physical Settlement for which it is possible and legal to take Delivery and (ii) the Issuer shall provide a description in reasonable detail of the facts giving rise to such impossibility, impracticability or illegality, and "**Cash Settlement**" pursuant to the Partial Cash Settlement Terms in Credit Linked Condition 4.9 shall apply to the Undeliverable Obligation.

#### 4.5 **Partial Cash Settlement of Consent Required Loans**

If:

- (a) the Deliverable Obligations specified in the Notice of Physical Settlement include Consent Required Loans that, due to the non-receipt of any requisite consents, are not, on the Physical Settlement Date, capable of being assigned or novated to the Affected Holder and such consents are not obtained or deemed given by the Latest Permissible Physical Settlement Date; and
- (b) "**Direct Loan Participation**" is not specified as a Deliverable Obligation Characteristic in the Final Terms or "Direct Loan Participation" is specified as a Deliverable Obligation Characteristic in the Final Terms and the relevant participation is not effected on or before the Latest Permissible Physical Settlement Date,

Cash Settlement pursuant to the Partial Cash Settlement Terms in Credit Linked Condition 4.9 shall be deemed to apply to the Securities with respect to the Deliverable Obligations specified in the Notice of Physical Settlement that consist of Consent Required Loans for which consents are not obtained or deemed given (the "**Undeliverable Loan Obligations**").

#### 4.6 **Partial Cash Settlement of Assignable Loans**

If:

- (a) the Deliverable Obligations specified in the Notice of Physical Settlement include Assignable Loans that, due to the non-receipt of any requisite consents, are not, on the Physical Settlement Date, capable of being assigned or novated to the Affected Holder and such consents are not obtained or deemed given by the Latest Permissible Physical Settlement Date; and
- (b) "**Direct Loan Participation**" is not specified as a Deliverable Obligation Characteristic in the Final Terms or "Direct Loan Participation" is specified as a Deliverable Obligation

Characteristic in the Final Terms and the relevant participation is not effected on or before the Latest Permissible Physical Settlement Date,

Cash Settlement pursuant to the Partial Cash Settlement Terms in Credit Linked Condition 4.9 shall be deemed to apply to the Securities with respect to the Deliverable Obligations specified in the Notice of Physical Settlement that consist of Assignable Loans for which consents are not obtained or deemed given (the "**Unassignable Obligations**").

#### 4.7 **Partial Cash Settlement of Participations**

If the Deliverable Obligations include Direct Loan Participations and the relevant participation is not effected on or before the Latest Permissible Physical Settlement Date, cash settlement pursuant to the Partial Cash Settlement Terms shall be deemed to apply to the Securities with respect to the Deliverable Obligations specified in the Notice of Physical Settlement that consist of Direct Loan Participations in respect of which the relevant participation is not effected (the "**Undeliverable Participations**").

#### 4.8 **Alternative Procedures Relating to Loans not Delivered**

If the Issuer has not Delivered any Deliverable Obligations specified in the Notice of Physical Settlement that are Loans on or prior to the date that is five Business Days after the Physical Settlement Date (the "**Alternative Procedure Start Date**"), the following provisions shall apply unless (i) "Reference Obligations Only" has been specified as the Deliverable Obligation Category in the Final Terms, (ii) in the case of a Consent Required Loan, "Partial Cash Settlement of Consent Required Loans Applicable" is specified in the Final Terms (in which case Credit Linked Condition 4.5 shall apply), (iii) in the case of an Assignable Loan, "Partial Cash Settlement of Assignable Loans Applicable" is specified in the Final Terms (in which case Credit Linked Condition 4.6 shall apply), (iv) in the case of a Direct Loan Participation, "Partial Cash Settlement of Participations Applicable" is specified in the Final Terms (in which case Credit Linked Condition 4.7 shall apply) or (v) in any case, such failure to Deliver is due to an event described in Credit Linked Condition 4.4 (in which case Credit Linked Condition 4.4 shall apply).

In the event that the Issuer has failed to obtain the requisite consents to Deliver a Loan specified in the Notice of Physical Settlement and has provided a certificate signed by a Managing Director (or other substantively equivalent title) of the Issuer, which shall certify that Issuer has used reasonable efforts to obtain such consents, at any time following the Alternative Procedure Start Date, the Issuer may Deliver, in lieu of all or part of such Loan, any Bond that is Transferable and Not Bearer or any Loan that is Assignable, in either case selected by the Issuer and having on both the Physical Settlement Date and the Delivery Date each of the Deliverable Obligation Characteristics (other than Consent Required Loan or Direct Loan Participation), if any, specified in the Final Terms and otherwise satisfying the requirements to constitute a Deliverable Obligation (and such instrument shall be deemed specified in the Notice of Physical Settlement).

#### 4.9 **Partial Cash Settlement Terms**

Unless specified otherwise in the Final Terms, the following terms are deemed to be defined as follows for the purposes of the Partial Cash Settlement Terms referred to in Credit Linked Conditions 4.4 to 4.8:

- (a) If "**Cash Settlement**" is deemed to apply pursuant to Credit Linked Conditions 4.4 to 4.8, the portion of the Deliverable Obligations Portfolio corresponding to the applicable Undeliverable Obligation, Undeliverable Loan Obligation, Undeliverable Participation or Unassignable Obligation (each an "**Undeliverable Deliverable Obligation**") shall not consist of such Undeliverable Deliverable Obligation, but shall consist of an amount equal to the outstanding principal balance (or the equivalent Currency Amount thereof) of such Undeliverable Deliverable Obligation multiplied by the Final Price with respect to such Undeliverable Deliverable Obligation. For the purposes of this Credit Linked Condition 4.9, "Final Price" shall mean the highest firm bid price (expressed as a percentage of par and excluding any accrued and unpaid interest) solicited by the Determination Agent from five or more Dealers



at the CLS Valuation Time (as per Credit Linked Condition 4.9(e)) on the CLS Valuation Date (as per Credit Linked Condition 4.9(c)) for the purchase of the applicable Undeliverable Deliverable Obligation in a quantity equal to the applicable outstanding principal balance or Due and Payable Amount which was not, or could not be, Delivered, provided, if no such firm bids are provided in respect of any such Undeliverable Deliverable Obligation at such time on such date, the firm bid price will be zero. Any quotation provided by the Issuer or an Affiliate thereof shall be deemed to be a firm quotation;

- (b) "**Credit Event Redemption Date**" is deemed to be the date that is three Business Days after the calculation of the Final Price;
- (c) "**CLS Valuation Date**" is deemed to be the date that is two Business Days after the Latest Permissible Physical Settlement Date;
- (d) there shall be no "**Minimum Quotation Amount**"; and
- (e) "**CLS Valuation Time**" is the time specified as such in the Final Terms or, if no time is so specified, the time specified by the Determination Agent, which shall be as close as reasonably practicable to 11:00 a.m. in the relevant Determination Agent City, unless the Determination Agent determines that the principal market for transactions in the Undeliverable Deliverable Obligation would be closed at such time or such transactions are not being conducted in sufficient volume (as determined by the Determination Agent in its sole and absolute discretion) at such time, in which event the CLS Valuation Time shall be such other time as may be specified by the Determination Agent that such principal market is open.

#### 5. **REDEMPTION FAILURE EVENT**

"**Redemption Failure Event**" means, in each case as determined by the Determination Agent in its sole discretion, (i) that it is impossible or illegal for the Issuer to pay (due to an event beyond the control of the Issuer), or for a Holder to accept payment of (due to an event beyond the control of such Holder), any cash amount (including, without limitation, the Credit Event Redemption Amount in respect of each Security) required to be paid on the date scheduled for such payment, (ii) the failure of a Holder to surrender a Security for cancellation on or before the Scheduled Redemption Date, first Delivery Date in respect of the applicable Physical Settlement Date or Credit Event Redemption Date, as the case may be, or (iii) the failure of any relevant person to duly execute, deliver and/or accept a transfer certificate or other transfer document on or before any Delivery Date and/or specify a date for transfer of the relevant Deliverable Obligation that is on or before any Delivery Date, in each case in accordance with the terms of the relevant Deliverable Obligation. In circumstances where a Redemption Failure Event has occurred prior to the Scheduled Redemption Date, the obligation of the Issuer to pay any cash amount affected by such Redemption Failure Event shall, subject to the following paragraph, be postponed without further act or notice, and such payment will be made on a Business Day selected by the Determination Agent on which such Redemption Failure Event no longer exists.

If a Redemption Failure Event has occurred and exists on the Scheduled Redemption Date, the obligation of the Issuer to pay any cash amount or make any Delivery (including without limitation) the obligation to pay the Credit Event Redemption Amount or to Deliver the Deliverable Obligations Portfolio or part thereof, as the case may be, on such date will be postponed (or will continue to be postponed, as the case may be) without further act or notice, and such payment or Delivery will be made on a Business Day selected by the Determination Agent on which such Redemption Failure Event no longer exists, provided that, if such Redemption Failure Event continues to exist on the tenth Business Day after the Scheduled Redemption Date or other scheduled payment date or Delivery Date in respect of an amount required to be paid or Deliverable Obligations to be Delivered (as the case may be), the Holder may request the Issuer in writing to make payment of such amount or Delivery of such Deliverable Obligations to such account or to such other person as the Holder specifies (the "**Alternative Settlement Request**"), provided that the Issuer first receives an irrevocable and unconditional release and indemnity in respect of liabilities arising there from to its sole and absolute satisfaction and provided further that the Issuer shall be entitled to refuse to comply

with such Alternative Settlement Request in its sole and absolute discretion without any further explanation.

Notwithstanding anything to the contrary in the General Conditions, if the Determination Agent determines that such Redemption Failure Event continues to exist on the 180th calendar day after the Scheduled Redemption Date or other scheduled payment date or Delivery Date in respect of an amount required to be paid or Deliverable Obligations to be Delivered (as the case may be), no such payment or Delivery will be made by the Issuer and the Issuer's obligations to the Holder hereunder will be deemed to be fully discharged as of that date.

Any postponement or deemed discharge of payment pursuant to this Credit Linked Condition 5 will not constitute a default hereunder (including for the purpose of General Condition 8) and will not entitle the relevant Holder to any additional interest or other payment as a result thereof. For the avoidance of doubt, the provisions of this Credit Linked Condition 5 are in addition to any provisions of Credit Linked Condition 4 regarding, inter alia, the failure to Deliver Deliverable Obligations.

**6. DETERMINATION AGENT**

Except as otherwise set forth in the Final Terms, any determination, discretion or calculation of the Issuer or the Determination Agent as may be specified in these Credit Linked Conditions will be made in the sole and absolute discretion of the Issuer or the Determination Agent, as applicable, and neither assume any obligation to, or relationship of agency or trust with, any Holders or any other person. Furthermore, each Holder agrees that neither the Issuer nor the Determination Agent is acting as fiduciary for or as an adviser to such Holder in respect of its duties as Issuer or Determination Agent. In making any such determination or calculation or exercising any such discretion, neither the Issuer nor Determination Agent shall be required to take into account any person's interest other than its own.

The Determination Agent is responsible for, inter alia:

- (a) determining a Successor or Successors and making any other determinations required to be made under the Successor Provisions;
- (b) determining whether (a) the aggregate amounts due under any Reference Obligation have been materially reduced by redemption or otherwise (other than due to any scheduled redemption, amortisation or prepayments), (b) any Reference Obligation is an Underlying Obligation with a Qualifying Guarantee of a Reference Entity and, other than due to the existence or occurrence of a Credit Event, the Qualifying Guarantee is no longer a valid and binding obligation of such Reference Entity enforceable in accordance with its terms or (c) for any reason other than as described in (a) or (b) above and other than due to the existence or occurrence of a Credit Event, any Reference Obligation is no longer an obligation of a Reference Entity;
- (c) identifying and determining a Substitute Reference Obligation;
- (d) in the event that multiple Credit Event Notices with respect to a Restructuring Credit Event are delivered pursuant to Credit Linked Condition 1.3, making any modifications required pursuant to that Credit Linked Condition;
- (e) obtaining Quotations (and, if necessary, determining whether such Quotations shall include or exclude accrued but unpaid interest) and determining the Final Price in accordance with the applicable Valuation Method;
- (f) converting the Quotation Amount into the relevant Obligation Currency;
- (g) determining the Dealers (where none have been specified in the Final Terms) and substituting Dealers;
- (h) determining the Currency Rate;
- (i) determining the Representative Amount;

- (j) determining the number of Business Days in each Physical Settlement Period; and
- (k) if "Include Accrued Interest" is specified in the Final Terms with respect to Deliverable Obligations, determining accrued but unpaid interest and determining the Accreted Amount of any Accreting Obligation.

Except as otherwise expressly set forth herein or in the Final Terms, whenever the Determination Agent is required to act or to exercise its judgement, it will do so in good faith and in a commercially reasonable manner. Each Holder in respect of the relevant Series of Securities acknowledges and agrees that the Determination Agent is not acting as a fiduciary for or an adviser to any person in respect of the Securities, and acts in all respects as an arm's length contractual counterparty.

If any of the matters set out in this Credit Linked Condition 6 are decided and/or determined by a Credit Derivatives Determinations Committee, the Determination Agent shall follow such decision or determination to the extent such decision and/or determination is applicable to any Series of Securities.

## 7. NOTICES

### 7.1 Notices required to be delivered

The Issuer shall give notice to Holders of the following, to the extent required to be delivered pursuant to a Series of Securities:

- (a) Credit Event Notice;
- (b) Notice of Publicly Available Information;
- (c) Notice of Physical Settlement;
- (d) the occurrence of any Succession Event, including, if applicable, details of any Successors and any amendments to the weighting of each Reference Entity within the Reference Portfolio (provided that (a) no Succession Event Notice shall be required following a determination by a Credit Derivatives Determinations Committee that a Succession Event has occurred and (b) the failure of the Issuer to deliver a notice to the Holders pursuant to this Credit Linked Condition 7 shall not affect the effectiveness of any determinations by the Determination Agent in respect of such Succession Event (such determinations to be in accordance with these Credit Linked Conditions));
- (e) the selection of any Replacement Reference Entity;
- (f) if the terms of any Securities provide for the Reference Portfolio to be amended from time to time other than through a Succession Event, details of any amendments to the Reference Portfolio;
- (g) the designation of any Substitute Reference Obligation (provided that (a) no such notice shall be required following a determination by a Credit Derivatives Determinations Committee that a Substitute Reference Obligation has occurred and (b) the failure of the Issuer to deliver a notice to the Holders pursuant to this Credit Linked Condition 7 shall not affect the effectiveness of any designation of such Substitute Reference Obligation by the Determination Agent (such designation to be in accordance with these Credit Linked Conditions));
- (h) in respect of any Cash Settled CLS, following the selection by the Issuer of an obligation of the Reference Entity constituting a Reference Obligation for the purposes of "Terms relating to Cash Settlement", a notice specifying the identification details of such selected obligation, provided that the failure of the Issuer to deliver a notice to the Holders pursuant to this Credit Linked Condition 7 shall not affect the effectiveness of any designation of such Reference Obligation by the Determination Agent (such designation to be in accordance with these Credit Linked Conditions);

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- (i) following the determination of the CLS Cash Settlement Amount with respect to any Cash Settled CLS, a notice specifying, to the extent applicable:
  - (i) the Reference Obligation;
  - (ii) the CLS Valuation Date;
  - (iii) the Quotation Amount;
  - (iv) the Quotations obtained;
  - (v) the Final Price or Auction Final Price, as applicable;
  - (vi) the CLS Cash Settlement Amount;
  - (vii) if applicable, any Settlement Expenses and/or Swap Costs;
  - (viii) if applicable, the Credit Event Redemption Amount; and
  - (ix) following delivery of a Notice of Physical Settlement (to the extent such information is not included in the Notice of Physical Settlement):
    - (A) the proposed Delivery Date;
    - (B) if applicable, the Settlement Expenses and/or Swap Costs; and
    - (C) the outstanding principal amount of Deliverable Obligations to be Delivered.

### 7.2 Effectiveness of Notices

Any notice required to be delivered by the Issuer to the Issue and Paying Agent pursuant to these Credit Linked Conditions or the Final Terms shall be effective when delivered. The Issue and Paying Agent will deliver a copy thereof to Holders if required in accordance with the provisions of General Condition 14, provided that the failure of the Issue and Paying Agent to deliver any such notice shall not affect the effectiveness of any notice delivered by the Issuer.

A notice delivered by the Issuer to the Issue and Paying Agent on or prior to 4:00 p.m. (Determination Agent City time) on a Determination Agent City Business Day will be effective on such Determination Agent City Business Day. A notice delivered after 4:00 p.m. (Determination Agent City time) on a Determination Agent City Business Day will be deemed effective on the next following Determination Agent City Business Day, regardless of the form in which it is delivered. For purposes of the two preceding sentences, a notice given by telephone will be deemed to have been delivered at the time the telephone conversation takes place. If the notice is delivered by telephone, a written confirmation will be executed and delivered confirming the substance of that notice within one Business Day of that notice. Failure to provide that written confirmation will not affect the effectiveness of that telephonic notice. If a notice is given by email, it will be deemed effective at the date and time it was delivered.

### 7.3 Confidentiality

Holders will treat as confidential any information about a Reference Entity which is designated by the Issuer as confidential information and conveyed to the Holders for the purposes of identifying the Credit Event or giving rise to the determination of a Credit Event.

## 8. ADDITIONAL PROVISIONS IN RESPECT OF A SUCCESSION EVENT

### 8.1 Provisions for determining a Successor

- (a) "**Successor**" means in relation to a Reference Entity that is not a Sovereign, the entity or entities, if any, determined as set forth below:

- (i) if one entity directly or indirectly succeeds to 75 per cent. or more of the Relevant Obligations of the Reference Entity by way of a Succession Event, that entity will be the sole Successor in respect of such Reference Entity;
  - (ii) if only one entity directly or indirectly succeeds to more than 25 per cent. (but less than 75 per cent.) of the Relevant Obligations of the Reference Entity by way of a Succession Event, and not more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entity that succeeds to more than 25 per cent. of the Relevant Obligations will be the sole Successor in respect of such Reference Entity;
  - (iii) if more than one entity each directly or indirectly succeeds to more than 25 per cent. of the Relevant Obligations of the Reference Entity by way of a Succession Event, and not more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entities that succeed to more than 25 per cent. of the Relevant Obligations will each be a Successor (subject to Credit Linked Condition 8.2(a));
  - (iv) if one or more entities each directly or indirectly succeeds to more than 25 per cent. of the Relevant Obligations of the Reference Entity by way of a Succession Event, and more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each such entity and the Reference Entity will each be a Successor (subject to Credit Linked Condition 8.2(a));
  - (v) if one or more entities directly or indirectly succeed to a portion of the Relevant Obligations of the Reference Entity by way of a Succession Event, but no entity succeeds to more than 25 per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity continues to exist, there will be no Successor and the Reference Entity and the Securities will not be changed in any way as a result of the Succession Event; and
  - (vi) if one or more entities directly or indirectly succeed to a portion of the Relevant Obligations of the Reference Entity by way of a Succession Event, but no entity succeeds to more than 25 per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity ceases to exist, the entity which succeeds to the greatest percentage of Relevant Obligations (or, if two or more entities succeed to an equal percentage of Relevant Obligations, the entity from among those entities which succeeds to the greatest percentage of obligations of the Reference Entity) will be the sole Successor.
- (b) The Determination Agent will be responsible for determining, as soon as reasonably practicable after it becomes aware of the relevant Succession Event (but no earlier than 14 calendar days after the legally effective date of the Succession Event), and with effect from the legally effective date of the relevant Succession Event, whether the relevant thresholds set forth above have been met, or which entity qualifies under Credit Linked Condition 8.1(a)(iv)), as applicable; provided that the Determination Agent will not make such determination if, at such time, either (i) ISDA has publicly announced that the Conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in Credit Linked Condition 8.1(a) are satisfied in accordance with the CDDC Rules (until such time, if any, as ISDA subsequently publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine a Successor) or (ii) ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that no event that constitutes a Succession Event has occurred. In calculating the percentages used to determine whether the relevant thresholds set forth above have been met, or which entity qualifies under Credit Linked Condition 8.1(a)(vi), as applicable, the Determination Agent shall use, with respect to each applicable Relevant Obligation included in such calculation, the amount of the liability with respect to such Relevant Obligation listed in the Best Available Information and shall notify the parties of such calculation.
- (c) "**Succession Event**" means (i) with respect to a Reference Entity that is not a Sovereign, an event such as a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event in which one entity succeeds to the obligations of another

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entity, whether by operation of law or pursuant to any agreement or (ii) with respect to a Reference Entity that is a Sovereign, an event such as an annexation, unification, secession, partition, dissolution, consolidation, reconstitution or other event that results in any direct or indirect successor(s) to such Reference Entity. Notwithstanding the foregoing, "Succession Event" shall not include an event (a) in which the holders of obligations of the Reference Entity exchange such obligations for the obligations of another entity, unless such exchange occurs in connection with a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event or (b) with respect to which the legally effective date (or, in the case of a Reference Entity that is a Sovereign, the date of occurrence) has occurred prior to the Succession Event Backstop Date.

For purposes of this Credit Linked Condition 8.1, "succeed" means, with respect to a Reference Entity and its Relevant Obligations (or, as applicable, obligations), that an entity other than such Reference Entity (I) assumes or becomes liable for such Relevant Obligations (or, as applicable, obligations), whether by operation of law or pursuant to any agreement, or (II) issues Bonds that are exchanged for Relevant Obligations (or, as applicable, obligations), and in either case such Reference Entity is no longer an obligor (primarily or secondarily) or guarantor with respect to such Relevant Obligations (or, as applicable, obligations). The determinations required pursuant to Credit Linked Condition 8.1(a) shall be made, in the case of an exchange offer, on the basis of the outstanding principal balance of Relevant Obligations tendered and accepted in the exchange and not on the basis of the outstanding principal balance of Bonds for which Relevant Obligations have been exchanged.

- (d) Where:
- (i) a Reference Obligation has been specified with respect to a Reference Entity;
  - (ii) one or more Successors to the Reference Entity have been identified; and
  - (iii) any one or more such Successors have not assumed the Reference Obligation,
- a Substitute Reference Obligation will be determined in accordance with the provisions of Credit Linked Condition 8.3 with respect to a Reference Entity.
- (e) Where, pursuant to Credit Linked Condition 8.1(a)(iii), 8.1(a)(iv), 8.2(a)(iii) or 8.2(a)(iv), one or more Successors have been identified, the relevant Securities shall be divided into the same number of new Securities (the "**New Securities**") as there are Successors, with the following terms:
- (i) each Successor shall be the Reference Entity for the purposes of one of the New Securities;
  - (ii) in respect of each New Security, the Calculation Amount (determined on or about the date of the applicable Succession Event), as applicable, shall be the Calculation Amount of the original Security (before the occurrence of the relevant Succession Event) divided by the number of Successors;
  - (iii) all other terms and Conditions of the original Securities shall be replicated in each of the New Securities, with such modifications as would be required, as determined by the Determination Agent, to preserve substantially the economic effect of the original Securities in the New Securities (considered in the aggregate);
  - (iv) each of the New Securities shall be deemed to constitute a separate and distinct issuance which shall be treated as a separate Series of Securities by the Issuer, and the Register shall be endorsed by the Registrar to reflect such separate Series of the New Securities, and, at the request of a Holder, the Definitive Security representing the original Security (before the occurrence of the relevant Succession Event) will be replaced by Definitive Securities representing the New Securities in accordance with this Credit Linked Condition 8.1(e); and
  - (v) the Determination Agent shall make such other conforming and consequential changes as it shall deem appropriate to give effect to this Credit Linked Condition 8, including,

without limitation, the amendment of Credit Linked Conditions 1, 1.2 and 1.3 to allow, inter alia, for redemption of an Aggregate Nominal Amount of the Securities with the aggregate Calculation Amount per Security (determined on or about the date of the applicable Succession Event) equal to the nominal amount of one (or more) New Security(ies) in respect of which a Relevant Event Determination Date has occurred, with the remainder of such Aggregate Nominal Amount of the Securities remaining outstanding and accruing interest on such reduced Aggregate Nominal Amount (until such time as a further Event Determination Date in respect of a different New Security may occur or a redemption of the remaining Aggregate Nominal Amount of the Securities may otherwise occur pursuant to the terms hereof).

- (f) **"Relevant Obligations"** means the Obligations constituting Bonds and Loans of the Reference Entity outstanding immediately prior to the effective date of the Succession Event, excluding any debt obligations outstanding between the Reference Entity and any of its Affiliates, as determined by the Determination Agent. The Determination Agent will determine the entity which succeeds to such Relevant Obligations on the basis of the Best Available Information. If the date on which the Best Available Information becomes available or is filed precedes the legally effective date of the relevant Succession Event, any assumptions as to the allocation of obligations between or among entities contained in the Best Available Information will be deemed to have been fulfilled as of the legally effective date of the Succession Event, whether or not this is in fact the case.
- (g) **"Best Available Information"** means:
- (i) in the case of a Reference Entity which files information with its primary securities regulator or primary stock exchange that includes unconsolidated, pro forma financial information which assumes that the relevant Succession Event has occurred or which provides such information to its shareholders, creditors or other persons whose approval of the Succession Event is required, that unconsolidated, pro forma financial information and, if provided subsequently to the provision of unconsolidated, pro forma financial information but before the Determination Agent makes its determination for the purposes of this Credit Linked Condition 8.1 and Credit Linked Conditions 8.2 and 8.3, other relevant information that is contained in any written communication provided by the Reference Entity to its primary securities regulator, primary stock exchange, shareholders, creditors or other persons whose approval of the Succession Event is required; or
  - (ii) in the case of a Reference Entity which does not file with its primary securities regulators or primary stock exchange, and which does not provide to shareholders, creditors or other persons whose approval of the Succession Event is required, the information contemplated in Credit Linked Condition 8.1(g)(i), the best publicly available information at the disposal of the Determination Agent to allow it to make a determination for the purposes of this Credit Linked Condition 8.1 and Credit Linked Conditions 8.2 and 8.3.
- (h) Information which is made available more than 14 calendar days after the legally effective date of the Succession Event shall not constitute Best Available Information.
- (i) With respect to a Sovereign Reference Entity, **"Successor"** means each entity which becomes a direct or indirect successor to such Reference Entity by way of Succession Event, irrespective of whether any such successor assumes any of the obligations of such Reference Entity.
- (j) **"Succession Event Backstop Date"** means (i) for purposes of any Succession Event, as determined by DC Resolution, the date that is 90 calendar days prior to the Succession Event Resolution Request Date or (ii) otherwise, the date that is 90 calendar days prior to the earlier of (a) the date on which the Succession Event Notice is effective and (b) in circumstances where (I) the Conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in paragraph (i) of the definition of **"Succession Event Resolution Request Date"** are satisfied in accordance with the CDDC Rules, (II) the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters and

(III) the Succession Event Notice is delivered by the Determination Agent not more than 14 calendar days after the day on which ISDA publicly announces that that the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters, the Succession Event Resolution Request Date. The Succession Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention unless otherwise specified in the Final Terms.

(k) "**Succession Event Resolution Request Date**" means, with respect to a notice to ISDA, delivered in accordance with the CDDC Rules, requesting that a Credit Derivatives Determinations Committee be convened to Resolve:

- (i) whether an event that constitutes a Succession Event has occurred with respect to the relevant Reference Entity; and
- (ii) if the relevant Credit Derivatives Determinations Committee Resolves that such event has occurred, (a) with respect to a Reference Entity that is not a Sovereign, the legally effective date of such event or (b) with respect to a Reference Entity that is a Sovereign, the date of the occurrence of such event,

the date, as publicly announced by ISDA, that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which such notice is effective.

(l) "**Succession Event Notice**" means an irrevocable notice from the Determination Agent that describes a Succession Event that occurred on or after the Succession Event Backstop Date and any consequential amendments to the Reference Portfolio and/or the Securities as a result thereof.

## 8.2 Successor provisions specific to Nth-to-Default CLS

In respect of Nth-to-Default CLS, this Credit Linked Condition 8.2 shall apply in addition to Credit Linked Condition 8.1. If there is any inconsistency between this Credit Linked Condition 8.2 and the rest of the Credit Linked Conditions (including Credit Linked Condition 8.1), then this Credit Linked Condition 8.2 shall prevail.

(a) Treatment of certain Succession Events

(i) In the event that, pursuant to the application of Credit Linked Condition 8.1(a), a Reference Entity that is not subject to the Succession Event (the "**Surviving Reference Entity**") would be the only Successor to a Reference Entity that is subject to the Succession Event (the "**Legacy Reference Entity**"):

(A) such Successor (that is a Surviving Reference Entity) shall not be a Successor to such Legacy Reference Entity; and

(B) the replacement Reference Entity (the "**Replacement Reference Entity**") selected by the Issuer in accordance with Credit Linked Condition 8.2(b) shall be the sole Successor to such Legacy Reference Entity.

(ii) In the event that, pursuant to the application of Credit Linked Condition 8.1(a), there is only one Successor to a Legacy Reference Entity and such Successor is not a Surviving Reference Entity, such Successor shall be the sole Successor to such Legacy Reference Entity.

(iii) In the event that, pursuant to the application of Credit Linked Condition 8.1(a)(iii) or 8.1(a)(iv), there are two or more Successors to a Legacy Reference Entity and none of such Successors is a Surviving Reference Entity:

(A) each of such Successors (that is not a Surviving Reference Entity) shall be a Reference Entity for the purposes of one of the New Securities determined in accordance with Credit Linked Condition 8.1(e); and



- (B) each of the Surviving Reference Entity(ies) (that is not a Successor) shall continue to be a Reference Entity for each and every one of the New Securities determined in accordance with Condition 8.1(e).
- (iv) In the event that, pursuant to the application of Credit Linked Condition 8.1(a)(iii) or 8.1(a)(iv), there are two or more Successors to a Legacy Reference Entity and at least one of such Successors is a Surviving Reference Entity:
  - (A) each of such Successor(s) (that is a Surviving Reference Entity) shall not be a Successor to such Legacy Reference Entity, and shall be replaced by a Replacement Reference Entity selected in accordance with Credit Linked Condition 8.2(b);
  - (B) each of such Replacement Reference Entity(ies) and any other Successor(s) not constituting a Surviving Reference Entity shall be a Reference Entity for the purposes of one of the New Securities determined in accordance with Credit Linked Condition 8.1(e); and
  - (C) each of the Surviving Reference Entity(ies) (that is not a Successor) shall continue to be a Reference Entity for each and every one of the New Securities determined in accordance with Credit Linked Condition 8.1(e).
- (b) Selection of Replacement Reference Entity

Upon a determination by the Determination Agent of the occurrence of a Succession Event with respect to which a Surviving Reference Entity would be a Successor but for the operation of Credit Linked Condition 8.2(a)(i), the Issuer shall select an Eligible Reference Entity as the Replacement Reference Entity and the Transaction Type applicable to such Eligible Reference Entity.

"**Eligible Reference Entity**" means an entity:

- (i) that is in the same Moody's or S&P industry group as the relevant Surviving Reference Entity;
- (ii) that has a bid-side credit spread (at the time the Issuer delivers to the Issue and Paying Agent the notice specifying the Eligible Reference Entity that it has selected to be the Replacement Reference Entity) no greater than 110 per cent. of the bid-side credit spread of the relevant Surviving Reference Entity at the same time (the "**Credit Spread Requirement**"), in each case based on a credit default swap:
  - (A) on market standard terms for the relevant entity as at the time of such determination;
  - (B) in respect of a notional amount equal to at least 50 per cent., but not more than 100 per cent., of the Aggregate Nominal Amount (in the case of Notes) or aggregate Calculation Amount (in the case of Certificates); and
  - (C) with a term equal to the period from and including the date of the determination to and including the Scheduled Redemption Date (the "**Remaining Term**"), provided that if the Issuer, having used reasonable endeavours, cannot obtain Quotations from at least three Dealers in respect of the Remaining Term, the term for the purposes of this paragraph (b) shall be five years.

The bid-side credit spreads for the purpose of the Credit Spread Requirement shall be the unweighted arithmetic mean of the spread quotations obtained by the Issuer (on the basis of the terms set out above) from at least three Dealers, as determined by the Issuer in a commercially reasonable manner and notified by the Issuer to the Issue and Paying Agent:

- (iii) that is principally traded in the credit derivatives market in respect of the same Geographical Region as the relevant Surviving Reference Entity, as determined in a commercially reasonable manner by the Issuer, where "Geographical Region" means

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North America, Latin America, Western Europe, Eastern Europe, Australia/New Zealand, Singapore, Asia (excluding Japan), Japan or such region determined in a commercially reasonable manner by the Issuer to give best effect to then current market practice in respect of the relevant Surviving Reference Entity; and

- (iv) that is not an Affiliate of any Reference Entity or the Issuer both immediately prior to and following the relevant Succession Event.

### (c) Fallback Successor Process

If Credit Linked Condition 8.2(a)(i) applies and the Issuer fails to specify a Replacement Reference Entity in accordance with Credit Linked Condition 8.2(b), then:

- (i) the Legacy Reference Entity shall cease to be a Reference Entity unless it is itself a Successor; and
- (ii) notwithstanding Credit Linked Condition 8.2(a)(i), each Surviving Reference Entity shall continue to be a Successor, together with any other Successors, and all other terms of the Securities shall remain unaffected.

### (d) Effective Date for Substitution of Reference Entity following a Succession Event

The substitution of a Reference Entity and the issuance of New Securities in accordance with the terms hereof shall be deemed to be effective on the legally effective date of the Succession Event.

## 8.3 Substitute Reference Obligation

**"Substitute Reference Obligation"** means one or more obligations of the Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if "All Guarantees" is specified as applicable in the Final Terms, as provider of any Qualifying Guarantee) that will replace one or more Reference Obligations, identified by the Determination Agent in accordance with the following procedures:

- (a) In the event that (i) a Reference Obligation is redeemed in whole or (ii) in the opinion of the Determination Agent (a) the aggregate amounts due under any Reference Obligation have been materially reduced by redemption or otherwise (other than due to any scheduled redemption, amortisation or prepayments), (b) any Reference Obligation is an Underlying Obligation with a Qualifying Guarantee of a Reference Entity and, other than due to the existence or occurrence of a Credit Event, the Qualifying Guarantee is no longer a valid and binding obligation of such Reference Entity enforceable in accordance with its terms, or (c) for any other reason, other than due to the existence or occurrence of a Credit Event, any Reference Obligation is no longer an obligation of a Reference Entity, the Determination Agent shall identify one or more Obligations to replace such Reference Obligation.
- (b) Any Substitute Reference Obligation or Substitute Reference Obligations shall be an Obligation that (i) ranks *pari passu* in priority of payment with the ranking in priority of payment of each of the Substitute Reference Obligation and such Reference Obligation (with the ranking in priority of payment of such Reference Obligation being determined as at the date as of which such Reference Obligation was issued or incurred and not reflecting any change to such ranking in priority of payment after such date), (ii) preserves the economic equivalent, as closely as practicable, as determined by the Determination Agent, of the delivery and payment obligations of the parties and (iii) is an obligation of the relevant Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if "**All Guarantees**" is specified as applicable in the Final Terms, as provider of a Qualifying Guarantee). The Substitute Reference Obligation or Substitute Reference Obligations identified by the Determination Agent shall, without further action, replace such Reference Obligation or Reference Obligations.
- (c) If more than one specific Reference Obligation is identified as a Reference Obligation in relation to a Series, any of the events set forth under this Credit Linked Condition 8.3 has occurred with respect to one or more but not all of the Reference Obligations, and the

Determination Agent determines that no Substitute Reference Obligation is available for one or more of such Reference Obligations, each Reference Obligation for which no Substitute Reference Obligation is available shall cease to be a Reference Obligation.

- (d) If more than one specific Reference Obligation is identified as a Reference Obligation in relation to a Series, any of the events set forth under this Credit Linked Condition 8.3 has occurred with respect to all of the Reference Obligations, and the Determination Agent determines that at least one Substitute Reference Obligation is available for any such Reference Obligation, then each such Reference Obligation shall be replaced by a Substitute Reference Obligation and each Reference Obligation for which no Substitute Reference Obligation is available will cease to be a Reference Obligation.
- (e) If (i) more than one specific Reference Obligation is identified as a Reference Obligation, any of the events set forth in this Credit Linked Condition 8.3 has occurred with respect to all of the Reference Obligations and the Determination Agent determines that no Substitute Reference Obligation is available for any of the Reference Obligations, or (ii) only one specific Reference Obligation is identified as a Reference Obligation, any of the events set forth in this Credit Linked Condition 8.3 has occurred with respect to such Reference Obligation and the Determination Agent determines that no Substitute Reference Obligation is available for that Reference Obligation, then the Determination Agent shall continue to attempt to identify a Substitute Reference Obligation until the Extension Date. If (a) a Relevant Event Determination Date occurs on or prior to the Extension Date, (b) no Substitute Reference Obligation is identified as at the Extension Date and (c) the Settlement Method provides for the valuation or delivery of a Deliverable Obligation, then the Securities will be redeemed on the Extension Date on the basis that a Relevant Event Determination Date did not occur.
- (f) For purposes of identification of a Reference Obligation, any change in the Reference Obligation's CUSIP or ISIN number or other similar identifier will not, in and of itself, convert such Reference Obligation into a different Obligation.

## 9. ADDITIONAL PROVISIONS RELATING TO DELIVERABLE OBLIGATIONS

### 9.1 Restructuring Maturity Limitation

If "**Restructuring Maturity Limitation and Fully Transferable Obligation Applicable**" is specified in the Final Terms and "Restructuring" is the only Credit Event specified in a Credit Event Notice delivered by the Issuer, then (a) a Deliverable Obligation may be specified (or deemed specified pursuant to Credit Linked Condition 4.8) in the Notice of Physical Settlement or specified in any NOPS Amendment Notice and (b) for the purpose of paragraph (a) of the definition of "Reference Obligation", an obligation shall satisfy the definition of "Deliverable Obligation", as applicable, only if it (i) is a Fully Transferable Obligation and (ii) has a final maturity date not later than the Restructuring Maturity Limitation Date.

"**Fully Transferable Obligation**" means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Eligible Transferees without the consent of any person being required, in the case of any Deliverable Obligation other than Bonds. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered to be a requirement for consent for purposes of this Credit Linked Condition 9.1.

For purposes of determining whether a Deliverable Obligation satisfies the requirements of the definition of "Fully Transferable Obligation", such determination shall be made as at the Delivery Date for the Deliverable Obligation, taking into account only the terms of the Deliverable Obligation and any related transfer or consent documents which have been obtained by the Issuer.

"**Restructuring Maturity Limitation Date**" means, with respect to a Deliverable Obligation, the Limitation Date occurring on or immediately following the Scheduled Redemption Date, provided that, in circumstances where the Scheduled Redemption Date is later than the 2.5-

year Limitation Date, at least one Enabling Obligation exists. Notwithstanding the foregoing, if the final maturity date of the Restructured Bond or Loan with the latest final maturity date of any Restructured Bond or Loan occurs prior to the 2.5-year Limitation Date (such Restructured Bond or Loan, a "**Latest Maturity Restructured Bond or Loan**") and the Scheduled Redemption Date occurs prior to the final maturity date of such Latest Restructured Bond or Loan, then the Restructuring Maturity Limitation Date will be the final maturity date of such Latest Maturity Restructured Bond or Loan. In the event that the Scheduled Redemption Date is later than (i)(a) the final maturity date of the Latest Maturity Restructured Bond or Loan, if any, or (b) the 2.5-year Limitation Date, and, in either case, no Enabling Obligation exists or (ii) the 20-year Limitation Date, the Restructuring Maturity Limitation Date will be the Scheduled Redemption Date.

**"Eligible Transferee"** means:

- (a) any:
  - (i) bank or other financial institution;
  - (ii) insurance or reinsurance company;
  - (iii) mutual fund, unit trust or similar collective investment vehicle (other than an entity specified in paragraph (c)(i) of this definition); and
  - (iv) registered or licensed broker or dealer (other than a natural person or proprietorship),  
provided, however, in each case that such entity has total assets of at least USD 500,000,000;
- (b) an Affiliate of an entity specified in clause (a) of this definition;
- (c) each of a corporation, partnership, proprietorship, organisation, trust or other entity:
  - (i) that is an investment vehicle (including, without limitation, any hedge fund, issuer of collateralised debt obligation, commercial paper conduit or other special purpose vehicle) that (I) has total assets of at least USD 100,000,000 or (II) is one of a group of investment vehicles under common control or management having, in the aggregate, total assets of at least USD 100,000,000;
  - (ii) that has total assets of at least USD 500,000,000; or
  - (iii) the obligations of which under an agreement, contract or transaction are guaranteed or otherwise supported by a letter of credit or keepwell, support or other agreement by an entity described in clauses (a), (b), (c)(ii) or (d) of this definition; and
- (d) a Sovereign, Sovereign Agency or Supranational Organisation.

All references in this Credit Linked Condition 9.1 to "USD" include equivalent amounts in other currencies.

## 9.2 **Modified Restructuring Maturity Limitation**

If "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the Final Terms and "Restructuring" is the only Credit Event specified in a Credit Event Notice delivered by the Issuer, then (a) a Deliverable Obligation may be specified (or deemed specified pursuant to Credit Linked Condition 4.8) in the Notice of Physical Settlement or specified in any NOPs Amendment Notice and (b) for the purpose of paragraph (a) of the definition of "**Reference Obligation**", an obligation shall satisfy the definition of "**Deliverable Obligation**", as applicable, only if it (i) is a Conditionally Transferable Obligation and (ii) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date.

**"Conditionally Transferable Obligation"** means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Modified

Eligible Transferees without the consent of any person being required, in the case of any Deliverable Obligation other than Bonds, provided, however, that a Deliverable Obligation other than Bonds will be a Conditionally Transferable Obligation notwithstanding that consent of the Reference Entity or the guarantor, if any, of a Deliverable Obligation other than Bonds (or the consent of the relevant obligor of a Reference Entity is guaranteeing such Deliverable Obligation) or any agent is required for such novation, assignment or transfer to so long as the terms of such Deliverable Obligation provide that such consent may not be unreasonably withheld or delayed. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered to be a requirement for consent for purposes of this Credit Linked Condition 9.4.

Where "**Physical Settlement**" is specified in the Final Terms (or is applicable as the Fallback CLS Settlement Method), "**Modified Restructuring Maturity Limitation**" under this Credit Linked Condition 9.4 applies and a Deliverable Obligation is a Conditionally Transferable Obligation with respect to which consent is required to novate, assign or transfer, then if the requisite consent is refused (whether or not a reason is given for such refusal and, where a reason is given for such refusal, regardless of that reason), or is not received by the Physical Settlement Date (in which case it shall be deemed to have been refused), the Issuer shall promptly notify the Holders of such refusal (or deemed refusal) and if the Holder does not designate a third party or the Holder does not take Delivery on or prior to the Alternative Procedure Start Date, then Credit Linked Condition 4.8 shall apply.

For purposes of determining whether a Deliverable Obligation satisfies the requirements of the definition of "**Conditionally Transferable Obligation**", such determination shall be made as at the Delivery Date for the Deliverable Obligation, taking into account only the terms of the Deliverable Obligation and any related transfer or consent documents which have been obtained by the Issuer.

"**Modified Restructuring Maturity Limitation Date**" means, with respect to a Deliverable Obligation, the Limitation Date occurring on or immediately following the Scheduled Redemption Date, provided that, in circumstances where the Scheduled Redemption Date is later than the 2.5-year Limitation Date, at least one Enabling Obligation exists. Where "**Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable**" is specified in the Final Terms and for which the Scheduled Redemption Date is later than the 2.5-year Limitation Date and prior to the 5-year Limitation Date, a Restructured Bond or Loan will not constitute an Enabling Obligation. Notwithstanding the foregoing, if the Scheduled Redemption Date is either (i) on or prior to the 2.5-year Limitation Date or (ii) later than the 2.5-year Limitation Date and on or prior to the 5-year Limitation Date and no Enabling Obligation exists, the Modified Restructuring Maturity Limitation Date will be the 5-year Limitation Date in the case of a Restructured Bond or Loan only.

Subject to the foregoing, in the event that the Scheduled Redemption Date is later than (a) the 2.5-year Limitation Date and no Enabling Obligation exists or (b) the 20-year Limitation Date, the Modified Restructuring Maturity Limitation Date will be the Scheduled Redemption Date.

"**Modified Eligible Transferee**" means any bank, financial institution or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities and other financial assets.

For the purposes of Credit Linked Conditions 9.1 and 9.4:

"**Enabling Obligation**" means an outstanding Deliverable Obligation that (i) is a Fully Transferable Obligation or a Conditionally Transferable Obligation, as applicable, and (ii) has a final maturity date occurring on or prior to the Scheduled Redemption Date and following the Limitation Date immediately preceding the Scheduled Redemption Date (or, in circumstances where the Scheduled Redemption Date occurs prior to the 2.5-year Limitation Date, following the final maturity dates of the Latest Maturity Restructuring Bond or Loan, if any).

**"Limitation Date"** means the first of March 20, June 20, September 20 or December 20 in any year to occur on or immediately following the date that is one of the following numbers of years after the Restructuring Date: 2.5 years (the **"2.5-year Limitation Date"**), five years (the **"5-year Limitation Date"**), 7.5 years, 10 years, 12.5 years, 15 years or 20 years (the **"20-year Limitation Date"**), as applicable. Limitation Dates shall not be subject to adjustment in accordance with any Business Day Convention unless otherwise specified in the Final Terms.

**"Restructured Bond or Loan"** means an Obligation that is a Bond or Loan and in respect of which the relevant Restructuring has occurred.

**"Restructuring Date"** means the date on which a Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.

### 9.3 **Deliverable Obligations where the Transaction Type is Emerging European Corporate LPN**

Where a Reference Entity is specified to have a Transaction Type of **"Emerging European Corporate LPN"** or where this Credit Linked Condition 9.5 is stated to be applicable in the Final Terms, the following shall apply:

- (a) **"Multiple Holder Obligation"** will be "Not Applicable" with respect to any Reference Obligation (and any Underlying Loan).
- (b) Each Reference Obligation will be an Obligation notwithstanding anything to the contrary in these Credit Linked Conditions, including, but not limited to, the definition thereof, and, in particular, notwithstanding that the obligation is not an obligation of the Reference Entity.
- (c) Each Reference Obligation will be a Deliverable Obligation notwithstanding anything to the contrary in these Credit Linked Conditions, including, but not limited to, the definition thereof, and, in particular, notwithstanding that the obligation is not an obligation of the Reference Entity. For the avoidance of doubt, with respect to any LPN Reference Obligation that specifies an Underlying Loan or an Underlying Finance Instrument, the outstanding principal balance shall be determined by reference to the Underlying Loan or Underlying Finance Instrument (as applicable) relating to such LPN Reference Obligation. The Not Subordinated Obligation Characteristic and Deliverable Obligation Characteristic shall be construed as if no Reference Obligation was specified in respect of the Reference Entity.
- (d) **"Reference Obligation"** means, as at the Trade Date, each of the obligations listed as a Reference Obligation of the Reference Entity in the Final Terms or set forth on the relevant LPN Reference Obligations List (each a **"Markit Published LPN Reference Obligation"**), as published by Markit Group Limited, or any successor thereto, which list is currently available at <http://www.markit.com/en/products/data/reference-data/red/lpn-reference-obligation-list.page> (or any successor page thereto), any Additional LPN, determined in accordance with Credit Linked Condition 9.6.5 below, and each Additional Obligation.
- (e) **"Additional LPN"** means any bond issued in the form of a loan participation note (an **"LPN"**) by an entity (the **"LPN Issuer"**) for the sole purpose of providing funds for the LPN Issuer to (a) finance a loan to the Reference Entity (the **"Underlying Loan"**); or (b) provide finance to the Reference Entity by way of a deposit, loan or other Borrowed Money instrument (the **"Underlying Finance Instrument"**); provided that (I) either (A) in the event that there is an Underlying Loan with respect to such LPN, the Underlying Loan satisfies the Obligation Characteristics specified in respect of the Reference Entity; or (B) in the event that there is an Underlying Finance Instrument with respect to such LPN, the Underlying Finance Instrument satisfies the Not Subordinated, Not Domestic Law and Not Domestic Currency Obligation Characteristics; (II) the LPN satisfies the following Deliverable Obligation Characteristics: Transferable, Not Bearer, Specified Currency- Standard Specified Currencies, Not Domestic Law, Not Domestic Issuance; and (III) the LPN Issuer has, as at the issue date of such obligation, granted a First Ranking Interest over or in respect of certain of its rights in relation to the relevant Underlying Loan or Underlying Finance Instrument (as applicable) for the benefit of the holders of the LPNs. **"First Ranking LPN Interest"** means a charge, or security interest (or other type of interest having similar effect) (an **"LPN Interest"**) which is

expressed as being "first ranking", "first priority" or similar ("**First Ranking LPN**") in the document creating such LPN Interest (notwithstanding that such LPN Interest may not be First Ranking LPN under any insolvency laws of any relevant insolvency jurisdiction of the LPN Issuer).

- (f) "**LPN Reference Obligation**" means each Reference Obligation other than any Additional Obligation. For the avoidance of doubt, any change to the issuer of an LPN Reference Obligation in accordance with its terms shall not prevent such LPN Reference Obligation from constituting a Reference Obligation. Each LPN Reference Obligation is issued for the sole purpose of providing funds for the LPN Issuer to finance a loan to the Reference Entity. For the purposes of these Credit Linked Conditions, each such loan shall be an Underlying Loan.
- (g) "**Additional Obligation**" means each of the obligations listed as an Additional Obligation of the Reference Entity in the Final Terms or set forth on the relevant LPN Reference Obligations List, as published by Markit Group Limited, or any successor thereto, as at the Trade Date, which list is currently available at <http://www.markit.com/en/products/data/reference-data/red/lpn-reference-obligation-list.page> (or any successor page thereto).

#### 9.4 **Deliverable Obligations where the Transaction Type is Sukuk Corporate or Sukuk Sovereign**

Where a Reference Entity is specified to have a Transaction Type of "**Sukuk Corporate**" or "**Sukuk Sovereign**" or where this Credit Linked Condition 9.4 is stated to be applicable in the Final Terms, the following shall apply:

- (a) Multiple Holder Obligation will be Not Applicable with respect to any Reference Obligation that is a Sukuk Obligation.
- (b) Each Qualifying Sukuk Obligation which satisfies the Not Subordinated, Not Domestic Currency, Not Domestic Law and Not Domestic Issuance Obligation Characteristics on the relevant date will be an Obligation notwithstanding anything to the contrary in these Credit Linked Conditions, including but not limited to the definition thereof, and in particular, notwithstanding that a Qualifying Sukuk Obligation may not be an obligation of the Reference Entity.
- (c) Subject to the second paragraph of the definition of "**Not Contingent**" (for which purpose references to "**Reference Obligation**" shall be read as references to "**Qualifying Sukuk Obligation**"), each Qualifying Sukuk Obligation which:
  - (i) satisfies the Not Subordinated, Specified Currency: Standard Specified Currencies, Not Domestic Issuance, Not Domestic Law, Transferable and Not Bearer Deliverable Obligation Characteristics on the relevant date; and
  - (ii) (A) without regard to the effect of any provisions of such Qualifying Sukuk Obligation that permit expected amounts payable to be reduced, extinguished, postponed or withheld or for recourse in respect of such Qualifying Sukuk Obligation to be limited (or any similar provisions, howsoever described), is payable in an amount equal to its outstanding principal balance or Due and Payable Amount, as applicable and (B) is not subject to any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in sub-paragraphs (a)-(d) of the definition of "Credit Event" or right of set off by or of a Sukuk Issuer,

will be a Deliverable Obligation notwithstanding anything to the contrary in the Credit Linked Conditions, including but not limited to the definition thereof, and in particular, notwithstanding that a Qualifying Sukuk Obligation may not be an obligation of the Reference Entity.

For the avoidance of doubt, any change as to the identity of the Sukuk Issuer shall not prevent a Sukuk Obligation from constituting a Qualifying Sukuk Obligation.

- (d) "**Markit Published Sukuk Obligation**" means each obligation set forth, as of the Relevant Event Determination Date or if later, the date of the DC Credit Event Announcement, on the

relevant sukuk obligations list in respect of the Reference Entity, as published by Markit Group Limited, or any successor thereto.

- (e) **"Reference Obligation"** means (a) (i) each obligation specified as such or of a type described in the Final Terms (if any are so specified or described) or (ii) if an obligation or type of obligation is not specified in the Final Terms, each Markit Published Sukuk Obligation and (b) any Substitute Reference Obligation.
- (f) **"Qualifying Sukuk Obligation"** means any Sukuk Obligation in respect of which (a) if the related Recourse Obligation (if any) is not a Recourse Guarantee, the related Recourse Obligation is described by the Payment Obligation Category and satisfies the Not Subordinated and Not Contingent Obligation Characteristics on the relevant date or (b) if the related Recourse Obligation (if any) is a Recourse Guarantee, (i) the Underlying Recourse Obligation is described by the Payment Obligation Category and satisfies the Not Subordinated and Not Contingent Obligation Characteristics on the relevant date and (ii) the related Recourse Obligation satisfies the Not Subordinated Obligation Characteristic on the relevant date.
- (g) **"Sukuk Obligation"** means any trust certificate or other instrument (a **"Sukuk Certificate"**) evidencing a beneficial or other ownership interest in assets, rights, benefits or entitlements and which may be issued by the Reference Entity or another entity (in either case, the **"Sukuk Issuer"**) where if the Reference Entity is not the Sukuk Issuer, the Sukuk Issuer (or any agent, delegate or trustee acting on its behalf) has recourse to the Reference Entity and/or to assets over which the Reference Entity has granted security in favour of the Sukuk Issuer (or any agent, delegate or trustee acting on its behalf) in order to fund payment obligations of the Sukuk Issuer under the Sukuk Certificates (whether such recourse is pursuant to (a) an obligation of the Reference Entity to purchase assets owned by the Sukuk Issuer or (b) any other obligation of the Reference Entity, including as provider of any Recourse Guarantee (each such obligation, a **"Recourse Obligation"**)).

For the purposes of the foregoing, **"Recourse Guarantee"** means an arrangement evidenced by a written instrument pursuant to which the Reference Entity irrevocably agrees (by guarantee of payment or equivalent legal arrangement) to pay all amounts due under an obligation (the **"Underlying Recourse Obligation"**) for which another party is the obligor (the **"Underlying Recourse Obligor"**). Recourse Guarantees shall exclude any arrangement (a) structured as a surety bond, financial guarantee insurance policy, letter of credit or equivalent legal arrangement or (b) pursuant to the terms of which the payment obligations of the Reference Entity can be discharged, reduced or otherwise altered or assigned (other than by operation of law) as a result of the occurrence or non-occurrence of an event or circumstance (other than payment).

- (h) **"Potential Failure to Pay"** means (a) in relation to any Obligations other than Sukuk Obligations, the failure by a Reference Entity to make, when and where due, any payments under one or more Obligations, in accordance with the terms of such Obligations at the time of such failure and/or (b) in relation to any Obligations that are Sukuk Obligations, the failure by the Reference Entity or the Sukuk Issuer to make, when and where due any payments or Expected Payments under one or more Sukuk Obligations or any payments under one or more related Recourse Obligations, as applicable, in accordance with the terms of such Sukuk Obligations or Recourse Obligations, as applicable, at the time of such failure, where the aggregate amount of such failures under sub-clause (a) and sub-clause (b) (aggregated for the Reference Entity and all related Sukuk Issuers but without double counting amounts in respect of the same Sukuk Obligation (whether such amounts are in respect of such Sukuk Obligation or related Recourse Obligation)) is not less than the Payment Requirement, in each case without regard to any grace period or Conditions precedent to the commencement of any grace period applicable to such Obligations.
- (i) **"Failure to Pay"** means, after the expiration of any applicable Grace Period (after the satisfaction of any Conditions precedent to the commencement of such Grace Period) (a) in relation to any Obligations other than Sukuk Obligations, the failure by a Reference Entity to make, when and where due, any payments under one or more Obligations, in accordance with the terms of such Obligations at the time of such failure and/or (b) in relation to any



Obligations that are Sukuk Obligations, the failure by the Reference Entity or the Sukuk Issuer to make, when and where due, any payments or Expected Payments under one or more Sukuk Obligations or any payments under one or more related Recourse Obligations, as applicable, in accordance with the terms of such Sukuk Obligations or Recourse Obligations, as applicable, at the time of such failure, where the aggregate amount of such failures under sub-clause (a) and sub-clause (b) (aggregated for the Reference Entity and all related Sukuk Issuers but without double counting amounts in respect of the same Sukuk Obligation (whether such amounts are in respect of such Sukuk Obligation or related Recourse Obligation)) is not less than the Payment Requirement.

- (j) **"Expected Payments"** means, in relation to any Sukuk Obligations and with respect to any day, the amount of any payment or distribution expected to be made on such day in accordance with the initial schedule of payments as specified in the terms of such Sukuk Obligation or the offering circular relating to such Sukuk Obligation, determined without regard to the effect of any provisions of such Sukuk Obligation that permit the expected payments or distributions to be reduced, extinguished, postponed or withheld or for recourse in respect of such Sukuk Obligation to be limited (or any similar provisions, howsoever described).
- (k) **"Due and Payable Amount"** means (a) in relation to any Deliverable Obligations other than Sukuk Obligations, the amount that is due and payable under (and in accordance with the terms of) a Deliverable Obligation on the Delivery Date, whether by reason of acceleration, maturity, termination or otherwise (excluding sums in respect of default interest, indemnities, tax gross-ups and other similar amounts) and (b) in relation to any Deliverable Obligations that are Sukuk Obligations, the amount that is due and payable or expected to be due and payable, determined without regard to the effect of any provisions of such Deliverable Obligation that permit expected amounts payable to be reduced, extinguished, postponed or withheld or for recourse in respect of such Deliverable Obligation to be limited (or any similar provisions, howsoever described), under (and in accordance with the terms of) a Deliverable Obligation on the Delivery Date, whether by reason of acceleration, maturity, termination or otherwise (excluding sums in respect of default interest, indemnities, tax gross-ups and other similar amounts).
- (l) References to **"Reference Entity"** in the definitions of **"Credit Event Resolution Request Date"**, **"DC Credit Event Announcement"**, **"DC No Credit Event Announcement"**, **"Subordination"**, **"Publicly Available Information"**, **"Public Source"**, **"Credit Event"**, **"Bankruptcy"**, **"Obligation Acceleration"**, **"Obligation Default"**, **"Repudiation/Moratorium"**, **"Restructuring"**, **"Default Requirement"**, **"Governmental Authority"**, **"Obligation Currency"**, **"Payment Requirement"**, **"Deliver"**, and Credit Linked Condition 8.3 shall be deemed to include a Sukuk Issuer.
- (m) In respect of Transactions for which **"Sukuk Sovereign"** or **"Standard Sukuk Sovereign"** is the Transaction Type and in relation to which the Sukuk Issuer is not the Reference Entity, notwithstanding anything to the contrary in the Credit Linked Conditions or the Final Terms, **"Bankruptcy"** shall be deemed to have been specified as a Credit Event in the Final Terms and any references to **"Reference Entity"** in the definition of **"Bankruptcy"** shall be deleted and replaced with **"Sukuk Issuer"**.
- (n) References to **"Obligation"** in the definitions of **"Grace Period"**, **"Grace Period Business Day"**, **"Credit Event Resolution Request Date"**, **"DC Credit Event Announcement"**, **"DC No Credit Event Announcement"**, **"Publicly Available Information"**, **"Credit Event"**, **"Obligation Acceleration"**, **"Obligation Default"**, **"Repudiation/Moratorium"**, **"Restructuring"**, **"Default Requirement"**, **"Governmental Authority"**, **"Obligation Currency"**, **"Payment Requirement"** and Credit Linked Condition 8.3 shall be deemed to include a Recourse Obligation that relates to any Obligation that is a Sukuk Obligation (if any).
- (o) References to **"interest"** in the Credit Linked Conditions (insofar as they relate to interest on Obligations or Deliverable Obligations) shall be deemed to include distributions, profit or other similar amounts of an income nature or expected distributions, profit or other similar amounts of an income nature.

## Credit Linked Conditions

- (p) References to "**Bond**" in the definition of "**succeed**" at Credit Linked Condition 8.1(c) and the second paragraph of the "Interpretation of provisions" of the section entitled "Definitions and Interpretations applicable to the credit linked securities" and the definitions of "**Repudiation/Moratorium**", "**Repudiation/Moratorium Evaluation Date**", "**Potential Repudiation/Moratorium**", "**Repudiation/Moratorium Extension Condition**", "**Repudiation/Moratorium Extension Notice**" shall be deemed to include a Sukuk Obligation.
- (q) If the Reference Obligation is a Sukuk Obligation, the reference to "the Reference Obligation" in Credit Linked Condition 8.1(d)(iii) of the Credit Linked Conditions shall be deemed to be a reference to the related Recourse Obligation.
- (r) The definition of "**succeed**" at Credit Linked Condition 8.1(c) shall be amended such that the words "or (iii) enters into Replacement Recourse Obligations in relation to Replacement Sukuk Obligations that are exchanged for Sukuk Obligations' shall be added after the words "(or, as applicable, obligations)" at the end of the first sentence. For the purposes of the foregoing:
- (i) "**Replacement Sukuk Obligation**" means, in relation to an entity, any trust certificate or other instrument (a "**Replacement Sukuk Certificate**") evidencing a beneficial or other ownership interest in assets, rights, benefits or entitlements and which may be issued by such entity or another entity (in either case, the "**Replacement Sukuk Issuer**") where if such entity is not the Replacement Sukuk Issuer, the Replacement Sukuk Issuer (or any agent, delegate or trustee acting on its behalf) has recourse to such entity and/or to assets over which such entity has granted security in favour of the Replacement Sukuk Issuer (or any agent, delegate or trustee acting on its behalf) in order to fund payment obligations of the Replacement Sukuk Issuer under the Replacement Sukuk Certificates (whether such recourse is pursuant to (i) an obligation of such entity to purchase assets owned by the Replacement Sukuk Issuer or (ii) any other obligation of such entity, including as provider of any Replacement Recourse Guarantee (each such obligation, a "**Replacement Recourse Obligation**")); and
- (ii) "**Replacement Recourse Guarantee**" means an arrangement evidenced by a written instrument pursuant to which an entity irrevocably agrees (by guarantee of payment or equivalent legal arrangement) to pay all amounts due under an obligation for which another party is the obligor. Replacement Recourse Guarantees shall exclude any arrangement (a) structured as a surety bond, financial guarantee insurance policy, letter of credit or equivalent legal arrangement or (b) pursuant to the terms of which the payment obligations of the relevant entity can be discharged, reduced or otherwise altered or assigned (other than by operation of law) as a result of the occurrence or non-occurrence of an event or circumstance (other than payment).
- (s) The definition of "**Relevant Obligations**" shall be amended such that the words "or Recourse Obligations" shall be added immediately after the words "of the Reference Entity" in the first sentence of such definition.
- (t) The definition of "**Deliverable Obligation**" shall be amended such that (a) the words "or in respect of an Obligation that is a Sukuk Obligation where the Reference Entity is a Sovereign Reference Entity and is not the Sukuk Issuer" shall be added immediately after the words "to a Sovereign Reference Entity" in sub-paragraph (iii) of such definition and (b) the words "**Sukuk Issuer**" shall be added immediately after the words "of a Reference Entity" in sub-paragraph (iii) of such definition.
- (u) The definition of "**Sovereign Restructured Deliverable Obligation**" shall be amended such that the words "or if the Reference Entity is a Sovereign Reference Entity and is not the Sukuk Issuer, an Obligation that is a Sukuk Obligation" shall be added immediately after the words "of a Sovereign Reference Entity" in such definition.
- (v) The definition of "**Not Subordinated**" shall be deleted in its entirety and replaced with the following:

- (i) **"Not Subordinated"** means an obligation that is not Subordinated to (I) the most senior Reference Obligation in priority of payment that is an obligation of the Reference Entity or (II) if no Reference Obligation is an obligation of the Reference Entity but one or more Reference Obligations are Sukuk Obligations, (1) where such obligation is a Sukuk Obligation, the most senior Reference Obligation in priority of payment that is an obligation of the Sukuk Issuer and (2) where such obligation is a Recourse Obligation, the most senior Recourse Obligation in priority of payment relating to a Reference Obligation or (III) if no Reference Obligation is specified in the Final Terms, any unsubordinated Borrowed Money obligation of the Reference Entity or, if there are no such obligations, (1) where such obligation is a Sukuk Obligation any unsubordinated Borrowed Money obligation of the Sukuk Issuer and (2) where such obligation is a Recourse Obligation, any unsubordinated Recourse Obligation of the Reference Entity; provided that, if any of the events set forth under Credit Linked Condition 8.3 has occurred with respect to all of the Reference Obligations or if Credit Linked Condition 8.1(d) is applicable with respect to the Reference Obligation (each, in each case, a **"Prior Reference Obligation"**) and no Substitute Reference Obligation has been identified for any of the Prior Reference Obligations at the time of the determination of whether an obligation satisfies the **"Not Subordinated"** Obligation Characteristic or Deliverable Obligation Characteristic, as applicable, **"Not Subordinated"** shall mean an obligation that would not have been Subordinated to the most senior such Prior Reference Obligation in priority of payment or if such Prior Reference Obligation is a Sukuk Obligation, (1) where such obligation is a Sukuk Obligation, the most senior such Prior Reference Obligation in priority of payment and (2) where such obligation is a Recourse Obligation, the most senior Recourse Obligation in priority of payment relating to a Reference Obligation. For purposes of determining whether an obligation satisfies the **"Not Subordinated"** Obligation Characteristic or Deliverable Obligation Characteristic, the ranking in priority of payment of each Reference Obligation, each Prior Reference Obligation or each Recourse Obligation, as applicable, shall be determined as of the date as of which the relevant Reference Obligation, Prior Reference Obligation or Recourse Obligation, as applicable, was issued, incurred or entered into, and shall not reflect any change to such ranking in priority of payment after such date."
- (w) The definition of **"Substitute Reference Obligation"** shall be amended such that (a) the words "or a Sukuk Obligation" shall be added immediately after the words "any Qualifying Guarantee)" in first paragraph of such definition, (b) the words "or, where the Sukuk Issuer is not the Reference Entity, a Sukuk Obligation in respect of which the Sukuk Issuer no longer has recourse to the Reference Entity" shall be added immediately after the words "of a Reference Entity" in sub-paragraph (i) of such definition and (c) sub-paragraph (ii) of such definition shall be deleted in its entirety and replaced with the following:
- (i) "(ii) Any Substitute Reference Obligation or Substitute Reference Obligations shall be an Obligation that (i) ranks pari passu in priority of payment with the ranking in priority of payment of each of the Substitute Reference Obligation and such Reference Obligation (with the ranking in priority of payment of such Reference Obligation being determined as of the date on which such Reference Obligation was issued or incurred and not reflecting any change to such ranking in priority of payment after such date) or where such Substitute Reference Obligation is a Sukuk Obligation in respect of which the Sukuk Issuer is not the Reference Entity the related Recourse Obligation shall rank pari passu in priority of payment with the ranking in priority of payment of the Recourse Obligation relating to each of the Substitute Reference Obligation and the Reference Obligation (with the ranking in priority of payment of such Recourse Obligation being determined as of the date on which such Recourse Obligation was issued, incurred or entered into and not reflecting any change to such ranking in priority of payment after such date), (ii) preserves the economic equivalent, as closely as practicable as determined by the Determination Agent, of the delivery and payment obligations of the Issuer and (iii) is an obligation of the relevant Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the Final Terms, as provider of a Qualifying Guarantee) or an obligation of an entity that provides for recourse by such entity to the relevant

Reference Entity. The Substitute Reference Obligation or Substitute Reference Obligations identified by the Determination Agent shall, without further action, replace such Reference Obligation or Reference Obligations."

References to "**trustee**" in the definition of "**Publicly Available Information**" shall be deemed to include delegate.

- (x) The definition of "**Obligation Acceleration**" shall be amended such that the words "(aggregated for the Reference Entity and all related Sukuk Issuers but without double counting amounts in respect of the same Sukuk Obligation (whether such amounts are in respect of such Sukuk Obligation or related Recourse Obligation))" shall be added immediately after the words "aggregate amount" in such definition.
- (y) The definition of "**Obligation Default**" shall be amended such that the words "(aggregated for the Reference Entity and all related Sukuk Issuers but without double counting amounts in respect of the same Sukuk Obligation (whether such amounts are in respect of such Sukuk Obligation or related Recourse Obligation))" shall be added immediately after the words "aggregate amount" in such definition.
- (z) The definition of "**Repudiation/Moratorium**" shall be amended such that the words "(aggregated for the Reference Entity and all related Sukuk Issuers but without double counting amounts in respect of the same Sukuk Obligation (whether such amounts are in respect of such Sukuk Obligation or related Recourse Obligation))" shall be added immediately after the words "aggregate amount" wherever such words appear in such definition.
- (aa) The definition of "**Repudiation/Moratorium Extension Condition**" shall be amended such that the words "of the relevant Reference Entity" shall be deleted wherever such words appear after the word "Obligation" in such definition.
- (bb) The definition of "**Restructuring**" shall be amended such that the words "(aggregated for the Reference Entity and all related Sukuk Issuers but without double counting amounts in respect of the same Sukuk Obligation (whether such amounts are in respect of such Sukuk Obligation or related Recourse Obligation))" shall be added immediately after the words "aggregate amount" in such definition.
- (cc) The definition of "**Restructuring**" shall be amended such that the words "(which expression, in the case of a Recourse Obligation, means all holders of the Sukuk Certificates to which such Recourse Obligation is referable)" shall be added after the words "holders of such Obligation" and "holders of the Obligation" wherever such words appear in such definition.
- (dd) References to "principal" in sub-paragraphs (b) and (c) of the definition of "**Restructuring**" shall be deemed to include distributions or expected distributions of any type (other than distributions or profit of an income nature).
- (ee) References to "maturity" and "scheduled redemption dates" in sub-paragraph (b) of the definition of "**Restructuring**" shall be deemed to include any date for the payment of such distributions or on any date of dissolution.

#### 9.5 **Russian Federation as Reference Entity**

Where the Reference Entity is the Russian Federation, any obligation that is an IAN, MinFin or PRIN, as determined by the Determination Agent, shall be an Obligation or a Deliverable Obligation.

"**IAN**" means floating rate interest notes due 2002 and 2015 issued by Vnesheconombank of the USSR pursuant to the Restructuring Agreement and an Exchange Agreement dated 6 October 1997 among Vnesheconombank of the USSR, the Closing Agent and Participating Creditors named therein.

"**MinFin**" (also known as "**OVVZs**" or "**Taiga**" bonds) means Internal Government Hard Currency Bonds issued by the Ministry of Finance of the Russian Federation representing (i)

restructured debt of the former USSR (Series II, III, IV, V and VIII) or (ii) debt of the Russian Federation issued in 1996 (Series VI and VII).

"**PRIN**" means Vnesheconombank's loans arising under a Restructuring Agreement and an Exchange Agreement dated 6 October 1997 among Vnesheconombank of the USSR, the Closing Agent and Participating Creditors named therein.

## 9.6 **Monoline Insurer as Reference Entity**

Where "**Monoline Provisions**" is specified to be applicable with respect to any Reference Entity in the Final Terms, the following amendments shall be made to the Credit Linked Conditions.

### 9.6.1 **Additional Definitions**

"**Qualifying Policy**" means a financial guarantee insurance policy or similar financial guarantee pursuant to which a Reference Entity irrevocably guarantees or insures all Instrument Payments (as defined below) of an instrument that constitutes Borrowed Money (modified as set forth below) (the "**Insured Instrument**") for which another party (including a special purpose entity or trust) is the obligor (the "**Insured Obligor**"). Qualifying Policies shall exclude any arrangement (i) structured as a surety bond, letter of credit or equivalent legal arrangement or (ii) pursuant to the express contractual terms of which the payment obligations of the Reference Entity can be discharged or reduced as a result of the occurrence or non-occurrence of an event or circumstance (other than the payment of Instrument Payments). The benefit of a Qualifying Policy must be capable of being Delivered together with the Delivery of the Insured Instrument.

"**Instrument Payments**" means (i) in the case of any Insured Instrument that is in the form of a pass-through certificate or similar funded beneficial interest, (a) the specified periodic distributions in respect of interest or other return on the Certificate Balance on or prior to the ultimate distribution of the Certificate Balance and (b) the ultimate distribution of the Certificate Balance on or prior to a specified date and (ii) in the case of any other Insured Instrument, the scheduled payments of principal and interest, in the case of both (i) and (ii), (I) determined without regard to limited recourse or reduction provisions of the type described in Credit Linked Condition 9.6.4 below and (II) excluding sums in respect of default interest, indemnities, tax gross-ups, make-whole amounts, early redemption premiums and other similar amounts (whether or not guaranteed or insured by the Qualifying Policy).

"**Certificate Balance**" means, in the case of an Insured Instrument that is in the form of a pass-through certificate or similar funded beneficial interest, the unit principal balance, certificate balance or similar measure of unreimbursed principal investment.

9.6.2 The definitions of "**Obligation**" and "**Deliverable Obligation**" are amended by adding "or Qualifying Policy" after "or as provider of a Qualifying Affiliate Guarantee".

9.6.3 In the event that an Obligation or a Deliverable Obligation is a Qualifying Policy, the terms of the definition thereof will apply, with references to the "**Qualifying Guarantee**", the "Underlying Obligation" and the "**Underlying Obligor**" deemed to include the Qualifying Policy, the Insured Instrument and the Insured Obligor, respectively, except that:

(ii) the Obligation Category Borrowed Money and the Obligation Category and Deliverable Obligation Category Bond shall be deemed to include distributions payable under an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the Deliverable Obligation Category Bond shall be deemed to include such an Insured Instrument, and the terms "obligation" and "obligor" as used in these Credit Linked Conditions in respect of such an Insured Instrument shall be construed accordingly;

(iii) references in the definitions of "Assignable Loan" and "Consent Required Loan" to the "guarantor" and "guaranteeing" shall be deemed to include the insurer and insuring, respectively;

## Credit Linked Conditions

- (iv) neither the Qualifying Policy nor the Insured Instrument must satisfy on the relevant date the Deliverable Obligation Characteristic of Accelerated or Matured, whether or not that characteristic is otherwise specified as applicable in the Final Terms;
  - (v) if the "Assignable Loan", "Consent Required Loan", "Direct Loan Participation" or "Transferable" Deliverable Obligation Characteristics are specified in the Final Terms and if the benefit of the Qualifying Policy is not transferred as part of any transfer of the Insured Instrument, the Qualifying Policy must be transferable at least to the same extent as the Insured Instrument;
  - (vi) with respect to an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the term "outstanding principal balance" shall mean the outstanding Certificate Balance and "maturity", as such term is used in the Maximum Maturity Deliverable Obligation Characteristic, shall mean the specified date by which the Qualifying Policy guarantees or insures, as applicable, that the ultimate distribution of the Certificate Balance will occur; and
  - (vii) for purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, only the Qualifying Guarantee must satisfy on the relevant date the Obligation Characteristic or the Deliverable Obligation Characteristic of "Not Subordinated".
- 9.6.4 Not Contingent. An Insured Instrument will not be regarded as failing to satisfy the Not Contingent Deliverable Obligation Characteristic solely because such Insured Instrument is subject to provisions limiting recourse in respect of such Insured Instrument to the proceeds of specified assets (including proceeds subject to a priority of payments) or reducing the amount of any Instrument Payments owing under such Insured Instrument, provided that such provisions are not applicable to the Qualifying Policy by the terms thereof and the Qualifying Policy continues to guarantee or insure, as applicable, the Instrument Payments that would have been required to be made absent any such limitation or reduction.
- 9.6.5 Not Contingent. An Insured Instrument will not be regarded as failing to satisfy the Not Contingent Deliverable Obligation Characteristic solely because such Insured Instrument is subject to provisions limiting recourse in respect of such Insured Instrument to the proceeds of specified assets (including proceeds subject to a priority of payments) or reducing the amount of any Instrument Payments owing under such Insured Instrument, provided that such provisions are not applicable to the Qualifying Policy by the terms thereof and the Qualifying Policy continues to guarantee or insure, as applicable, the Instrument Payments that would have been required to be made absent any such limitation or reduction.
- 9.6.6 "**Deliver**", with respect to an obligation that is a Qualifying Policy, means to Deliver both the Insured Instrument and the benefit of the Qualifying Policy (or a custodial receipt issued by an internationally recognised custodian representing an interest in such an Insured Instrument and the related Qualifying Policy), and "Delivery" and "Delivered" will be construed accordingly.
- 9.6.7 Provisions for Determining a Successor. Credit Linked Condition 8.3(c)(II) is hereby amended by adding "or insurer" after "or guarantor".
- 9.6.8 Substitute Reference Obligation. Credit Linked Condition 8.3 is hereby amended by adding "or Qualifying Policy" after "or as provider of a Qualifying Affiliate Guarantee" in the definition of "Substitute Reference Obligation" and paragraph (ii) thereof. For purposes of Credit Linked Condition 8.3(a), (b) the section entitled "Definitions and Interpretations applicable to the Credit Linked Securities", references to the "Qualifying Guarantee" and the "Underlying Obligation" shall be deemed to include the Qualifying Policy and the Insured Instrument, respectively.
- 9.6.9 Restructuring
- With respect to an Insured Instrument that is in the form of a pass-through certificate or similar funded beneficial interest or a Qualifying Policy with respect thereto, paragraphs (i) to (v) of the definition of "Restructuring" is hereby amended to read as follows:

- (i) a reduction in the rate or amount of the Instrument Payments described in paragraph (i)(a) of the definition thereof that are guaranteed or insured by the Qualifying Policy;
  - (ii) a reduction in the amount of the Instrument Payments described in paragraph (i)(b) of the definition thereof that are guaranteed or insured by the Qualifying Policy;
  - (iii) a postponement or other deferral of a date or dates for either (1) the payment or accrual of the Instrument Payments described in paragraph (i)(a) of the definition thereof or (2) the payment of the Instrument Payments described in paragraph (i)(b) of the definition thereof, in each case that are guaranteed or insured by the Qualifying Policy;
  - (iv) a change in the ranking in priority of payment of (1) any Obligation under a Qualifying Policy in respect of Instrument Payments, causing the Subordination of such Obligation to any other Obligation or (2) any Instrument Payments, causing the Subordination of such Insured Instrument to any other instrument in the form of a pass-through certificate or similar funded beneficial interest issued by the Insured Obligor, it being understood that, for this purpose, "Subordination" will be deemed to include any such change that results in a lower ranking under a priority of payments provision applicable to the relevant Instrument Payments; or
  - (v) any change in the currency or composition of any payment of Instrument Payments that are guaranteed or insured by the Qualifying Policy to any currency which is not a Permitted Currency.
- (b) Paragraph (d) of the definition of "**Restructuring**" shall be amended by adding "or, in the case of Qualifying Policy and an Insured Instrument, where (A) the Qualifying Policy continues to guarantee or insure, as applicable, that the same Instrument Payments will be made on the same dates on which the Qualifying Policy guaranteed or insured that such Instrument Payments would be made prior to such event and (B) such event is not a change in the ranking in the priority of payment of the Qualifying Policy" after "**Reference Entity**".
- (c) For purposes of the definition of "**Restructuring**", the term "**Obligation**" shall be deemed to include Insured Instruments for which the Reference Entity is acting as provider of a Qualifying Policy. In the case of a Qualifying Policy and an Insured Instrument, references to the "**Reference Entity**" in the first paragraph of the definition shall be deemed to refer to the Insured Obligor and the reference to the "**Reference Entity**" in the second paragraph thereof shall continue to refer to the Reference Entity.
- (d) In the event that a Fully Transferable Obligation or Conditionally Transferable Obligation is a Qualifying Policy, the Insured Instrument must meet the requirements of the relevant definition and, if the benefit of the Qualifying Policy is not transferred as part of any transfer of the Insured Instrument, the Qualifying Policy must be transferable at least to the same extent as the Insured Instrument. References in the definition of "Conditionally Transferable Obligation" to the "guarantor" and "guaranteeing" shall be deemed to include the insurer and insuring, respectively. With respect to an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the term "final maturity date", as such term is used in Credit Linked Conditions 9.1 and 9.4 and the definition of "Restructuring Maturity Limitation Date", shall mean the specified date by which the Qualifying Policy guarantees or insures, as applicable, that the ultimate distribution of the Certificate Balance will occur.
- (e) For purposes of paragraph (a)(ii) of the definition of "**Deliverable Obligation**", and Part C(4) and Part C(7) of this Credit Linked Annex, references to the "**Underlying Obligation**" and the "**Underlying Obligor**" shall be deemed to include Insured Instruments and the Insured Obligor, respectively. Any transfer or similar fee reasonably incurred by the Issuer in connection with the Delivery of a Qualifying Policy and payable to the Reference Entity shall be part of the Settlement Expenses.

#### 10. **REDEMPTION FOLLOWING A MERGER EVENT**

If this Credit Linked Condition 10 is specified as applicable in the Final Terms, in the event that in the determination of the Determination Agent a Merger Event has occurred, the Issuer may give notice to the Holders in accordance with General Condition 14 (*Notices*), and

redeem or cancel, as applicable, all but not less than all of the Securities on a date selected by the Issuer and not later than 30 calendar days following the effective date of such notice at the Early Cash Settlement Amount.

**11. REPRESENTATIONS**

By its holding of a Security, each Holder is deemed to acknowledge and agree that:

- (a) none of the Issuer, the Manager or any of their Affiliates has made any representation whatsoever with respect to any Reference Entity, any Reference Obligation, any Obligation, any Deliverable Obligation, any Underlying Obligor or any Underlying Obligation on which it is relying or is entitled to rely;
- (b) the Issuer will be entitled to perform its obligations under the Securities in accordance with the relevant CLS Settlement Method applicable to such Securities, irrespective of the existence or amount of the Issuer's credit exposure to a Reference Entity, and the Issuer need not suffer any loss nor provide evidence of any loss as a result of the occurrence of a Relevant Credit Event;
- (c) the Securities do not create any rights or impose any obligations in respect of any entity that is not the Issuer;
- (d) the Issuer, the Determination Agent and each of their Affiliates may deal in each Reference Obligation, Obligation, Deliverable Obligation or Underlying Obligation and may, where permitted, accept deposits from or make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business with, a Reference Entity, any Affiliate of a Reference Entity, any Underlying Obligor or any other person or entity having obligations relating to a Reference Entity or any Underlying Obligor, and may act with respect to such business in the same manner as each of them would if the Securities did not exist, regardless of whether any such action might have an adverse effect on a Reference Entity, any Underlying Obligor or the position of the Holders or otherwise (including, without limitation, any action which might constitute or give rise to a Credit Event); and
- (e) the Issuer, the Determination Agent and each of their Affiliates may, whether by virtue of the types of relationship described herein or otherwise, on the Trade Date or at any time thereafter, be in possession of information in relation to a Reference Entity or any Underlying Obligor that is or may be material in the context of such Securities and that may or may not be publicly available or known to the Holders, and the Securities do not create any obligation on the part of such entity to disclose to the Holders any such relationship or information (whether or not confidential).

With respect to the Credit Derivatives Determinations Committees, each Holder is deemed to agree:

- (i) that no DC Party and no legal counsel or other third-party professional hired by a DC Party in connection with such DC Party's performance of its respective duties under the CDDC Rules and/or any Credit Derivatives Auction Settlement Terms, as applicable, shall be liable, whether for negligence or otherwise, to the Issuer or any Holder for any form of damages, whether direct, indirect, special, consequential or otherwise, that might arise in connection with such DC Party's performance of its duties, or any advice given by legal counsel or any other third-party professional hired by such DC Party in connection with such DC Party's performance of its respective duties, under the CDDC Rules and/or any Credit Derivatives Auction Settlement Terms, as applicable, except in the case of fraud or wilful misconduct on the part of such DC Party, legal counsel or other third-party professional, as applicable; provided that, notwithstanding the foregoing, legal counsel or any other third-party professional hired by a DC Party in connection with such DC Party's performance of its duties under the CDDC Rules and/or any Credit Derivatives Auction Settlement Terms, as applicable, may be still be liable to such DC Party;
- (ii) to waive any claim, whether for negligence or otherwise, that may arise against a DC Party and any legal counsel or other third-party professional hired by such DC Party in



connection with such DC Party's performance of its duties under the CDDC Rules, except in the case of fraud or wilful misconduct on the part of such DC Party, legal counsel or other third-party professional, as applicable; provided that, notwithstanding the foregoing, legal counsel or any other third-party professional hired by a DC Party in connection with such DC Party's performance of its duties under the CDDC Rules and/or any Credit Derivatives Auction Settlement Terms, as applicable, may be still be liable to such DC Party;

- (iii) any DC Resolution of the relevant Credit Derivatives Determinations Committee that is applicable to the Securities as determined by the Determination Agent shall be binding on it:
  - (A) until such time as ISDA publicly announces that such DC Resolution has been reversed by a subsequent DC Resolution of the relevant Credit Derivatives Determinations Committee, if any, (subject to Credit Linked Condition 11(b)(II) below); and/or
  - (B) unless the effect of such DC Resolution would reverse a prior DC Resolution of the relevant Credit Derivatives Determinations Committee, any prior determination by the Determination Agent or any determination that a Relevant Event Determination Date has occurred, as applicable:
    - (1) that has resulted in the identification of one or more Successors;
    - (2) that has resulted in the identification of one or more Substitute Reference Obligations; or
    - (3) that has resulted in the occurrence of an Auction Final Price Determination Date or Physical Settlement Date, as applicable, or to the extent that a Valuation Date or Delivery Date, as applicable, has occurred, in each case, on or prior to the date that ISDA publicly announces such DC Resolution of the relevant Credit Derivatives Determinations Committee);
  - (C) notwithstanding the fact that:
    - (1) these Credit Linked Conditions may require such determination to be made by the Determination Agent; or
    - (2) in order to reach such DC Resolution, the relevant Credit Derivatives Determinations Committee may be required to Resolve one or more factual matters before being able to reach such DC Resolution; and
    - (3) notwithstanding any actual or perceived conflict of interest on the part of a DC Party, legal counsel or other third-party professional hired by such DC Party in connection with such DC Party's performance of its duties under the CDDC Rules;
    - (4) that no DC Party is (A) under any obligation to research, investigate, supplement, or verify the veracity of any information on which the relevant Credit Derivatives Determinations Committee bases its decision and (B) acting as a fiduciary for, or as an adviser to, any Holder in connection with the relevant Securities; and
    - (5) that, in reaching any DC Resolution that is applicable to such Securities, the relevant Credit Derivatives Determinations Committee shall be under no requirement to consult with, or individually notify, any Holder, notwithstanding any provision of these Credit Linked Conditions to the contrary.

Each Holder shall be deemed to acknowledge the disclaimers set out in Section 5.1(B) of the CDDC Rules on the Trade Date. A copy of the CDDC Rules is available at [www.isda.org/credit](http://www.isda.org/credit) (or any successor page thereto).

**12. ADDITIONAL DISRUPTION EVENTS**

For the avoidance of doubt, if an Additional Disruption Event occurs at any time prior to the redemption of the Securities (including after the occurrence of a Relevant Event Determination Date), the Securities may be redeemed at the Early Cash Settlement Amount pursuant to 6.2 (Early Redemption or Adjustment following the occurrence of an Additional Disruption Event) instead of at the Credit Event Redemption Amount pursuant to Credit Linked Condition 3 (Redemption of Cash Settled CLSs).

**13. AMENDMENT TO CONDITION (TAXATION)**

Notwithstanding anything to the contrary in the General Conditions (including, without limitation, Condition 10 thereof) or these Credit Linked Conditions, except as otherwise specified in the Final Terms, the Issuer will not be liable for or otherwise obliged to pay any Taxes which may arise as a result of the ownership, transfer, presentation and surrender for payment or enforcement of any Securities and all payments in respect of the Securities shall be made subject to any withholding or deduction for, any present or future Taxes of whatever nature which may be required to be made, paid, withheld or deducted. The Issuer is not obliged to redeem the Securities early as a result of, or make any additional payments to Holders in respect of, any amount so withheld or deducted.

**14. PHYSICAL SETTLEMENT MATRIX**

Where a Transaction Type is specified in the Final Terms in respect of any Reference Entity, the provisions of such Final Terms shall apply with respect to such Reference Entity, in accordance with the Physical Settlement Matrix as it applies to such Transaction Type, as though such Physical Settlement Matrix were set out in full in such Final Terms.

**15. CHANGE IN STANDARD TERMS AND MARKET CONVENTION**

The Determination Agent may from time to time amend any provision of these Credit Linked Conditions or the Securities to incorporate and/or reflect further or alternative documents from time to time published by ISDA with respect to the settlement of credit derivative transactions and/or the operation or application of determinations by the ISDA Credit Derivatives Determinations Committees which the Determination Agent (and, if applicable, the Issuer) determine in a commercially reasonable manner are necessary to reflect market practice for credit derivative transactions. The Final Terms may be amended and restated from time to time to reflect such changes in market convention without the consent of the Holders and the Holders are deemed to agree to this provision by the purchase of the Securities.

## DEFINITIONS AND INTERPRETATIONS APPLICABLE TO SECURITIES

### 1. CERTAIN GENERAL DEFINITIONS RELATING TO THE SECURITIES

**"2005 Matrix Supplement"** means the supplement to the 2003 ISDA Credit Derivatives Definitions published on 7 March 2005 and available at [www.isda.org](http://www.isda.org) (or any successor page thereto).

**"Additional Business Centre"** means New York and any other city specified in the Final Terms.

**"Cash Settled CLSs"** means either:

- (a) Securities in respect of which the CLS Settlement Method is specified as "Cash Settlement" or "Auction Settlement" in the Final Terms; or
- (b) Securities in respect of which the Issuer CLS Settlement Option has been designated as applicable in the Final Terms and in respect of which the CLS Settlement Method has been selected by the Issuer upon the occurrence of a Relevant Event Determination Date to be "Cash Settlement".

**"Credit Derivatives Determinations Committees"** means the committees established by ISDA for purposes of reaching certain DC Resolutions in connection with credit derivative transactions, as more fully described in the Credit Derivatives Determinations Committees Rules, as amended from time to time in accordance with the terms thereof (the **"CDDC Rules"**). A copy of the Rules is available at [www.isda.org/credit](http://www.isda.org/credit) (or any successor page thereto).

**"Credit Event Redemption Amount"** means, in respect of each Security, an amount equal to the CLS Cash Settlement Amount minus such Security's pro rata share of the Settlement Expenses and Swap Costs, subject to a minimum of zero.

**"DC Party"** has the meaning given to that term in the CDDC Rules.

**"DC Resolution"** has the meaning given to that term in the CDDC Rules.

**"Determination Agent City"** means the city specified as such in the Final Terms or, if a city is not so specified:

- (a) in respect of a Reference Entity the Transaction Type of which is North American Corporate, Standard North American Corporate, Latin America Corporate B, Latin America Corporate BL, Latin America Sovereign or North American Sovereign, New York;
- (b) in respect of a Reference Entity the Transaction Type of which is Australia Corporate, New Zealand Corporate, Singapore Corporate, Asia Corporate, Asia Sovereign, Australia Sovereign, New Zealand Sovereign, Singapore Sovereign, Singapore;
- (c) in respect of a Reference Entity the Transaction type of which is Japan Corporate or Japan Sovereign, Tokyo; and
- (d) in respect of any other Reference Entity, London.

**"Determination Agent City Business Day"** means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the Determination Agent City.

**"Interest Expiration Date"** means the earlier to occur of the day prior to (a) the Scheduled Redemption Date and (b) if **"Credit Event Accrued Interest"** is specified as not applicable in the Final Terms, the Interest Payment Date (or Issue Date where no Interest Payment Date has occurred) occurring on or immediately preceding the Relevant Event Determination Date or (c) otherwise, the Relevant Event Determination Date.

**"Merger Event"** means that at any time during the period from (and including) the Trade Date to (but excluding) the Scheduled Redemption Date, the Issuer and a Reference Entity (any such entity the **"Mergor"**) consolidates or amalgamates with, or merges into, or transfers all or substantially of its assets to (i) where the Mergor is the Issuer, a Reference Entity or (ii) where the Mergor is a Reference Entity or the Issuer or the Issuer and the Reference Entity become Affiliates.

**"Physically Delivered CLSs"** means either:

- (a) Securities in respect of which the CLS Settlement Method is specified as "Physical Settlement" in the Final Terms and in respect of which settlement occurs by way of Delivery of the Deliverable Obligations Portfolio; or
- (b) Securities in respect of which the Issuer CLS Settlement Option has been designated as applicable in Final Terms and in respect of which the CLS Settlement Method has been selected by the Issuer upon the occurrence of a Relevant Event Determination Date to be "Physical Settlement".

**"Physical Settlement Matrix"** means the Credit Derivatives Physical Settlement Matrix Supplement to the Credit Derivatives Definitions as most recently amended or supplemented as at the Trade Date (unless otherwise specified in the Final Terms) and as published by ISDA, currently at <http://www.isda.org>, provided that any reference therein to (a) "confirmation" shall be deemed to be a reference to the Final Terms; (b) "Floating Rate Payer Calculation Amount" shall be deemed to be a reference to the Specified Currency; (c) "Section 3.3 of the Definitions" shall be deemed to be a reference to "Credit Event Notice"; (d) "Section 3.9" shall be deemed to be a reference to Credit Linked Condition 1.3 (*Credit Event Notice after a Restructuring*) and (e) "Section 8.6" shall be deemed to be a reference to "Physical Settlement Period".

**"Resolve"** has the meaning given to that term in the CDDC Rules, and **"Resolved"** and **"Resolves"** shall be interpreted accordingly.

**"Swap Costs"** means an amount determined by the Determination Agent in its sole and absolute discretion equal to any loss or costs incurred (or expected to be incurred) by or on behalf of the Issuer as a result of its terminating, liquidating, obtaining or re-establishing any hedge, term deposits, related trading position or funding arrangements entered into by it (including with its internal treasury function) in connection with the Securities.

**"Term"** means the period commencing on and including the Trade Date of the Securities and ending on and including the Scheduled Redemption Date (or, if applicable, Deferred Redemption Date) of the Securities.

**"Transaction Type"** means the transaction type specified in the Final Terms.

## **Timing**

### *Time Zones*

Any reference in these Credit Linked Conditions to an event occurring on or prior to a date shall be determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time).

### *Settlement Suspension*

If, following the determination of a Relevant Event Determination Date in accordance with the definition thereof but prior to the Physical Settlement Date or, to the extent applicable, a CLS Valuation Date, ISDA publicly announces that the Conditions to convening a Credit Derivatives Determinations Committee in respect of the relevant Reference Entity are satisfied in accordance with the CDDC Rules, all timing requirements in these Credit Linked Conditions that pertain to settlement shall toll and remain suspended until such time as ISDA subsequently publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved (a) whether or not a Credit Event has occurred or (b) not to determine such matters. During such suspension period, the Issuer is not obliged to take any action in connection with the settlement of such Credit Event or the redemption, if any, of the Securities. Once ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved (i) such matters or (ii) not to determine such matters, the relevant timing requirements that pertain to settlement that have previously tolled or been suspended shall resume on the Business Day following such public announcement by ISDA, with the Issuer having the benefit of the full day, notwithstanding when the tolling or suspension began.

## 2. REFERENCE ENTITIES AND OBLIGATIONS

**"Deliverable Obligation"** means, subject to Credit Linked Condition 9:

- (a) any obligation of a Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if "All Guarantees" is specified as applicable in the Final Terms, as provider of any Qualifying Guarantee) determined pursuant to the method described in these Credit Linked Conditions (but excluding any Excluded Deliverable Obligation) that (i) is payable in an amount equal to its outstanding principal balance or Due and Payable Amount, as applicable, (ii) is not subject to any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in Section 5 below) or right of set-off by or of a Reference Entity or any applicable Underlying Obligor and (iii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Delivery Date, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the outstanding principal balance or Due and Payable Amount being Delivered apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement;
- (b) subject to the second paragraph of Section 3 below, each Specified Reference Obligation described in the Final Terms, unless specified in the Final Terms as an Excluded Deliverable Obligation;
- (c) solely in relation to a Restructuring Credit Event applicable to a Sovereign Reference Entity, any Sovereign Restructured Deliverable Obligation (but excluding any Excluded Deliverable Obligation) that (i) is payable in an amount equal to its outstanding principal balance or Due and Payable Amount, as applicable, (ii) is not subject to any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in Section 5 below) or right of set-off by or of a Reference Entity or, as applicable, an Underlying Obligor and (iii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Delivery Date, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the outstanding principal balance or Due and Payable Amount being Delivered apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement; and
- (d) any other obligation of a Reference Entity specified as such in the Final Terms.

**"Excluded Deliverable Obligation"** means any obligation of a Reference Entity specified as such or of a type described in the Final Terms.

**"Excluded Obligation"** means any obligation of a Reference Entity specified as such or of a type described in the Final Terms.

**"Obligation"** means (a) any obligation of a Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if "All Guarantees" is specified as applicable in the Final Terms, as provider of any Qualifying Guarantee) determined pursuant to the method described in "Method for determining Obligations" under Section 3 below (but excluding any Excluded Obligation), (b) each Reference Obligation, unless specified in the Final Terms as an Excluded Obligation, and (c) any other obligation of a Reference Entity specified as such in the Final Terms.

**"Reference Entity"** means the entity or entities specified as such in the Final Terms. Any Successor to a Reference Entity either (a) identified by the Determination Agent pursuant to Credit Linked Condition 8.1 or 8.2 on or following the Trade Date or (b) in respect of which ISDA publicly announces on or following the Trade Date that the relevant Credit Derivatives Determinations Committee has Resolved, in respect of a Succession Event Resolution Request Date, a Successor in accordance with the CDDC Rules shall, in each case, be the Reference Entity.

**"Reference Obligation"** means, in respect of a Reference Entity and subject to the Final Terms:

- (a) for the purposes of "Terms relating to Cash Settlement or Physical Settlement", an obligation of the Reference Entity satisfying the definition of Deliverable Obligation in accordance with these Credit Linked Conditions as selected by the Issuer in its sole discretion; and
- (b) for all other purposes (including the determination of Subordination), the Specified Reference Obligation described in the Final Terms (if any are so specified or described) and any Substitute Reference Obligation identified in accordance with Credit Linked Condition 8.3.

**"Reference Portfolio"** means the Reference Entity and Reference Obligation or the portfolio of Reference Entities and Reference Obligations, as the case may be, specified in the Final Terms, as the same may be amended from time to time in accordance with the provisions of the Credit Linked Conditions and the Final Terms.

**"Sovereign Restructured Deliverable Obligation"** means an Obligation of a Sovereign Reference Entity (a) in respect of which a Restructuring that is the subject of the relevant Credit Event Notice has occurred and (b) described by the Deliverable Obligation Category specified in the Final Terms and, subject to Section 3 below, having each of the Deliverable Obligation Characteristics, if any, specified in the Final Terms, in each case immediately preceding the date on which such Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring, without regard to whether the Obligation would satisfy such Deliverable Obligation Category or Deliverable Obligation Characteristics after such Restructuring.

### 3. METHOD FOR DETERMINING OBLIGATIONS AND DELIVERABLE OBLIGATIONS

#### *Method for determining Obligations*

For purposes of this Section 3, the term **"Obligation"** means each obligation of each Reference Entity described by the Obligation Category specified in the Final Terms and having each of the Obligation Characteristics, if any, specified in the Final Terms, in each case as at the date of the event which constitutes the Credit Event which is the subject of either the Credit Event Notice or as at the Credit Event Resolution Request Date, as applicable. The following terms shall have the following meanings:

**"Obligation Category"** means Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan, only one of which shall be specified in the Final Terms.

**"Payment"** means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money, including, without limitation, Borrowed Money.

**"Borrowed Money"** means any obligation (excluding an obligation under a revolving credit arrangement for which there are no outstanding, unpaid drawings in respect of principal) for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit).

**"Reference Obligations Only"** means any obligation that is a Reference Obligation and no Obligation Characteristics shall be applicable to Reference Obligations Only.

**"Bond"** means any obligation of a type included in the "Borrowed Money" Obligation Category that is in the form of, or represented by, a bond, note (other than notes delivered pursuant to Loans), certificated debt security or other debt security and shall not include any other type of Borrowed Money.

**"Loan"** means any obligation of a type included in the "Borrowed Money" Obligation Category that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement and shall not include any other type of Borrowed Money.

**"Bond or Loan"** means any obligation that is either a Bond or a Loan.

**"Obligation Characteristics"** means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed and Not Domestic Issuance.

**"Not Subordinated"** means an obligation that is not Subordinated to (a) the most senior Reference Obligation in priority of payment or (b) if no Specified Reference Obligation is specified in the Final Terms, any unsubordinated Borrowed Money obligation of the Reference Entity; provided that, if any of the events set forth under Credit Linked Condition 8.3 has occurred with respect to all of the Reference Obligations or if Credit Linked Condition 8.1(d) is applicable with respect to the Reference Obligation (each, in each case, a **"Prior Reference Obligation"**) and no Substitute Reference Obligation has been identified for any of the Prior Reference Obligations at the time of the determination of whether an obligation satisfies the "Not Subordinated" Obligation Characteristic or "Deliverable" Obligation Characteristic, as applicable, "Not Subordinated" shall mean an obligation that would not have been Subordinated to the most senior such Prior Reference Obligation in priority of payment. For purposes of determining whether an obligation satisfies the "Not Subordinated" Obligation Characteristic or "Deliverable" Obligation Characteristic, the ranking in priority of payment of each Reference Obligation or each Prior Reference Obligation, as applicable, shall be determined as at the date as at which the relevant Reference Obligation or Prior Reference Obligation, as applicable, was issued or incurred, and shall not reflect any change to such ranking in priority of payment after such date.

**"Subordination"** means, with respect to an obligation (the **"Subordinated Obligation"**) and another obligation of the Reference Entity to which such obligation is being compared (the **"Senior Obligation"**), a contractual, trust or similar arrangement providing that (a) upon the liquidation, dissolution, reorganisation or winding-up of the Reference Entity, claims of the holders of the Senior Obligation will be satisfied prior to the claims of the holders of the Subordinated Obligation or (b) the holders of the Subordinated Obligation will not be entitled to receive or retain payments in respect of their claims against the Reference Entity at any time that the Reference Entity is in payment arrears or is otherwise in default under the Senior Obligation. "Subordinated" will be construed accordingly. For purposes of determining whether Subordination exists or whether an obligation is Subordinated with respect to another obligation to which it is being compared, the existence of preferred creditors arising by operation of law or of collateral, credit support or other credit enhancement arrangements shall not be taken into account, except that, notwithstanding the foregoing, priorities arising by operation of law shall be taken into account where the Reference Entity is a Sovereign.

**"Specified Currency"** means an obligation that is payable in the currency or currencies specified as such in the Final Terms (or, if "Specified Currency" is specified in the Final Terms and no currency is so specified, any of the lawful currencies of Canada, Japan, Switzerland, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies, which currencies shall be referred to collectively in the Final Terms as the **"Standard Specified Currencies"**).

**"Not Sovereign Lender"** means any obligation that is not primarily owed to a Sovereign or Supranational Organisation, including, without limitation, obligations generally referred to as "Paris Club debt".

**"Not Domestic Currency"** means any obligation that is payable in any currency other than the Domestic Currency.

**"Not Domestic Law"** means any obligation that is not governed by the laws of (a) the relevant Reference Entity, if such Reference Entity is a Sovereign, or (b) the jurisdiction of organisation of the relevant Reference Entity, if such Reference Entity is not a Sovereign.

**"Listed"** means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange.

**"Not Domestic Issuance"** means any obligation other than an obligation that was, at the time the relevant obligation was issued (or reissued, as the case may be) or incurred, intended to be offered for sale primarily in the domestic market of the relevant Reference Entity. Any obligation that is registered or qualified for sale outside the domestic market of the relevant Reference Entity (regardless of whether such obligation is also registered or qualified for sale within the domestic market of the relevant Reference Entity) shall be deemed not to be intended for sale primarily in the domestic market of the Reference Entity.

***Method for determining Deliverable Obligations***

**"Deliverable Obligation"** may be defined as each obligation of each Reference Entity described by the Deliverable Obligation Category specified in the Final Terms and, subject to "Method for determining Obligations" above, having each of the Deliverable Obligation Characteristics, if any, specified in the Final Terms, in each case as at the Delivery Date. The following terms shall have the following meanings:

**"Deliverable Obligation Category"** means one of Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, and Bond or Loan, except that no Deliverable Obligation Characteristics shall be applicable where "Reference Obligations Only" applies.

**"Deliverable Obligation Characteristics"** means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed, Not Contingent, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer.

If an obligation would have been capable of being specified as a "Deliverable Obligation" immediately prior to a Credit Event in respect of a Reference Entity, such obligation (as in effect after such Credit Event) shall continue to be able to constitute a Deliverable Obligation after the occurrence of such Credit Event. If it is not possible or reasonably practicable to specify any Obligation as a Deliverable Obligation of the Reference Entity because there is or will be no Deliverable Obligation in existence at any time, the Issuer may, if applicable, designate by notice (which may be by telephone) to the Issue and Paying Agent one or more bonds, loans, instruments, certificates or other obligations (an **"Exchanged Obligation"**) which have been or will be issued in exchange, whether pursuant to a mandatory or voluntary exchange (an **"Obligation Exchange"**), for one or more bonds, loans, instruments, certificates or obligations of the Reference Entity that would have been capable of being specified as a Deliverable Obligation immediately prior to the occurrence of the Relevant Credit Event of the Reference Entity, provided that failure to deliver such notice shall not affect the effectiveness of such designation.

**"Not Contingent"** means any obligation having as at the Delivery Date and all times thereafter an outstanding principal balance or, in the case of obligations that are not Borrowed Money, a Due and Payable Amount that pursuant to the terms of such obligation may not be reduced as a result of the occurrence or non-occurrence of an event or circumstance (other than payment). A Convertible Obligation, an Exchangeable Obligation and an Accreting Obligation shall satisfy the Not Contingent Deliverable Obligation Characteristic if such Convertible Obligation, Exchangeable Obligation or Accreting Obligation otherwise meets the requirements of the preceding sentence so long as, in the case of a Convertible Obligation or an Exchangeable Obligation, the right (a) to convert or exchange such obligation or (b) to require the issuer to purchase or redeem such obligation (if the issuer has exercised or may exercise the right to pay the purchase or redemption price, in whole or in part, in Equity Securities) has not been exercised (or such exercise has been effectively rescinded) on or before the Delivery Date.

If a Reference Obligation is a Convertible Obligation or an Exchangeable Obligation, then such Reference Obligation may be included as a Deliverable Obligation only if the rights referred to in clauses (a) and (b) above have not been exercised (or such exercise has been effectively rescinded) on or before the Delivery Date.

**"Assignable Loan"** means a Loan that is capable of being assigned or novated to, at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction of organisation) that are not then a lender or a member of the relevant lending syndicate, without the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the applicable borrower if a Reference Entity is guaranteeing such Loan) or any agent.

**"Consent Required Loan"** means a Loan that is capable of being assigned or novated with the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if a Reference Entity is guaranteeing such Loan) or any agent.

**"Direct Loan Participation"** means a Loan in respect of which, pursuant to a participation agreement, the Issuer is capable of creating, or procuring the creation of, a contractual right in favour of each Holder that provides each Holder with recourse to the participation seller for a specified share in any payments due under the relevant Loan which are received by such participation seller, any such



## Definitions and Interpretations Applicable to the Securities

agreement to be entered into between each Holder and either (a) the Issuer (to the extent the Issuer is then a lender or a member of the relevant lending syndicate), or (b) a Qualifying Participation Seller (if any) (to the extent such Qualifying Participation Seller is then a lender or a member of the relevant lending syndicate).

**"Transferable"** means an obligation that is transferable to institutional investors without any contractual, statutory or regulatory restriction, provided that none of the following shall be considered contractual, statutory or regulatory restrictions:

- (a) contractual, statutory or regulatory restrictions that provide for eligibility for resale pursuant to Rule 144A or Regulation S promulgated under the US Securities Act of 1933, as amended (and any contractual, statutory or regulatory restrictions promulgated under the laws of any jurisdiction having a similar effect in relation to the eligibility for resale of an obligation); or
- (b) restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds.

**"Maximum Maturity"** means an obligation that has a remaining maturity from the Physical Settlement Date of not greater than the period specified in the Final Terms (or, if no such period is specified, 30 years).

**"Accelerated or Matured"** means an obligation under which the total amount owed, whether at maturity, by reason of acceleration, upon termination or otherwise (other than amounts in respect of default interest, indemnities, tax gross-ups and other similar amounts), is, or on or prior to the Delivery Date will be, due and payable in full in accordance with the terms of such obligation, or would have been but for, and without regard to, any limitation imposed under any applicable insolvency laws.

**"Not Bearer"** means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via the Euroclear system, Clearstream International or any other internationally recognised clearing system.

### *Interpretation of provisions*

If the Obligation Characteristic **"Listed"** is specified in the Final Terms, the Final Terms shall be construed as though "Listed" had been specified as an Obligation Characteristic only with respect to Bonds and shall only be relevant if Bonds are covered by the selected Obligation Category.

If (a) either of the Deliverable Obligation Characteristics **"Listed"** or **"Not Bearer"** is specified in the Final Terms, the Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Bonds and shall only be relevant if Bonds are covered by the selected Deliverable Obligation Category; (b) the Deliverable Obligation Characteristic **"Transferable"** is specified in the Final Terms, the Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Deliverable Obligations that are not Loans (and shall only be relevant to the extent that obligations other than Loans are covered by the selected Deliverable Obligation Category); or (c) any of the Deliverable Obligation Characteristics **"Assignable Loan"**, **"Consent Required Loan"** or **"Direct Loan Participation"** is specified in the Final Terms, the Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Loans and shall only be relevant if Loans are covered by the selected Deliverable Obligation Category.

If any of **"Payment"**, **"Borrowed Money"**, **"Loan"** or **"Bond or Loan"** is specified as the Deliverable Obligation Category and more than one of **"Assignable Loan"**, **"Consent Required Loan"** and **"Direct Loan Participation"** are specified as Deliverable Obligation Characteristics, the Deliverable Obligations may include any Loan that satisfies any one of such Deliverable Obligation Characteristics specified and need not satisfy all such Deliverable Obligation Characteristics.

### *Provisions relating to Qualifying Guarantees*

In the event that an Obligation or a Deliverable Obligation is a Qualifying Guarantee, the following will apply:

For purposes of the application of the Obligation Category or the Deliverable Obligation Category, the Qualifying Guarantee shall be deemed to satisfy the same category or categories as those that describe the Underlying Obligation.

For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, both the Qualifying Guarantee and the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or Deliverable Obligation Characteristics, if any, specified in the Final Terms from the following list: Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency and Not Domestic Law. For these purposes, unless otherwise specified in the Final Terms, (a) the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the euro shall not be a Domestic Currency and (b) the laws of England and the laws of the State of New York shall not be a Domestic Law.

For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics, if any, specified in the Final Terms from the following list: Listed, Not Contingent, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer.

For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics to an Underlying Obligation, references to the "Reference Entity" shall be deemed to refer to the Underlying Obligor.

The terms "outstanding principal balance" and "Due and Payable Amount" (as they are used in these Credit Linked Conditions), when used in connection with Qualifying Guarantees, are to be interpreted to be the then "outstanding principal balance" or "Due and Payable Amount", as applicable, of the Underlying Obligation which is supported by a Qualifying Guarantee.

**"Qualifying Participation Seller"** means any participation seller that meets the requirements specified in the Final Terms. If no such requirements are specified, there shall be no Qualifying Participation Seller.

**"Qualifying Guarantee"** means an arrangement evidenced by a written instrument pursuant to which a Reference Entity irrevocably agrees (by guarantee of payment or equivalent legal arrangement) to pay all amounts due under an obligation (the **"Underlying Obligation"**) for which another party is the obligor (the **"Underlying Obligor"**). Qualifying Guarantees shall exclude any arrangement (a) structured as a surety bond, financial guarantee insurance policy, letter of credit or equivalent legal arrangement or (b) pursuant to the terms of which the payment obligations of the Reference Entity can be discharged, reduced or otherwise altered or assigned (other than by operation of law) as a result of the occurrence or non-occurrence of an event or circumstance (other than payment). The benefit of a Qualifying Guarantee must be capable of being Delivered together with the Delivery of the Underlying Obligation.

**"Qualifying Affiliate Guarantee"** means a Qualifying Guarantee provided by a Reference Entity in respect of an Underlying Obligation of a Downstream Affiliate of that Reference Entity.

**"Downstream Affiliate"** means an entity whose outstanding Voting Shares were, at the date of issuance of the Qualifying Guarantee, more than 50 per cent. owned, directly or indirectly, by the Reference Entity.

**"Voting Shares"** shall mean those shares or other interests that have the power to elect the board of directors or similar governing body of an entity.

**"Sovereign"** means any state, political subdivision or government, or any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) thereof.

**"Sovereign Agency"** means any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) of a Sovereign.

**"Supranational Organisation"** means any entity or organisation established by treaty or other arrangement between two or more Sovereigns or the Sovereign Agencies of two or more Sovereigns and includes, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development.

**"Domestic Currency"** means the currency specified as such in the Final Terms and any successor currency. If no currency is so specified, the Domestic Currency shall be the lawful currency and any successor currency of (a) the relevant Reference Entity, if the Reference Entity is a Sovereign, or (b) the jurisdiction in which the relevant Reference Entity is organised, if the Reference Entity is not a Sovereign. In no event shall Domestic Currency include any successor currency if such successor currency is the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the euro (or any successor currency to any such currency).

#### 4. **CONDITIONS TO SETTLEMENT**

**"Conditions to Settlement"** means the occurrence of a Relevant Event Determination Date to the extent that such Event Determination Date is not subsequently reversed prior to the Auction Final Price Determination Date, a CLS Valuation Date, the Physical Settlement Date (or, if earlier, a Delivery Date), the Scheduled Redemption Date or the Deferred Redemption Date, as applicable, unless "Physical Settlement" is specified as the CLS Settlement Method in the Final Terms (or is applicable pursuant to the Issuer CLS Settlement Option), in which case all of the Conditions to Settlement shall be deemed to be satisfied by the satisfaction of the Notice of Physical Settlement Condition to Settlement on or following the occurrence of a Relevant Event Determination Date.

The **"Notice of Publicly Available Information Condition to Settlement"** is satisfied by the delivery of a Notice of Publicly Available Information by the Issuer to the Issue and Paying Agent that is effective during one of the periods set out in paragraph (a) or (b) of the definition of "Event Determination Date", provided that the Notice of Publicly Available Information Condition to Settlement shall be deemed to be satisfied in circumstances where ISDA publicly announces on or prior to the last day of the Notice Delivery Period (including prior to the Trade Date) that the relevant Credit Derivatives Determination Committee has Resolved that an event that constitutes a Credit Event has occurred with respect to the relevant Reference Entity or Obligation thereof.

The **"Notice of Physical Settlement Condition to Settlement"** is satisfied by the delivery by the Issuer of a Notice of Physical Settlement to the Issue and Paying Agent.

**"Credit Event Backstop Date"** means (a) for purposes of any event that constitutes a Credit Event (or with respect to Repudiation/Moratorium, the event described in paragraph (b) of the definition thereof) for purposes of the relevant Reference Entity, as determined by DC Resolution, the date that is 60 calendar days prior to the Credit Event Resolution Request Date or (b) otherwise, the date that is 60 calendar days prior to the earlier of (i) the first date on which both the Credit Event Notice and, if "Notice of Publicly Available Information" is specified as applicable in the Final Terms, the Notice of Publicly Available Information are delivered by the Issuer to the Issue and Paying Agent and are effective during the Notice Delivery Period and (ii) in circumstances where (A) the Conditions to convening a Credit Derivatives Determinations Committee to Resolve such matters are satisfied in accordance with the CDDC Rules, (B) the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters and (C) the Credit Event Notice and, if "Notice of Publicly Available Information" is specified as applicable in the Final Terms, the Notice of Publicly Available Information are delivered by the Issuer to the Issue and Paying Agent and are effective no more than 14 calendar days after the day on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters, the Credit Event Resolution Request Date. The Credit Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

**"Credit Event Notice"** means an irrevocable notice from the Issuer (which may be in writing (including by facsimile and/or email) and/or by telephone) to the Issue and Paying Agent that describes a Credit Event that occurred on or after the Credit Event Backstop Date and on or prior to the Extension Date.

A Credit Event Notice must contain a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred. The Credit Event that is the subject of the Credit Event Notice need not be continuing on the date the Credit Event Notice is effective.

**"Credit Event Resolution Request Date"** means, with respect to a notice to ISDA, delivered in accordance with the CDDC Rules, requesting that a Credit Derivatives Determinations Committee be convened to Resolve:

- (a) whether an event that constitutes a Credit Event for purposes of the relevant Securities has occurred with respect to the relevant Reference Entity or Obligation thereof; and
- (b) if the relevant Credit Derivatives Determinations Committee Resolves that such event has occurred, the date of the occurrence of such event,

the date, as publicly announced by ISDA, that the relevant Credit Derivatives Determinations Committee Resolves to be the first date on which such notice was effective and on which the relevant Credit Derivatives Determinations Committee was in possession, in accordance with the CDDC Rules, of Publicly Available Information with respect to the DC Resolutions referred to in (a) and (b) above.

**"DC Credit Event Announcement"** means, with respect to a Reference Entity, a public announcement by ISDA that the relevant Credit Derivatives Determinations Committee has Resolved that (a) an event that constitutes a Credit Event for purposes of the relevant Series has occurred with respect to such Reference Entity (or an Obligation thereof) and (b) such event occurred on or after the Credit Event Backstop Date and on or prior to the Extension Date. A DC Credit Event Announcement will be deemed not to have occurred with respect to the Security unless (i) the Credit Event Resolution Request Date with respect to such Credit Event occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date) and (ii) the Trade Date occurs on or prior to the Auction Final Price Determination Date, the Auction Cancellation Date or the date that is 21 calendar days following the No Auction Announcement Date, if any, as applicable.

**"DC No Credit Event Announcement"** means, with respect to a Reference Entity, a public announcement by ISDA that the relevant Credit Derivatives Determinations Committee has Resolved, following a Credit Event Resolution Request Date, that the event that is the subject of the notice to ISDA resulting in the occurrence of such Credit Event Resolution Request Date does not constitute a Credit Event for purposes of the relevant Series with respect to such Reference Entity (or an Obligation thereof).

**"Event Determination Date"** means the first date on which both the Credit Event Notice and, if "Notice of Publicly Available Information" is specified as applicable in the Final Terms, the Notice of Publicly Available Information are delivered by the Issuer and are effective during either:

- (a) the Notice Delivery Period; or
- (b) the period from, and including, (A) the day on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine the matters described in paragraphs (a) and (b) of the definition of "Credit Event Resolution Request Date" to, and including, (B) the date that is 14 calendar days thereafter, provided that a Credit Event Resolution Request Date occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date),

provided, however, that:

- (i) the Issuer shall not deliver a Credit Event Notice if, prior to the date of delivery, a DC No Credit Event Announcement has occurred; and
- (ii) if a DC Credit Event Announcement occurs, the Issuer may elect (by notice included in the Credit Event Notice) that the Event Determination Date be the later of the Issue Date and the Credit Event Resolution Request Date.

No Event Determination Date will occur, and any Event Determination Date previously determined with respect to an event shall be deemed not to have occurred, if, or to the extent that, prior to the Auction Final Price Determination Date, a CLS Valuation Date, the Physical Settlement Date (or, if

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earlier, a Delivery Date) or the Scheduled Redemption Date or Deferred Redemption Date, as applicable, a DC No Credit Event Announcement Date occurs with respect to the relevant Reference Entity or Obligation thereof.

If, in accordance with the provisions above, (i) following the determination of an Event Determination Date, such Event Determination Date is deemed (A) to have occurred on a date that is different from the date that was originally determined to be the Event Determination Date or (B) not to have occurred or (ii) an Event Determination Date is deemed to have occurred prior to a preceding Interest Payment Date, the Determination Agent will determine (I) the adjustment payment, if any, that is payable to reflect any change that may be necessary to the amounts previously calculated and/or paid in respect of the Securities and (II) the date on which such adjustment payment is payable, if any. For the avoidance of doubt, no accruals of interest shall be taken into account when calculating any such adjustment payment.

**"Extension Date"** means the latest of (a) the Scheduled Redemption Date, (b) the Grace Period Extension Date if (i) "Grace Period Extension" is specified as applicable in the Final Terms, (ii) the Credit Event that is the subject of the Credit Event Notice or the notice to ISDA resulting in the occurrence of the Credit Event Resolution Request Date, as applicable, is a Failure to Pay that occurs after the Scheduled Redemption Date and (iii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the Scheduled Redemption Date and (c) the Repudiation/Moratorium Evaluation Date if (i) the Credit Event that is the subject of the Credit Event Notice or Credit Event Resolution Request Date, as applicable, is a Repudiation/Moratorium for which the event described in Credit Linked Condition 4.6(b) occurs after the Scheduled Redemption Date, (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the Scheduled Redemption Date and (iii) the Repudiation/Moratorium Extension Condition is satisfied.

**"Grace Period"** means:

- (a) subject to paragraphs (b) and (c) below, the applicable grace period with respect to payments under the relevant Obligation under the terms of such Obligation in effect as at the date as of which such Obligation is issued or incurred;
- (b) if **"Grace Period Extension"** is specified as applicable in the Final Terms, a Potential Failure to Pay has occurred on or prior to the Scheduled Redemption Date and the applicable grace period cannot, by its terms, expire on or prior to the Scheduled Redemption Date, the Grace Period shall be deemed to be the lesser of such grace period and the period specified as such in the Final Terms or, if no period is specified, 30 calendar days; and
- (c) if, as of the date as of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Business Days is applicable under the terms of such Obligation, a Grace Period of three Grace Period Business Days shall be deemed to apply to such Obligation; provided that, unless "Grace Period Extension" is specified as applicable in the Final Terms, such deemed Grace Period shall expire no later than the Scheduled Redemption Date.

**"Grace Period Business Day"** means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places and on the days specified for that purpose in the relevant Obligation and, if a place or places are not so specified, in the jurisdiction of the Obligation Currency.

**"Grace Period Extension Date"** means, if (a) "Grace Period Extension" is specified as applicable in the Final Terms and (b) a Potential Failure to Pay occurs on or prior to the Scheduled Redemption Date, the date that is the number of days in the Grace Period after the date of such Potential Failure to Pay. If Grace Period Extension is not specified as applicable in the Final Terms, Grace Period Extension shall not apply. If (i) "Grace Period Extension" is specified as applicable in the Final Terms, (ii) a Potential Failure to Pay occurs on or prior to the Scheduled Redemption Date and (iii) a Relevant Event Determination Date in respect of that Failure to Pay does not occur on or prior to the last day of the Notice Delivery Period (including prior to the Trade Date), the Securities will be redeemed on the Deferred Redemption Date.

**"Notice Delivery Period"** means the period from and including the Trade Date to and including a day that is three Business Days following the date that is 14 calendar days after the Extension Date.

**"Notice of Physical Settlement"** means a notice from the Issuer to the Issue and Paying Agent that (a) irrevocably confirms that the Issuer will redeem the Securities (unless the Final Terms provide for multiple Deliveries) and require performance in accordance with Physical Settlement as the CLS Settlement Method and (b) contains a detailed description of each Deliverable Obligation that the Issuer will, subject to Credit Linked Condition 4, Deliver to Holders, including the outstanding principal balance or Due and Payable Amount, as applicable, (in each case, the **"Outstanding Amount"**) of each such Deliverable Obligation and, if available, the CUSIP or ISIN number (or, if such identifying number is not available, the rate and tenor) of each such Deliverable Obligation. Where (i) the Relevant Credit Event is a Restructuring, (ii) either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified in the Final Terms and (iii) the Scheduled Redemption Date is later than (A) the final maturity date of the Latest Maturity Restructured Bond or Loan, if any, or (B) the 2.5-year Limitation Date, contains a detailed description of at least one Enabling Obligation, which description will include the CUSIP or ISIN number, if available and applicable (or, if such identifying number is not available, the rate and tenor), of such Enabling Obligation and any other information necessary to establish that such obligation is an Enabling Obligation. The Issuer may, from time to time, give notice in the manner specified above (each such notification a **"NOPS Amendment Notice"**) that the Issuer is replacing, in whole or in part, one or more Deliverable Obligations specified in the Notice of Physical Settlement or a prior NOPS Amendment Notice, as applicable, (to the extent the relevant Deliverable Obligation has not been Delivered as at the date such NOPS Amendment Notice is effective) or the detailed description(s) thereof. A NOPS Amendment Notice shall contain a revised detailed description of each replacement Deliverable Obligation that the Issuer will, subject to Credit Linked Condition 4, Deliver to Holders (each a **"Replacement Deliverable Obligation"**) and shall also specify the Outstanding Amount of each Deliverable Obligation identified in the Notice of Physical Settlement or a prior NOPS Amendment Notice, as applicable, that is being replaced (with respect to each such Deliverable Obligation, the **"Replaced Deliverable Obligation Outstanding Amount"**). The Outstanding Amount of each Replacement Deliverable Obligation identified in a NOPS Amendment Notice shall be determined by applying the Revised Currency Rate to the relevant Replaced Deliverable Obligation Outstanding Amount. Each such NOPS Amendment Notice must be effective on or prior to the Physical Settlement Date (determined without reference to any change resulting from such NOPS Amendment Notice). Notwithstanding the foregoing, the Issuer may correct any errors or inconsistencies in the detailed description of each Deliverable Obligation contained in the Notice of Physical Settlement or any NOPS Amendment Notice, as applicable, by notice prior to the relevant Delivery Date, it being understood that such notice of correction shall not constitute a NOPS Amendment Notice.

**"Notice of Publicly Available Information"** means an irrevocable notice from the Issuer delivering the relevant Credit Event Notice or Repudiation/Moratorium Extension Notice that cites Publicly Available Information confirming the occurrence of the Credit Event or Potential Repudiation/Moratorium, as applicable, described in the Credit Event Notice or Repudiation/Moratorium Extension Notice. In relation to a Repudiation/Moratorium Credit Event, the Notice of Publicly Available Information must cite Publicly Available Information confirming the occurrence of both of clauses (a) and (b) of the definition of Repudiation/Moratorium. The notice given must contain a copy, or a description in reasonable detail, of the relevant Publicly Available Information. If "Notice of Publicly Available Information" is applicable to a Series and a Credit Event Notice or Repudiation/Moratorium Extension Notice, as applicable, contains Publicly Available Information, such Credit Event Notice or Repudiation/Moratorium Extension Notice will also be deemed to be a Notice of Publicly Available Information.

**"Nth Event Determination Date"** means, in respect of the Reference Portfolio, the Event Determination that is the Nth to occur in respect of such Reference Portfolio following the Trade Date where "N" is the number specified as such in the Final Terms.

**"Publicly Available Information"** means information that reasonably confirms any of the facts relevant to the determination that the Credit Event or Potential Repudiation/Moratorium, as applicable, described in a Credit Event Notice or Repudiation/Moratorium Extension Notice has occurred and which (a) has been published in or on not less than the Specified Number of Public Sources, regardless

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of whether the reader or user thereof pays a fee to obtain such information; provided that if either of the parties or any of their respective Affiliates is cited as the sole source of such information, then such information shall not be deemed to be Publicly Available Information unless such party or its Affiliate is acting in its capacity as trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation, (b) is information received from or published by (i) a Reference Entity that is not the Issuer (or a Sovereign Agency in respect of a Reference Entity which is a Sovereign) or (ii) a trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation, (c) is information contained in any petition or filing instituting a proceeding described in paragraph (d) of the definition of "Bankruptcy" against or by a Reference Entity or (d) is information contained in any order, decree, notice or filing, howsoever described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body.

With respect to a Credit Event for which Issuer is (a) the sole source of information in its capacity as trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for the Obligation with respect to which a Credit Event has occurred and (b) a holder of such Obligation, the Issuer shall be required to deliver to the Issue and Paying Agent a certificate signed by a Managing Director (or other substantively equivalent title) of the Issuer which shall certify the occurrence of a Credit Event with respect to such Obligation.

Publicly Available Information need not state (a) in relation to the definition of "Downstream Affiliate", the percentage of Voting Shares owned, directly or indirectly, by the Reference Entity and (b) that such occurrence (i) has met the Payment Requirement or Default Requirement, (ii) is the result of exceeding any applicable Grace Period or (iii) has met the subjective criteria specified in certain Credit Events.

**"Public Source"** means each source of Publicly Available Information specified as such in the Final Terms (or, if a source is not so specified, each of Bloomberg Service, Dow Jones Telerate Service, Reuter Monitor Money Rates Services, Dow Jones News Wire, Wall Street Journal, New York Times, Nihon Keizer Shinbone, Asahi Shinbone, Yomiuri Shinbone, Financial Times, La Tribune, Les Echos and The Australian Financial Review (and successor publications), the main source(s) of business news in the country in which the Reference Entity is organised and any other internationally recognised published or electronically displayed news sources) and such other published or electronically displayed news or other information sources referenced in any Notice of Publicly Available Information.

**"Relevant Credit Event"** means:

- (a) in the case of a Single Name CLS, the Credit Event in relation to the first Event Determination Date to occur with respect to the Reference Entity; and
- (b) in the case of an Nth-to-Default CLS, the Credit Event in relation to the Nth Event Determination Date to occur with respect to the Reference Portfolio.

**"Relevant Event Determination Date"** means the Event Determination Date occurring with respect to a Relevant Credit Event.

**"Specified Number"** means, unless otherwise specified in the Final Terms, two.

### 5. CREDIT EVENTS

**"Credit Event"** means the occurrence of one or more of the Credit Events specified in the Final Terms, which may include Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium or Restructuring. If an occurrence would otherwise constitute a Credit Event, such occurrence will constitute a Credit Event whether or not such occurrence arises directly or indirectly from, or is subject to a defence based upon:

- (a) any lack or alleged lack of authority or capacity of a Reference Entity to enter into any Obligation or, as applicable, an Underlying Obligor to enter into any Underlying Obligation;
- (b) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation or, as applicable, any Underlying Obligation, howsoever described;

- (c) any applicable law, order, regulation, decree or notice, howsoever described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, howsoever described; or
- (d) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, howsoever described.

**"Bankruptcy"** means that a Reference Entity (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (b) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due; (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (d) institutes or has instituted against it a proceeding seeking a judgement of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or has a petition presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (i) results in a judgement of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (ii) is not dismissed, discharged, stayed or restrained, in each case within 30 calendar days of the institution or presentation thereof; (e) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 calendar days thereof; or (h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (a) to (g) (inclusive).

**"Default Requirement"** means the amount specified as such in the Final Terms or its equivalent in the relevant Obligation Currency or, if "Default Requirement" is not so specified, USD 10,000,000 or its equivalent in the relevant Obligation Currency, in either case as at the occurrence of the Relevant Credit Event.

**"Failure to Pay"** means, after the expiration of any applicable Grace Period (after the satisfaction of any Conditions precedent to the commencement of such Grace Period), the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, in accordance with the terms of such Obligations at the time of such failure.

**"Governmental Authority"** means any de facto or de jure government (or any agency, instrumentality, ministry or department thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of a Reference Entity or of the jurisdiction of organisation of a Reference Entity.

**"Obligation Acceleration"** means that one or more Obligations in an aggregate amount of not less than the Default Requirement have become due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar Condition or event (howsoever described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations.

**"Obligation Currency"** means the currency or currencies in which an Obligation is denominated.

**"Obligation Default"** means that one or more Obligations in an aggregate amount of not less than the Default Requirement have become capable of being declared due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar Condition or event (howsoever described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations.

**"Payment Requirement"** means the amount specified as such in the Final Terms or its equivalent in the relevant Obligation Currency or, if Payment Requirement is not so specified, USD 1,000,000 or its



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equivalent in the relevant Obligation Currency, in either case as at the occurrence of the Relevant Credit Event.

**"Potential Failure to Pay"** means the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, without regard to any grace period or any Conditions precedent to the commencement of any grace period applicable to such Obligations, in accordance with the terms of such Obligations at the time of such failure.

**"Repudiation/Moratorium"** means the occurrence of both of the following events: (a) an authorized officer of a Reference Entity or a Governmental Authority (i) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Obligations in an aggregate amount of not less than the Default Requirement or (ii) declares or imposes a moratorium, standstill, roll-over or deferral, whether de facto or de jure, with respect to one or more Obligations in an aggregate amount of not less than the Default Requirement and (b) a Failure to Pay, determined without regard to the Payment Requirement, or a Restructuring, determined without regard to the Default Requirement, with respect to any such Obligation occurs on or prior to the Repudiation/Moratorium Evaluation Date. For the purposes of this definition:

- (a) **"Repudiation/Moratorium Evaluation Date"** means, if a Potential Repudiation/Moratorium occurs on or prior to the Scheduled Redemption Date, (a) if the Obligations to which such Potential Repudiation/Moratorium relates include Bonds, the date that is the later of (I) the date that is 60 days after the date of such Potential Repudiation/Moratorium and (II) the first payment date under any such Bond after the date of such Potential Repudiation/Moratorium (or, if later, the expiration date of any applicable Grace Period in respect of such payment date) and (b) if the Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is 60 days after the date of such Potential Repudiation/Moratorium; provided that, in either case, the Repudiation/Moratorium Evaluation Date shall occur no later than the Scheduled Redemption Date unless the Repudiation/Moratorium Extension Condition is satisfied. If (I) the Repudiation/Moratorium Extension Condition is satisfied and (II) a Relevant Event Determination Date in respect of that Repudiation/Moratorium does not occur on or prior to the final day of the Notice Delivery Period, the later of the Scheduled Redemption Date and the Repudiation/Moratorium Evaluation Date will be the Deferred Redemption Date.
- (b) **"Potential Repudiation/Moratorium"** means the occurrence of an event described in clause (i) of the definition of Repudiation/Moratorium.
- (c) The **"Repudiation/Moratorium Extension Condition"** is satisfied (a) if ISDA publicly announces, pursuant to a valid request that was delivered in accordance with the CDDC Rules and effectively received on or prior to the date that is 14 calendar days after the Scheduled Redemption Date, that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Potential Repudiation/Moratorium has occurred with respect to an Obligation of the relevant Reference Entity and that such event occurred on or prior to the Scheduled Redemption Date or (b) otherwise, by the delivery by the Issuer of a Repudiation/Moratorium Extension Notice and, if "Notice of Publicly Available Information" is specified as applicable in the Final Terms, a Notice of Publicly Available Information that are each effective on or prior to the date that is 14 calendar days after the Scheduled Redemption Date. In all cases, the Repudiation/Moratorium Extension Condition will be deemed not to have been satisfied, or capable of being satisfied, if, or to the extent that, ISDA publicly announces, pursuant to a valid request that was delivered in accordance with the CDDC Rules and effectively received on or prior to the date that is 14 calendar days after the Scheduled Redemption Date, that the relevant Credit Derivatives Determinations Committee has Resolved that either (I) an event does not constitute a Potential Repudiation/Moratorium with respect to an Obligation of the relevant Reference Entity or (II) an event that constitutes a Potential Repudiation/Moratorium for purposes of the relevant Securities has occurred with respect to an Obligation of the relevant Reference Entity but that such event occurred after the Scheduled Redemption Date.
- (d) **"Repudiation/Moratorium Extension Notice"** means an irrevocable notice (which may be in writing (including by facsimile and/or email) and/or by telephone) from the Issuer that

describes a Potential Repudiation/Moratorium that occurred on or prior to the Scheduled Redemption Date. A Repudiation/Moratorium Extension Notice must contain a description in reasonable detail of the facts relevant to the determination that a Potential Repudiation/Moratorium has occurred and indicate the date of the occurrence. The Potential Repudiation/Moratorium that is the subject of the Repudiation/Moratorium Extension Notice need not be continuing on the date the Repudiation/Moratorium Extension Notice is effective.

**"Restructuring"** means that, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs in a form that binds all holders of such Obligation, is agreed between the Reference Entity or a Governmental Authority and a sufficient number of holders of such Obligation to bind all holders of the Obligation or is announced (or otherwise decreed) by a Reference Entity or a Governmental Authority in a form that binds all holders of such Obligation, and such event is not expressly provided for under the terms of such Obligation in effect as at the later of (a) the Credit Event Backstop Date applicable to the relevant Securities and (b) the date as at which such Obligation is issued or incurred:

- (a) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals;
- (b) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates;
- (c) a postponement or other deferral of a date or dates for either (A) the payment or accrual of interest or (B) the payment of principal or premium;
- (d) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or
- (e) any change in the currency or composition of any payment of interest or principal to any currency which is not a Permitted Currency. **"Permitted Currency"** means (a) the legal tender of any Group of 7 country (or any country that becomes a member of the Group of 7 if such Group of 7 expands its membership) or (b) the legal tender of any country which, as at the date of such change, is a member of the Organisation for Economic Co-operation and Development and has a local currency long-term debt rating of either AAA or higher assigned to it by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("**S&P**") or any successor to the rating business thereof, Aaa or higher assigned to it by Moody's Investors Service Ltd. ("**Moody's**") or any successor to the rating business thereof or AAA or higher assigned to it by Fitch Ratings Limited or any successor to the rating business thereof.

Notwithstanding the above, none of the following shall constitute a Restructuring:

- (a) the payment in euros of interest or principal in relation to an Obligation denominated in a currency of a Member State of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union;
- (b) the occurrence of, agreement to or announcement of any of the events described in paragraphs (i) to (v) above due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; or
- (c) the occurrence of, agreement to or announcement of any of the events described in paragraphs (i) to (v) above in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial Condition of the Reference Entity.

For purposes of this definition and the definition of **"Multiple Holder Obligation"**, the term **"Obligation"** shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Qualifying Affiliate Guarantee or, if "All Guarantees" is specified as applicable in the Final Terms, as provider of any Qualifying Guarantee. In the case of a Qualifying Guarantee and an Underlying Obligation, references to the Reference Entity in this definition shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in this definition shall continue to refer to the Reference Entity.

Unless "**Multiple Holder Obligation**" is expressed to be not applicable in the Final Terms, then none of the events described above shall constitute a Restructuring unless the Obligation is a Multiple Holder Obligation, where "**Multiple Holder Obligation**" means an Obligation that (a) at the time of the event which constitutes a Restructuring Credit Event, is held by more than three holders that are not Affiliates of each other and (b) with respect to which a percentage of holders (determined pursuant to the terms of the Obligation as in effect on the date of such event) at least equal to 66-and two-thirds is required to consent to the event which constitutes a Restructuring Credit Event (provided that part (b) shall be deemed to be satisfied where the Obligation is a Bond).

## 6. GENERAL TERMS RELATING TO REDEMPTION AND SETTLEMENT

"**CLS Settlement Method**" means:

- (a) the terms relating to the settlement of Cash Settled CLSs, as provided in the General Conditions, these Credit Linked Conditions in respect of such Securities and the Final Terms; and
- (b) the terms relating to the settlement of Physically Delivered CLSs, as provided in the Credit Linked Conditions in respect of such Securities and the Final Terms.

"**Deferred Redemption Date**" means, if an Extension Notice is effective and no Relevant Event Determination Date occurs on or prior to the Securities Extension Date, the date falling five Business Days after the Securities Extension Date or, if an Extension Notice is effective and a Relevant Event Determination Date occurs on or prior to the Securities Extension Date, in respect of Cash Settled CLSs, the Credit Event Redemption Date, or, in respect of Physically Delivered CLSs, the Final Delivery Date.

"**Extended Interest Period**" means the period, if any, from and including the Scheduled Redemption Date to but excluding the Deferred Redemption Date.

"**Extension Notice**" means an irrevocable notice (which may be by telephone) from the Issuer to the Issue and Paying Agent which is effective on or prior to the Scheduled Redemption Date that specifies one or more Reference Entities which the Issuer determines, in its sole and absolute discretion, is or may be subject to a Credit Event, a Potential Failure to Pay or a Potential Repudiation/Moratorium.

"**Fallback CLS Settlement Method**" means, with respect to a Series of Securities for which "Auction Settlement" is specified as the CLS Settlement Method in the Final Terms, if "Physical Settlement" is specified as the Fallback CLS Settlement Method in the Final Terms, Physical Settlement; otherwise, Cash Settlement.

"**Issuer CLS Settlement Option**" means, if specified in the Final Terms, the option, exercisable by the Issuer in its sole discretion, for the Issuer to redeem the Securities by way of Cash Settlement, Auction Settlement or Physical Settlement upon the occurrence of a Relevant Event Determination Date.

"**Securities Extension Date**" means the later to occur of (a) the last applicable day specified in the definition of "Notice Delivery Period" in respect of each Reference Entity specified in an Extension Notice and (b) 14 calendar days after the day on which ISDA publicly announces that either (i) the relevant Credit Derivatives Determinations Committee has Resolved the matters described in paragraphs (a) and (b) of the definition of "Credit Event Resolution Request Date" or (ii) the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters, in either case relating to a Credit Event Resolution Request Date that occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date).

## 7. TERMS RELATING TO CASH SETTLEMENT

"**CLS Cash Settlement Amount**" means, with respect to any Security, the product of (a) the Calculation Amount of such Security determined as at the Relevant Event Determination Date and (b) the Final Price (if Cash Settlement applies) or Auction Final Price (if Auction Settlement applies).

"**Credit Event Redemption Date**" means the date that is the number of Business Days specified in the Final Terms (or, if a number of Business Days is not so specified, five Business Days) following the calculation of the Final Price (or, if "Cash Settlement" is applicable as a fallback to Auction Settlement,

any Auction Cancellation Date or any No Auction Announcement Date, if later); provided, however, that if Auction Settlement is applicable, then the Credit Event Redemption Date shall be the cash settlement date determined pursuant to the Credit Derivatives Auction Settlement Terms for such Auction.

**"CLS Valuation Date"** means:

- (a) if **"Single CLS Valuation Date"** is specified in the Final Terms, a date selected by the Issuer not less than five Business Days after satisfaction of all Conditions to Settlement (or, if "Cash Settlement" is applicable pursuant to the fallback provisions in Auction Settlement, any Auction Cancellation Date or any No Auction Announcement Date, if later);
- (b) if **"Multiple CLS Valuation Dates"** is specified in the Final Terms, the dates specified in the Final Terms; and
- (c) if neither **"Single CLS Valuation Date"** nor **"Multiple CLS Valuation Dates"** is specified in the Final Terms, Single CLS Valuation Date shall apply.

**"CLS Valuation Time"** means the time specified as such in the Final Terms or, if no time is so specified, the time specified by the Determination Agent, which shall be as close as reasonably practicable to 11:00 a.m. in the relevant Determination Agent City, unless the Determination Agent determines that the principal market for transactions in the Reference Obligation would be closed at such time or such transactions are not being conducted in sufficient volume (as determined by the Determination Agent in its sole and absolute discretion) at such time, in which event the CLS Valuation Time shall be such other time as may be specified by the Determination Agent that such principal market is open.

**"Dealer"** means, as selected by the Determination Agent, at least five financial institutions, funds or other entities that purchase or deal in obligations of the type of the relevant Reference Obligation, Obligation or Undeliverable Obligation, one of which institutions, funds or other entities may be the Issuer or an Affiliate thereof.

**"Final Price"** means the price of the Reference Obligation, expressed as a percentage, determined in accordance with the specified Valuation Method. Unless "Auction Settlement" applies, the Determination Agent shall, as soon as reasonably practicable after obtaining all Quotations for a CLS Valuation Date, notify the Issue and Paying Agent in writing of each such Quotation (together with a written computation showing such calculation) that it receives in connection with the calculation of the Final Price. The Issue and Paying Agent shall deliver such notice through the relevant settlement system to holders of Securities, provided that the failure of the Issue and Paying Agent to deliver any such notice shall not affect the effectiveness of any notice delivered by the Determination Agent. If **"Auction Settlement"** is specified to be applicable or is elected to be applicable pursuant to the Issuer CLS Settlement Option, then, notwithstanding the Valuation Method, Final Price means the Auction Final Price. If Cash Settlement is applicable as the Fallback CLS Settlement Method and the Issuer has not delivered a notice specifying the Reference Obligation on or prior to:

- (a) if **"60 Business Day Cap on Settlement"** is specified as **"Not Applicable"** in the Final Terms, the later of the Scheduled Redemption Date and 60 Business Days following a No Auction Announcement Date or an Auction Cancellation Date or any equivalent cancellation date under a Relevant Settlement Mechanic, as applicable; or
- (b) if **"60 Business Day Cap on Settlement"** is not specified as **"Not Applicable"** in the Final Terms, the date that is 60 Business Days following a No Auction Announcement Date or an Auction Cancellation Date or any equivalent cancellation date under a Relevant Settlement Mechanic, as applicable,

then the Final Price shall be deemed to be 100 per cent.

**"Full Quotation"** means, in accordance with the Quotation Method, each firm quotation obtained from a Dealer at the CLS Valuation Time, to the extent reasonably practicable, for an amount of the Reference Obligation with an outstanding principal balance equal to the Quotation Amount.

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**"Market Value"** means, with respect to a Reference Obligation on a CLS Valuation Date, (a) if more than three Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having the highest and lowest values (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (b) if exactly three Full Quotations are obtained, the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (c) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations; (d) if fewer than two Full Quotations are obtained and a Weighted Average Quotation is obtained, such Weighted Average Quotation; (e) if fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained, subject to paragraph (b) of the definition of "Quotation", an amount as determined by the Determination Agent on the next Business Day on which two or more Full Quotations or a Weighted Average Quotation is obtained; and (f) if two or more Full Quotations or a Weighted Average Quotation are not obtained within the additional five Business Day period set forth in paragraph (b) of the definition of "**Quotation**" the Market Value shall be determined as provided in such definition.

**"Minimum Quotation Amount"** means the amount specified as such in the Final Terms (or its equivalent in the relevant Obligation Currency) or, if no amount is so specified, the lower of (a) USD 1,000,000 (or its equivalent in the relevant Obligation Currency) and (b) the Quotation Amount.

**"Quotation"** means each Full Quotation and the Weighted Average Quotation obtained and expressed as a percentage with respect to a CLS Valuation Date in the manner that follows:

- (a) The Determination Agent shall attempt to obtain Full Quotations with respect to the CLS Valuation Date from five or more Dealers. If the Determination Agent is able to obtain two or more such Full Quotations from Dealers other than the Issuer in respect of such CLS Valuation Date, then the Determination Agent shall use such Full Quotations to determine the Final Price in accordance with the specified Valuation Method. If the Determination Agent is unable to obtain two or more such Full Quotations in respect of such CLS Valuation Date but is able to obtain a Weighted Average Quotation in respect of such CLS Valuation Date, then the Determination Agent shall use such Weighted Average Quotation to determine the Final Price in accordance with the specified Valuation Method.
- (b) If the Determination Agent is unable to obtain two or more such Full Quotations or such a Weighted Average Quotation in respect of such CLS Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until and including the fifth Business Day) the Determination Agent shall attempt to obtain two or more such Full Quotations from Dealers other than the Issuer and, if two or more such Full Quotations are not available from Dealers other than the Issuer on such Business Day, a Weighted Average Quotation on such Business Day. If the Determination Agent is able to obtain two or more such Full Quotations in respect of any such Business Day from Dealers other than the Issuer, then the Determination Agent shall use such Full Quotations to determine the Final Price in accordance with the specified Valuation Method. If the Determination Agent is unable to obtain two or more such Full Quotations in respect of any such Business Day but is able to obtain a Weighted Average Quotation in respect of any such Business Day, then the Determination Agent shall use such Weighted Average Quotation. If the Determination Agent is unable to obtain two or more such Full Quotations or such a Weighted Average Quotation from Dealers other than the Issuer on or prior to the fifth Business Day following the relevant CLS Valuation Date, then the Determination Agent shall use the Full Quotation, if any, obtained from the Issuer on such fifth Business Day to determine the Final Price in accordance with the specified Valuation Method.
- (c) If the Determination Agent is unable to obtain a Full Quotation from the Issuer on such fifth Business Day following the relevant CLS Valuation Date, then the Quotation shall be deemed to be zero.
- (d) Any quotation provided by the Issuer or an Affiliate thereof shall be deemed to be a firm quotation.

- (e) The Determination Agent shall determine, based on then current market practice in respect of the Reference Obligation, whether such Quotations shall include or exclude accrued but unpaid interest. All Quotations shall be obtained in accordance with this specification or determination.
- (f) If any Quotation obtained with respect to an Accreting Obligation is expressed as a percentage of the amount payable in respect of such obligation at maturity, such Quotation will instead be expressed as a percentage of the outstanding principal balance for purposes of determining the Final Price.

**"Quotation Amount"** means the amount specified as such in the Final Terms or, if no amount is so specified, an amount specified by the Determination Agent not in excess of the Aggregate Nominal Amount of the Securities outstanding in the case of the Notes or the aggregate of the Calculation Amounts of the Securities outstanding in the case of Certificates, as applicable, in respect of the Securities (or, in either case, its equivalent in the relevant Obligation Currency, converted by the Determination Agent in a commercially reasonable manner by reference to exchange rates in effect at the time that the relevant Quotation is being obtained).

**"Quotation Method"** means the applicable Quotation Method specified in the Final Terms by reference to one of the following terms (or, if no Quotation Method is specified, Bid shall apply):

- (a) **"Bid"** means that only bid quotations shall be requested from Dealers;
- (b) **"Offer"** means that only offer quotations shall be requested from Dealers; or
- (c) **"Mid-market"** means that bid and offer quotations shall be requested from Dealers and shall be averaged for purposes of determining a relevant Dealer's quotation.

**"Representative Amount"** means an amount that is representative for a single transaction in the relevant market and at the relevant time, such amount to be determined by the Determination Agent.

**"Weighted Average Quotation"** means, in accordance with the Quotation Method, the weighted average of firm quotations obtained from Dealers at the CLS Valuation Time, to the extent reasonably practicable, each for an amount of the Reference Obligation with an outstanding principal balance of as large a size as available but less than the Quotation Amount (but of a size equal to the Minimum Quotation Amount or, if quotations of a size equal to the Minimum Quotation Amount are not available, as near in size as practicable to the Minimum Quotation Amount) that in the aggregate are approximately equal to the Quotation Amount.

**"Valuation Method":**

- (a) The following Valuation Methods may be specified in the Final Terms for a Series with only one Reference Obligation and only one CLS Valuation Date:
  - (i) **"Market"** means the Market Value determined by the Determination Agent with respect to the CLS Valuation Date; or
  - (ii) **"Highest"** means the highest Quotation obtained by the Determination Agent (or in accordance with the definition of **"Quotation"**) with respect to the CLS Valuation Date; or
  - (iii) **"Lowest"** means the lowest Quotation obtained by the Determination Agent (or in accordance with the definition of **"Quotation"**) with respect to the CLS Valuation Date.

If no such Valuation Method is specified in the Final Terms, the Valuation Method shall be Highest.

- (b) The following Valuation Methods may be specified in the Final Terms for a Series with only one Reference Obligation and more than one CLS Valuation Date:

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- (i) **"Average Market"** means the unweighted arithmetic mean of the Market Values determined by the Determination Agent with respect to each CLS Valuation Date; or
- (ii) **"Highest"** means the highest Quotation obtained by the Determination Agent (or in accordance with the definition of **"Quotation"**) with respect to any CLS Valuation Date; or
- (iii) **"Average Highest"** means the unweighted arithmetic mean of the highest Quotations obtained by the Determination Agent (or in accordance with the definition of **"Quotation"**) with respect to each CLS Valuation Date.

If no such Valuation Method is specified in the Final Terms, the Valuation Method shall be Average Highest.

- (c) The following Valuation Methods may be specified for a Series with more than one Reference Obligation and only one CLS Valuation Date:
  - (i) **"Blended Market"** means the unweighted arithmetic mean of the Market Values for each Reference Obligation determined by the Determination Agent with respect to the CLS Valuation Date; or
  - (ii) **"Blended Highest"** means the unweighted arithmetic mean of the highest Quotations obtained by the Determination Agent (or in accordance with the definition of **"Quotation"**) for each Reference Obligation with respect to the CLS Valuation Date.

If no such Valuation Method is specified in the Final Terms, the Valuation Method shall be Blended Highest.

- (d) The following Valuation Methods may be specified for a Series with more than one Reference Obligation and more than one CLS Valuation Date:
  - (i) **"Average Blended Market"** means, using values with respect to each CLS Valuation Date determined by the Determination Agent in accordance with the Blended Market Valuation Method, the unweighted arithmetic mean of the values so determined with respect to each CLS Valuation Date; or
  - (ii) **"Average Blended Highest"** means, using values with respect to each CLS Valuation Date determined by the Determination Agent in accordance with the Blended Highest Valuation Method, the unweighted arithmetic mean of the values so determined with respect to each CLS Valuation Date.

If no such Valuation Method is specified in the Final Terms, the Valuation Method shall be Average Blended Highest.

- (e) Notwithstanding paragraphs (a) to (d) above, if Quotations include Weighted Average Quotations or fewer than two Full Quotations, the Valuation Method shall be Market, Average Market, Blended Market or Average Blended Market, as the case may be.

## 8. TERMS RELATING TO AUCTION SETTLEMENT

If **"Auction Settlement"** is specified with respect to a Series in the Final Terms or elected pursuant to the Issuer CLS Settlement Option and a Relevant Event Determination Date occurs on or prior to the Auction Final Price Determination Date, the Auction Final Price shall be the Final Price with respect to the related Credit Event. Without prejudice to the foregoing, but without duplication of settlement, if (a) an Auction Cancellation Date occurs, (b) a No Auction Announcement Date occurs, (c) ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved, following a Credit Event Resolution Request Date, not to determine whether or not an event constitutes a Credit Event for purposes of the relevant Credit Derivative Transaction or (d) an Event Determination Date was determined pursuant to paragraph (i) of the definition of "Event Determination Date" and no Credit Event Resolution Request Date has occurred on or prior to the date falling three Business Days after such Event Determination Date, "Auction Settlement" shall not apply and the Fallback CLS Settlement Method shall apply. In the event that no Auction occurs, Auction Settlement shall

encompass any settlement protocol or process (howsoever described) relating to the settlement of credit derivatives transactions linked to the Reference Entity (i) published by the International Swaps and Derivatives Association (or any successor thereto); (ii) resolved by the Credit Derivatives Determinations Committee or (iii) adopted by a significant portion of the relevant credit derivatives market, as determined by the Determination Agent (each of (i), (ii) and (iii), a "**Relevant Settlement Mechanic**"), provided that the Determination Agent shall be entitled to adjust the Conditions applicable to the Securities such that the Relevant Settlement Mechanic would produce a reasonable result thereunder. For the avoidance of doubt, if Auction Settlement is specified with respect to a Series in the Final Terms or is elected pursuant to the Issuer CLS Settlement Option and a Relevant Event Determination Date occurs on or prior to the Auction Final Price Determination Date, the Auction Final Price shall still be the Final Price with respect to the related Credit Event, notwithstanding that the Deliverable Obligation Category and/or Deliverable Obligation Characteristics are different to those set out in the Final Terms.

"**Auction**" has the meaning set forth in the Transaction Auction Settlement Terms.

"**Auction Cancellation Date**" has the meaning set forth in the Transaction Auction Settlement Terms.

"**Auction Final Price**" has the meaning set forth in the Transaction Auction Settlement Terms in respect of the relevant Reference Entity, provided that: (a) where both a Senior Auction and a Subordinate Auction are held in connection with an Auction in respect of such Reference Entity, the Issuer may in its sole and absolute discretion elect to apply the price determined pursuant to the Senior Auction where the Reference Obligation in respect of such Reference Entity is specified as a "Sub" or "Subordinated" Reference Obligation; and (b) if the Credit Event is a Restructuring, the Determination Agent shall select which of the Transaction Auction Settlement Terms shall apply in a commercially reasonable manner in accordance with then current market practice by reference to the Scheduled Redemption Date of the relevant Securities.

"**Auction Final Price Determination Date**" has the meaning set forth in the Transaction Auction Settlement Terms.

"**Credit Derivatives Auction Settlement Terms**" means any Credit Derivatives Auction Settlement Terms published by ISDA, in accordance with the CDDC Rules, a copy of which will be published by ISDA on its website from time to time and which may be amended from time to time in accordance with the CDDC Rules. A form of the Credit Derivatives Auction Settlement Terms is available at [www.isda.org/credit](http://www.isda.org/credit).

"**No Auction Announcement Date**" means, with respect to a Credit Event, the date on which ISDA first publicly announces that (a) no Transaction Auction Settlement Terms will be published with respect to such Reference Entity and Credit Event, (b) following the occurrence of a Restructuring only, no Credit Derivatives Auction Settlement Terms will be published with respect to such Reference Entity and Restructuring or (c) the relevant Credit Derivatives Determinations Committee has Resolved that an Auction will be held but in respect of a different Credit Event, Reference Entity or Deliverable Obligation, as are applicable to the relevant Series.

"**Senior Auction**" means an Auction in respect of one or more Obligations of the relevant Reference Entity specified as "Senior" pursuant to such Auction.

"**Subordinated Auction**" means an Auction in respect of one or more Obligations of the relevant Reference Entity specified as "Subordinated" or "Sub" pursuant to such Auction.

"**Transaction Auction Settlement Terms**" means the Credit Derivatives Auction Settlement Terms applicable to the relevant Reference Entity and Reference Obligation.

## 9. TERMS RELATING TO DELIVERY

"**Bond Entitlement**" means a Holder's pro rata share of the Deliverable Obligations Portfolio consisting of Bonds.

"**Deliver**" means to deliver, novate, transfer (including, in the case of a Qualifying Guarantee, transfer of the benefit of the Qualifying Guarantee), assign or sell, as appropriate, in the manner customary for the settlement of the applicable Deliverable Obligations (which shall include executing all necessary



## Definitions and Interpretations Applicable to the Securities

documentation and taking any other necessary actions), in order to convey all right, title and interest in the Deliverable Obligations specified in the Notice of Physical Settlement or any NOPS Amendment Notice, as applicable, to Holders free and clear of any and all liens, charges, claims or encumbrances (including, without limitation, any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in paragraphs (a) to (d) of the definition of "**Credit Event**") or right of set-off by or of the Reference Entity or, as applicable, an Underlying Obligor); provided that to the extent that the Deliverable Obligations consist of Direct Loan Participations, "**Deliver**" means to create (or procure the creation of) a participation in favour of each Holder and to the extent that the Deliverable Obligations consist of Qualifying Guarantees, "**Deliver**" means to Deliver both the Qualifying Guarantee and the Underlying Obligation. "**Delivery**" and "**Delivered**" will be construed accordingly. In the case of a Loan, Delivery shall be effected using documentation substantially in the form of the documentation customarily used in the relevant market for Delivery of such Loan at that time. Notwithstanding the previous sentence, in the case of a Loan, each of the Issuer and each Holder agrees to comply, for purposes of the settlement of the Securities, with the provisions of any documentation (which term shall be deemed to include any market advisory that the relevant Credit Derivatives Determinations Committee Resolves to approve for such purpose) that the relevant Credit Derivatives Determinations Committee Resolves constitutes documentation customarily used in the relevant market for Delivery of such Loan at that time, as such documentation may be amended to the extent the relevant Credit Derivatives Determinations Committee Resolves is appropriate, which is consistent with the delivery and payment obligations of the parties hereunder. Each of the Issuer and each Holder further agrees that compliance by it with the provisions of any such documentation shall be required for, and, without further action, constitute, Delivery for purposes of this definition (to the extent that such documentation contains provisions describing how Delivery should be effected) and neither the Issuer nor any Holder shall be permitted to request that the other take, nor shall it be required to take, any action under Credit Linked Condition 4.3 unless otherwise contemplated by such documentation.

"**Deliverable Obligations Portfolio**" means, in respect of each Physically Delivered CLS, subject to Credit Linked Condition 8.1 and unless otherwise elected by the Issuer in accordance with the Issuer CLS Settlement Option as set out in these Credit Linked Conditions, such Deliverable Obligations as may be selected by the Issuer with: (a) an outstanding principal balance, in respect of Deliverable Obligations that are Borrowed Money obligations or (b) a Due and Payable Amount, in respect of Deliverable Obligations that are not Borrowed Money obligations (or, in either case, the equivalent Currency Amount thereof), in an aggregate amount (excluding any accrued and unpaid interest) equal to (i) the Aggregate Nominal Amount of the Notes outstanding or the aggregate Calculation Amount of the Certificates outstanding, in respect of the Securities, as applicable, as at the Relevant Event Determination Date less (ii) (if, at the option of the Issuer, Settlement Expenses and Swap Costs are to be deducted rather than separately paid by each such Holder) an outstanding principal balance or Due and Payable Amount, as the case may be, of such Deliverable Obligations with a market value as determined by the Determination Agent equal to the Settlement Expenses and Swap Costs. If the amount of the Deliverable Obligations Portfolio is less than zero, no Deliverable Obligations will be required to be Delivered and the amount of the Deliverable Obligations Portfolio will be deemed to be zero. If an obligation by its terms represents or contemplates an obligation to pay an amount greater than the outstanding principal balance of such obligation as at the Delivery Date as a result of the occurrence or non-occurrence of an event or circumstance, the outstanding principal balance of such obligation shall not include any additional amount that would be payable upon the occurrence or non-occurrence of such event or circumstance.

"**Delivery Date**" means, with respect to a Deliverable Obligation, the date such Deliverable Obligation is Delivered and, in circumstances where Credit Linked Condition 4.9 applies in respect of the Securities, with respect to an amount of cash comprised in the Deliverable Obligations Portfolio, the date on which such cash is paid.

"**Delivery Entitlement Instruction**" means, with respect to Securities which are to be physically settled by delivery of an Entitlement, a notice delivered by the relevant Holder in respect of such Entitlement in the form obtainable from any Paying Agent, in the case of Bearer Securities, or from the Registrar or Transfer Agent, in the case of Registered Securities.

"**Delivery Method**" has the meaning specified in the Final Terms, or, if no such meaning is specified, shall mean, unless otherwise agreed between a Holder and the Issuer, that delivery to such Holder shall be to a securities account designated by such Holder.

**"Due and Payable Amount"** means the amount that is due and payable under (and in accordance with the terms of) a Deliverable Obligation on the Delivery Date, whether by reason of acceleration, maturity, termination or otherwise (excluding sums in respect of default interest, indemnities, tax gross-ups and other similar amounts).

**"Entitlement"** means the relevant Bond Entitlement and Non-Bond Entitlement.

**"Final Delivery Date"** means, in respect of a Physical Settlement Date, the final Delivery Date to occur with respect to Deliverable Obligations (or, where Credit Linked Condition 4.9 applies in respect of the Securities, the amount of cash) comprised in the Deliverable Obligations Portfolio pertaining to such Physical Settlement Date.

**"Latest Permissible Physical Settlement Date"** means, in respect of Credit Linked Condition 4.3, the date that is 30 calendar days after the Physical Settlement Date and, in respect of Credit Linked Condition 4.5, 4.6 and 4.7, the date that is 15 Business Days after the Physical Settlement Date (or, where "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation" applies, the Modified Restructuring Maturity Limitation Date).

**"Non-Bond Entitlement"** means a Holder's pro rata share of the Deliverable Obligations Portfolio consisting of obligations other than bonds.

**"Physical Settlement Date"** means the last day of the longest Physical Settlement Period following the satisfaction of all applicable Conditions to Settlement.

**"Physical Settlement Period"** means the number of Business Days specified as such in the Final Terms or, if a number of Business Days is not so specified, with respect to a Deliverable Obligation specified in the Notice of Physical Settlement, the longest number of Business Days for settlement in accordance with then current market practice of such Deliverable Obligation, as determined by the Determination Agent.

**"Transfer Documentation"** means, for each Series, such documentation as is generally acceptable for settlement of the transfer of the Deliverable Obligations Portfolio through the Relevant Clearing System.

## 10. TERMS RELATING TO CURRENCIES

**"Currency Amount"** means, with respect to (a) a Deliverable Obligation specified in a Notice of Physical Settlement that is denominated in a currency other than the Settlement Currency, an amount converted into the Settlement Currency using a conversion rate determined by reference to the Currency Rate and (b) a Replacement Deliverable Obligation specified in a NOPS Amendment Notice, an amount converted into the Settlement Currency (or, if applicable, back into the Settlement Currency) using a conversion rate determined by reference to the Currency Rate, if any, and each Revised Currency Rate used to convert each Replaced Deliverable Obligation Outstanding Amount specified in each NOPS Amendment Notice with respect to the relevant portion of the applicable Calculation Amount into the currency of denomination of the relevant Replacement Deliverable Obligation.

**"Currency Rate"** means, with respect to (a) a Deliverable Obligation specified in the Notice of Physical Settlement, the rate of conversion between the Settlement Currency and the currency in which the Outstanding Amount of such Deliverable Obligation is denominated that is either (i) determined by reference to the Currency Rate Source as at the Next Currency Fixing Time or (ii) if such rate is not available at such time, determined by the Determination Agent and (b) a Replacement Deliverable Obligation specified in a NOPS Amendment Notice, the Revised Currency Rate; provided, however, that:

- (a) if a Notice of Physical Settlement is delivered within five Business Days of an Auction Final Price Determination Date, the Issuer may elect to use the Auction Currency Rate (as defined in the Credit Derivatives Auction Settlement Terms) if such rate exists for the relevant currency pair; or
- (b) if "Local Market Currency Rate" is specified with respect to a Series in the Final Terms, then the Issuer may elect, instead of using the Currency Rate Source, to determine the Currency Rate by reference to quotes from four leading dealers at the Next Currency Fixing Time. The

## Definitions and Interpretations Applicable to the Securities

highest and lowest quotes shall be discarded and the Determination Agent shall take an average of the remaining two quotes. If it is not possible to obtain four quotes, then the Determination Agent shall determine the rate acting in a commercially reasonable manner.

**"Currency Rate Source"** means the mid-point rate of conversion published by WM/Reuters at 4:00 p.m. (London time), or any successor rate source approved by the relevant Credit Derivatives Determinations Committee.

**"Next Currency Fixing Time"** means 4:00 p.m. (London time) on the London Business Day immediately following the date on which the Notice of Physical Settlement or relevant NOPS Amendment Notice, as applicable, is effective.

**"Revised Currency Rate"** means, with respect to a Replacement Deliverable Obligation specified in a NOPS Amendment Notice, the rate of conversion between the currency in which the Replaced Deliverable Obligation Outstanding Amount is denominated and the currency in which the Outstanding Amount of such Replacement Deliverable Obligation is denominated that is determined either (a) by reference to the Currency Rate Source as at the Next Currency Fixing Time or (b) if such rate is not available at such time, by the Determination Agent in a commercially reasonable manner.

### 11. TERMS RELATING TO CONVERTIBLE, EXCHANGEABLE AND ACCRETING OBLIGATIONS

With respect to any Accreting Obligation, "outstanding principal balance" means the Accreted Amount thereof.

With respect to any Exchangeable Obligation that is not an Accreting Obligation, "outstanding principal balance" shall exclude any amount that may be payable under the terms of such obligation in respect of the value of the Equity Securities for which such obligation is exchangeable.

**"Accreted Amount"** means, with respect to an Accreting Obligation, an amount equal to (a) the sum of (i) the original issue price of such obligation and (ii) the portion of the amount payable at maturity that has accreted in accordance with the terms of the obligation (or as otherwise described below) less (b) any cash payments made by the obligor thereunder that, under the terms of such obligation, reduce the amount payable at maturity (unless such cash payments have been accounted for in clause (a)(ii) above), in each case calculated as at the earlier of (A) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal and (B) the Delivery Date or applicable CLS Valuation Date, as the case may be. Such Accreted Amount shall exclude any accrued and unpaid periodic cash interest payments (as determined by the Determination Agent). If an Accreting Obligation is expressed to accrete pursuant to a straight-line method or if such Obligation's yield to maturity is not specified in, nor implied from, the terms of such Obligation, then, for purposes of clause (a)(ii) above, the Accreted Amount shall be calculated using a rate equal to the yield to maturity of such Obligation. Such yield shall be determined on a semi-annual bond equivalent basis using the original issue price of such obligation and the amount payable at the scheduled maturity of such obligation, and shall be determined as at the earlier of (A) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal and (B) the Delivery Date or applicable CLS Valuation Date, as the case may be. The Accreted Amount shall exclude, in the case of an Exchangeable Obligation, any amount that may be payable under the terms of such obligation in respect of the value of the Equity Securities for which such obligation is exchangeable.

**"Accreting Obligation"** means any obligation (including, without limitation, a Convertible Obligation or an Exchangeable Obligation), the terms of which expressly provide for an amount payable upon acceleration equal to the original issue price (whether or not equal to the face amount thereof) plus an additional amount or amounts (on account of original issue discount or other accruals of interest or principal not payable on a periodic basis) that will or may accrete, whether or not (a) payment of such additional amounts is subject to a contingency or determined by reference to a formula or index or (b) periodic cash interest is also payable.

**"Convertible Obligation"** means any obligation that is convertible, in whole or in part, into Equity Securities solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the cash settlement option is that of the issuer or of (or for the benefit of) the holders of such obligation).

**"Equity Securities"** means:

- (a) in the case of a Convertible Obligation, equity securities (including options and warrants) of the issuer of such obligation or depositary receipts representing those equity securities of the issuer of such obligation together with any other property distributed to or made available to holders of those equity securities from time to time; and
- (b) in the case of an Exchangeable Obligation, equity securities (including options and warrants) of a person other than the issuer of such obligation or depositary receipts representing those equity securities of a person other than the issuer of such obligation together with any other property distributed to or made available to holders of those equity securities from time to time.

**"Exchangeable Obligation"** means any obligation that is exchangeable, in whole or in part, for Equity Securities solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the cash settlement option is that of the issuer or of (or for the benefit of) the holders of such obligation).

## PRO FORMA FINAL TERMS

The Final Terms for each Series 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][●][title of the Securities] under the GSSP Base Prospectus No. 15 [(to be consolidated and to form a single series with the [●] securities due [●], and issued on [●] pursuant to the 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**"). This Final Terms is supplemental to and should be read in conjunction with the Global Structured Securities Programme No. 15 dated 22 October 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 this Final Terms and the Base Prospectus.

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 [Issue Date]**

**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. Settlement Currency: [●]
  3. Specified Jurisdiction: [●][Not Applicable]
  4. Security: [Note] [Certificate]
  5. Notes: [Applicable] [Not Applicable]
    - a. [Aggregate Nominal Amount as at the Issue Date:] [[Up to] [●] [Up to authorised Aggregate Nominal Amount: [●] Initial Aggregate Nominal Amount issued as at the Issue Date: [●]].]
    - b. [Specified Denomination:] [[●] and integral multiples of [●] in excess thereof [up to and including [●].] [Notes will not be issued in definitive form with a Specified Denomination above [●].]
    - c. [[Minimum Tradable Amount:] [[●] [Not Applicable]]
    - d. [Calculation Amount:] [[●] [Not Applicable]]
  6. Certificates: [Applicable] [Not Applicable]
    - a. [Number of Securities:] [[Up to][●] [Up to authorised number of Securities: [●].] Initial issuance number of Securities as at the Issue Date: [●].]
    - b. [Minimum Tradable Amount:] [[●] [Not Applicable]]
    - c. [Calculation Amount:] [●] per Security
  7. Issue Price: [●] [Notes – [●] per cent of the [Aggregate Nominal Amount]] [Certificates – [●] per Security]
  8.
    - a. Issue Date: [●]
    - b. Interest Commencement Date: [●]
  9. Scheduled Redemption Date: [●]
- Provisions relating to interest (if any) payable (General Condition 5)***
10. Type of Interest: [Fixed Rate Interest] [Floating Rate Interest] [Zero Coupon]

- a. Interest Payment Date(s):  [Not Applicable]
- b. Interest Period End Date(s):  [Each Interest Payment Date] [without adjustment]  [Not Applicable]
11. Switch Option:  [Applicable]  [Not Applicable]
- a. Switch Exercise Period[s]: Interest Payment Date: Switch Exercise Period (each date inclusive):  
  to
- b. Switch Notice Period Number:
12. Fixed Rate Interest provisions:  [Applicable]  [Applicable subject to exercise of Switch Option]  [Applicable following exercise of Switch Option]  [Not Applicable]
- a. Fixed Rate:  [%]  
[[Switch Date:] Interest Payment Date:]  
[Fixed Rate (%):]
- b. Day Count Fraction:  [Actual/Actual (ICMA)]  [Act/Act (ICMA)]  
 [Actual/Actual]  [Actual/Actual (ISDA)]  
 [Actual/365 (Fixed)]  [Actual/360]  [30/360]  
 [360/360]  [Bond Basis]  [30E/360]  [Eurobond Basis]  [30E/360 (ISDA)]
13. Floating Rate Interest provisions:  [Applicable]  [Applicable subject to exercise of Switch Option]  [Applicable following exercise of Switch Option]  [Not Applicable]
- a. ISDA Determination:  [Applicable]  [Not Applicable]
- Floating Rate Option:  [GBP-LIBOR-BBA]  [EUR-EURIBOR-REUTERS]
- Designated Maturity:  [Month[s]]  [Year[s]]  [Overnight]  [Not Applicable]
- Reset Date: [The first day of each Interest Calculation Period]
- b. Screen Rate Determination:  [Applicable]  [Not Applicable]
- Reference Rate:  [LIBOR]  [EURIBOR]
- Designated Maturity:  [Month[s]]  [Year[s]]  [Not Applicable]
- Offered Quotation:  [Applicable]  [Not Applicable]
- Arithmetic Mean:  [Applicable]  [Not Applicable]
- Interest Determination Date:  [As set out in General Condition 5.2 (Floating Rate Interest)]
- Relevant Screen Page:
- Relevant Screen Time:  [a.m.]/[p.m.]

Part A - Contractual Terms

- c. Cap Rate: [Not Applicable] []%  
 [Interest Payment Date:] [Cap Rate (%):] [  
 ] [
- d. Floor Rate: [Not Applicable] []%  
 [Interest Payment Date:] [Floor Rate (%):]  
 [
- e. Spread: [zero] [plus]minus] [%][Not Applicable]  
 [[Switch Date:] Interest Payment Date:]  
 [Spread (%):]  
 [plus]minus] [
- f. Day Count Fraction: [Actual/Actual (ICMA)] [Act/Act (ICMA)]  
 [Actual/Actual] [Actual/Actual (ISDA)]  
 [Actual/365 (Fixed)] [Actual/360] [30/360]  
 [360/360] [Bond Basis] [30E/360] [Eurobond  
 Basis] [30E/360 (ISDA)]
- g. Details of any short or long Interest Calculation Period: [] [Not Applicable]
14. Zero Coupon Provisions: [Applicable] [Not Applicable]  
 [Accreted Calculation Amount: X: []  
 Y: []]
15. Optional Early Redemption: (*General Condition 6*)
- a. Optional Cash Redemption Date: []
- b. Call Option: [Applicable][Not Applicable]
- c. Call Option Type: [Cash Settled][Physically Settled][Not Applicable]
- d. Issuer Option Exercise Period: []
16. Credit Linked Securities: [Applicable]  
 [N/A]  
*(if not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Type of Credit Linked Security: [Single Name CLS]  
 [Nth-to-Default CLS]
- (ii) Determination Agent City: [As set out in the Credit Linked Conditions]  
 [As set out in the Physical Settlement Matrix in respect of the applicable Transaction Type]
- (iii) Credit Event Accrued Interest: [Applicable]



		[N/A]
(iv)	Extension Interest:	[Applicable]
		[N/A]
<i>Credit Provisions</i>		
(v)	Reference Entit[y][ies]:	[●]
		[Transaction Type [●]]
		[Each Reference Entity listed in Annex A]
		Transaction Type: In respect of each Reference Entity as set in Annex A]
(vi)	Specified Reference Obligation[s]:	[●] [As set out in Annex A]
		<i>[if using Annex A delete remaining sub-paragraphs]</i>
	The obligation[s] identified as follows:	
	Primary Obligor:	[●]
	Guarantor:	[●]
	Maturity:	[●]
	Coupon:	[●]
	CUSIP/ISIN:	[●]
	Deliverable Obligations:	
	Deliverable Obligation Category:	[As set out in respect of the [applicable] Transaction Type in Annex A]
		<i>[If using Annex A delete sub-paragraphs which are not required below]</i>
	(select one only)	[Payment]
		[Borrowed Money]
		[Reference Obligations Only]
		[Bond]
		[Loan]
		[Bond or Loan]
	Deliverable Obligation Characteristics:	[As set out in respect of the [applicable] Transaction Type in Annex A]
		<i>[If using Annex A delete sub-paragraphs which are not required below]</i>
	(select all of which apply)	[Not Subordinated]

Part A - Contractual Terms

		[Specified Currency: Standard Specified Currencies]
		[Not Contingent]
		[Assignable Loan]
		[Consent Required Loan]
		[Transferable]
		[Maximum Maturity: [30] years]
		[Not Bearer]
		[Not Sovereign Lender]
		[Not Domestic Currency]
		[Domestic Currency means: ( <i>specify currency if different from Credit Linked Conditions</i> )]
		[Not Domestic Law]
		[Domestic Law means: ( <i>specify currency if different from Credit Linked Conditions</i> )]
		[Listed]
		[Not Domestic Issuance]
		[Direct Loan Participation]
		[Accelerated or Matured]
Excluded Deliverable Obligations:		[●]
		[None]
(vii) Redemption following a Merger Event:		Credit Linked Condition 10 [Applicable] [N/A]
(viii) Monoline Provisions		Credit Linked Condition [9.6] [Applicable] [N/A]
(ix) Multiple Holder Obligations:		[Applicable] [N/A]
(x) All Guarantees:		[Applicable]: As set forth in the in the Physical Settlement Matrix for the Transaction Type] [N/A] [In respect of each Reference Entity as set out in the Physical Settlement Matrix in respect of the applicable Transaction Type specified in Annex A]
(xi) Credit Events:		[As set out in respect of the [applicable] Transaction Type in Annex A]
		[Bankruptcy]
		[Failure to Pay]
		[Grace Period Extension: [Applicable/N/A]]

[Grace Period: [●] (*specify if not the fallback definition in the Credit Linked Conditions*)]

[Obligation Default]

[Obligation Acceleration]

[Repudiation/Moratorium]

[Restructuring]

- [Restructuring Maturity Limitation and Fully Transferable Obligation [Applicable/N/A]]

- [Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation [Applicable/N/A]]

(xii) For Nth-to-Default Securities [●]  
only, specify N:

(xiii) Default Requirement: [As specified in the Credit Linked Conditions] [●]  
]

(*Specify if not the fallback definition in the Credit Linked Conditions*)

(xiv) Payment Requirement: [As specified in the Credit Linked Conditions]  
[●]

(*Specify if not the fallback definition in the Credit Linked Conditions*)

(xv) Conditions to Settlement: [Credit Event Notice]

[Notice of Publicly Available Information] (*if applicable*)

Specified Number: [Two]

[Notice of Physical Settlement]

(xvi) Obligation(s):

Obligation Category: [As set out in the Physical Settlement Matrix for  
the [applicable] Transaction Type]

(*select one only*) [Payment]

[Borrowed Money]

[Reference Obligations Only]

[Bond]

[Loan]

[Bond or Loan]

Obligation Characteristics: [As set out in the Physical Settlement Matrix for  
the [applicable] Transaction Type]

(*select all of which apply*) [Not Subordinated]

Part A - Contractual Terms

[Specified Currency: [Standard] [Other (*specify*)]]

[Not Sovereign Lender]

[Not Domestic Currency:]

[Domestic Currency means: [●] (*specify currency if different from Credit Linked Conditions*)]

[Not Domestic Law]

[Domestic Law means: (*specify law if different from Credit Linked Conditions*)]

[Listed]

[Not Domestic Issuance]

(xvii) Additional Obligation(s): [●] [None]

(xviii) Excluded Obligation(s) [None]

[Other (*specify*)]

*Terms relating to settlement following a Credit Event*

(xix) CLS Settlement Method: [Cash Settlement]

[Physical Settlement]

[Auction Settlement]

[N/A]

(xx) Fallback CLS Settlement Method: [Cash Settlement]

[Physical Settlement]

[N/A]

(xxi) Issuer CLS Settlement Option: [Applicable]

[N/A]

*Terms relating to Cash Settlement*

*(if not applicable, delete the rest of this sub-paragraph)*

(a) Credit Event Redemption Amount: As set out in the Credit Linked Conditions

(b) Credit Event Redemption Date: [●] [Five] Business Days

(c) CLS Valuation Date: [Single CLS Valuation Date]

[Multiple CLS Valuation Date]

[●] Business Days; and each [●] Business Days thereafter]

(d) CLS Valuation Time: [As specified in the Credit Linked Conditions]

[Other (*specify*)]

- (e) Quotation Method [Bid/Offer/Mid-market]
  - (f) Quotation Amount: [As specified in the Credit Linked Conditions]  
[Other (*specify*)]
  - (g) Minimum Quotation Amount: [As specified in the Credit Linked Conditions]  
[Other (*specify*)]
  - (h) Valuation Method: [Highest/Lowest/Market]
  - (xxii) Terms relating to Physical Settlement: [Applicable]  
  
[N/A]  
  
*(if not applicable, delete the rest of this sub-paragraph)*
  - (a) Physical Settlement Period: [] Business Days  
  
[As set out in the Credit Linked Conditions]
  - (b) Partial Cash Settlement due to Impossibility or illegality: [Applicable] [N/A]
  - (c) Partial Cash Settlement of Consent Required Loans: [Applicable] [N/A]
  - (d) Partial Cash Settlement of Assignable Loans: [Applicable] [N/A]
  - (e) Partial Cash Settlement of Participations: [Applicable] [N/A]
  - (f) Delivery provisions for Entitlement if different from stated above: [] [N/A]
  - (g) Local Market Currency Rate: [Applicable] [N/A]
  - (xxiii) 60 Business Day Cap on Settlement: [Applicable] [As set out in the Physical Settlement Matrix for the [applicable] Transaction Type]  
  
[N/A]
  - (xxiv) Qualifying Participation Seller: [Applicable]  
  
[] *Specify Characteristics*  
  
[Not Applicable]
17. Additional Disruption Events: (*General Condition 6.2*)
- a. [Hedging Disruption:] [Applicable][Not Applicable]
  - b. [Increased Cost of Hedging:] [Applicable][Not Applicable]

*General Provisions*

Part A - Contractual Terms

18. Form of Securities: [Global Bearer Securities: [Temporary Global Security, exchangeable for a Permanent Global Security][Permanent Global Security][,exchangeable for a Definitive Bearer Security]]
- [Global Registered Security, exchangeable for a Definitive Registered Security] [Definitive Registered Securities] [Regulation S Global Security] [Rule 144A Global Security available on the Issue Date.]
- NGN Form: [Applicable] [Not Applicable]
- Held under the NSS: [Applicable] [Not Applicable]
- CGN Form: [Applicable] [Not Applicable]
19. Trade Date: [●].
20. Early Redemption Notice Period Number: [●] [As specified in General Condition 22.1 (*Definitions*)].
21. Additional Business Centre(s): [Applicable][Not Applicable]
22. Business Day Convention: [Following]
- [Modified Following]
- [Nearest]
- [Preceding]
23. TEFRA exemption: [Not Applicable]
- [TEFRA: C Rules Applicable]
- [TEFRA: D Rules Applicable]
24. Relevant Clearing System(s): [●]
- [Euroclear]
- [Clearstream]
- [DTC]
25. Relevant securities codes: ISIN: [●]
- [Temporary ISIN: [●]]
- Common Code: [●]
- [Temporary Common Code: [●]]
- [Valoren: [●]]
- [CUSIP: [●]]
- [Other: [●]]
26. Manager[s]: [Barclays Bank PLC] [and]

- [Barclays Capital Inc.] [and]  
[●]
27. Determination Agent: [Barclays Capital Securities Limited]  
[Barclays Bank PLC]
28. Issue and Paying Agent[s]: [The Bank of New York Mellon]  
[Note: include name and addresses of additional Issue and Paying Agents(s) (if any)]: [Insert Address] [●]
29. [Common Depository:][Common Safekeeper:] [●][The Bank of New York Mellon]
30. [Stabilising Manager:] [●][Not Applicable]
31. [Registrar:] [●] [The Bank of New York Mellon (Luxembourg) S.A.] [The Bank of New York Mellon (New York branch)] [Not Applicable]
32. [Paying Agents:] [●]  
[The Bank of New York Mellon]  
[The Bank of New York Mellon (Luxembourg S.A.)]  
[The Bank of New York Mellon (New York branch)]  
[Other (*specify*):]  
[Not Applicable]
33. [Transfer Agent:] [●]  
[The Bank of New York Mellon]  
[The Bank of New York Mellon (Luxembourg S.A.)]  
[The Bank of New York Mellon (New York branch)]  
[Not Applicable]
34. Additional Agents: [●]  
[Not Applicable]
35. Clearing system(s) (together with their addresses) and the relevant identification number(s): [Insert name, identification number: [●]]  
[Euroclear, identification number: [●]]  
[Clearstream, identification number: [●]]  
[DTC, identification number: [●]]  
[Not Applicable]

Part A - Contractual Terms

36. Delivery: [●]  
[Delivery [against/free of] payment.]
37. If syndicated, names [and addresses] of Managers [and underwriting commitments]: [Not Applicable] [Names, addresses and underwriting commitments]



**PART B - OTHER INFORMATION**

**1. LISTING AND ADMISSION TO TRADING**

(i) Listing and Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Securities to be admitted to trading on the Luxembourg Stock Exchange's [Regulated Market] [Euro MTF] with effect from [●]].

[Application is expected to be made by the Issuer (or on its behalf) for the Securities to be admitted to trading on the Luxembourg Stock Exchange's [Regulated Market] [Euro MTF] on or around the Issue Date.]

[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.]

[Not Applicable]

(ii) Estimate of total expenses related to admission to trading: [●]

**2. RATINGS**

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

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

[Standard & Poor's: [●]]

[Other: [●]]

**3. YIELD**

Indication of yield: [●]

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

[Save for any fees payable to the Manager[s] and save as discussed in the risk factor "Risks associated with conflicts of interest between the Issuer and purchasers of Securities", so far as the Issuer is aware, no person involved in the offer of the Securities has an interest material to the [issue/offer].]

[Not Applicable]

[●]

**5. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

(i) Reasons for the offer: [●] [General funding] [Not Applicable]

(ii) [Estimated net proceeds:] [●] [Not Applicable]

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

Part B – Other Information

(iii) [Estimated total expenses:] [●] [Not Applicable]

*(It is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)*

6. **PERFORMANCE OF RATES[S] OF UNDERLYING ASSET EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT**

[●][*need to include details of where past and future performance and volatility of the relevant rates can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the Underlying Asset or other underlying and the circumstances when the risks are most evident.*]

**[Annex A – Reference Portfolio]** *[Delete if not applicable]*

<b>Reference Entity</b>	<b>Reference Obligation Primary Obligor (Issuer)</b>	<b>Reference Obligation Guarantor if any)</b>	<b>Reference Obligation CUSIP/ISIN</b>	<b>Reference Obligation Maturity</b>	<b>Reference Obligation Coupon (%)</b>	<b>Transaction Type</b>
[•]	[•]	[•]	[•]	[•]	[•]	[•] [Not Applicable]

## **BOOK-ENTRY PROCEDURES FOR RULE 144A GLOBAL SECURITIES DEPOSITED WITH DTC**

The Rule 144A Global Securities will be issued in the form of Global Registered Securities, without Coupons or Talons. Upon issuance, one or more Global Securities will be deposited with either (i) a custodian for DTC and registered in the name of Cede & Co., as nominee of DTC, or (ii) a common depositary on behalf of Euroclear and Clearstream.

Ownership of beneficial interests in a Global Security deposited with DTC will be limited to persons who have accounts with DTC ("**DTC Participants**") or persons who hold interests through DTC Participants. The Issuer expects that, under procedures established by DTC:

- upon deposit of a Global Security with DTC's custodian, DTC will credit portions of the nominal amount, calculation amount or number of Securities, as applicable, represented by the Global Security to the accounts of the DTC Participants designated by the Manager; and
- ownership of beneficial interests in a Global Security will be shown on, and transfer of ownership of those interests will be effected only through, records maintained by DTC (with respect to interests of DTC Participants) and the records of DTC Participants (with respect to other owners of beneficial interests in the Global Security).

Beneficial interests in a Global Security may not be exchanged for Definitive Securities except in the limited circumstances described below.

Any Global Security and beneficial interests in the Global Security will be subject to restrictions on transfer as described under "Clearance, Settlement and Transfer Restrictions – Transfer Restrictions for Registered Securities".

### **Book-Entry Procedures for Global Securities**

All interests in Global Securities will be subject to the operations and procedures of DTC. The following overview of those operations and procedures are provided solely for the convenience of investors. The operations and procedures of DTC are controlled by DTC and may be changed at any time. Neither the Issuer nor the Manager is responsible for those operations or procedures.

DTC has advised the Issuer that it is:

- a limited purpose trust company organised under the New York Banking Law;
- a "banking organisation" within the meaning of the New York Banking Law;
- a member of the Federal Reserve System;
- a "clearing corporation" within the meaning of the New York Uniform Commercial Code; and
- a "clearing agency" registered pursuant to the provisions of section 17A of the US Securities Exchange Act of 1934, as amended (the "**Exchange Act**").

DTC was created to hold securities for its participants and to facilitate the clearance and settlement of securities transactions between its participants through electronic book-entry changes to the accounts of its participants, thereby eliminating the need for physical transfer and delivery of certificates. DTC's Participants include securities brokers and dealers, including the initial purchasers; banks and trust companies; and clearing corporations and other organisations. Indirect access to DTC's system is also available to others such as banks, brokers, dealers and trust companies; these indirect participants clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly. Investors who are not DTC Participants may beneficially own securities held by or on behalf of DTC only through DTC Participants or indirect participants in DTC.

So long as DTC's nominee is the registered owner of a Registered Global Security, that nominee will be considered the sole owner or holder of the Securities represented by that Registered Global Security for all purposes under the Agency Agreement (as amended from time to time). Except as provided below, owners of beneficial interests in a Registered Global Security:

- will not be entitled to have Securities represented by a Registered Global Security registered in their names;
- will not receive or be entitled to receive Definitive Securities; and
- will not be considered the owners or holders of the Securities under the Agency Agreement (as amended from time to time) for any purpose, including with respect to the giving of any direction, instruction or approval to the Agent under the Agency Agreement (as amended from time to time).

As a result, each investor who owns a beneficial interest in a Registered Global Security must rely on the procedures of DTC to exercise any rights of a holder of Securities under the Agency Agreement (as amended from time to time) (and, if the investor is not a participant or an indirect participant in DTC, on the procedures of the DTC Participant through which the investor owns its interest).

Payments of principal, premium (if any), additional amounts (if any) and interest (if any) with respect to the Securities represented by a Registered Global Security will be made by the New York Agent to DTC's nominee as the registered holder of the Registered Global Securities. Neither the Issuer nor the New York Agent will have any responsibility or liability for the payment of amounts to owners of beneficial interests in a Global Security, for any aspect of the records relating to or payments made on account of those interests by DTC, or for maintaining, supervising or reviewing any records of DTC relating to those interests.

Payments by DTC Participants and indirect participants in DTC to the owners of beneficial interests in a Registered Global Security will be governed by standing instructions and customary industry practice and will be the responsibility of those DTC Participants or indirect participants and DTC.

Transfers between DTC Participants will be effected under DTC's procedures and will be settled in same-day funds.

#### **Registered Definitive Securities**

Registered Definitive Securities will be issued and delivered to each person that DTC identifies as a beneficial owner of the related Securities only on the occurrence of one of the following events:

- DTC notifies the Issuer at any time that it is unwilling or unable to continue as depository for the Registered Global Securities and a successor depository is not appointed within 90 calendar days;
- DTC ceases to be registered as a clearing agency under the Exchange Act and a successor depository is not appointed within 90 calendar days; or
- the Issuer, at its option, notifies the New York Agent that it elects to cause the issuance of Registered Definitive Securities.

The laws of some countries and some states in the US require that certain persons take physical delivery in definitive form of securities that they own. Consequently, the ability to transfer beneficial interests in a Registered Global Security to such persons may be limited to that extent. Because DTC can act only on behalf of DTC Participants, the ability of a person having beneficial interests in a Registered Global Security deposited with DTC to pledge such interests to persons or entities that do not participate in the relevant clearing system, or otherwise take actions in respect of such interests, may be affected by the lack of a physical certificate evidencing such interests.

## CLEARANCE, SETTLEMENT AND TRANSFER RESTRICTIONS

### Book-Entry Ownership

#### Bearer Securities

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 without Coupons may be deposited with a common depository 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.

#### Registered Securities

The Issuer may make applications to Euroclear and/or Clearstream for acceptance in their respective book-entry systems in respect of the Securities to be represented by a Regulation S Global Security. Each Regulation S Global Security deposited with a common depository for, and registered in the name of, a nominee of Euroclear and/or Clearstream will have an ISIN and a Common Code.

The Issuer, and the NY Registrar appointed for such purpose that is an eligible DTC participant, may make application to DTC for acceptance in its book-entry settlement system of the Registered Securities represented by a Rule 144A Global Security. Each such Rule 144A Global Security will have a Community on Uniform Security Identification Procedures ("**CUSIP**") number. Each Rule 144A Global Security will be subject to restrictions on transfer contained in a legend appearing on the front of such Rule 144A Global Security, as set out under "**Transfer Restrictions for Registered Securities**". In certain circumstances, as described below in "Transfer Restrictions for Registered Securities", transfers of interests in a Rule 144A Global Security may be made as a result of which such legend may no longer be required.

In the case of a Tranche of Registered Securities to be cleared through the facilities of DTC, the Custodian, with whom the Rule 144A Global Securities are deposited, and DTC, will electronically record the aggregate nominal amount or number of Securities, as applicable, represented by the Rule 144A Global Securities held within the DTC system. Investors may hold their beneficial interests in a Rule 144A Global Security directly through DTC if they are participants in the DTC system, or indirectly through organisations which are participants in such system.

Payments of the principal of, and interest on, each Rule 144A Global Security registered in the name of DTC's nominee will be to, or to the order of, its nominee as the registered owner of such Rule 144A Global Security. The Issuer expects that the nominee, upon receipt of any such payment, will immediately credit DTC participants' accounts with payments in amounts proportionate to their respective beneficial interests in the nominal amount, calculation amount or number of the Securities, as applicable, represented by the relevant Rule 144A Global Security as shown on the records of DTC or the nominee. The Issuer also expects that payments by DTC participants to owners of beneficial interests in such Rule 144A Global Security held through such DTC participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such DTC participants. None of the Issuer, the Issue and Paying Agent, any Paying Agent or any Transfer Agent will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, ownership interests in any Rule 144A Global Security or for maintaining, supervising or reviewing any records relating to such ownership interests.

All Registered Securities will initially be in the form of Regulation S Global Securities and/or Rule 144A Global Securities. Definitive Securities will only be available, in the case of Securities in the form of Notes initially represented by a Regulation S Global Security, in amounts or numbers specified in the Final Terms, and, in the case of Securities initially represented by a Rule 144A Global Security, in minimum amounts of US\$100,000 (or its equivalent rounded upwards as agreed between the Issuer and the relevant Manager(s)), or higher integral multiples of US\$1,000, in certain limited circumstances described below.

### **Payments through DTC**

Payments in US dollars of principal and interest in respect of a Rule 144A Global Security registered in the name of a nominee of DTC will be made to the order of such nominee as the registered holder of such Security. Payments of principal and interest in a currency other than US dollars in respect of Securities evidenced by a Rule 144A Global Security registered in the name of a nominee of DTC will be made or procured to be made by the Paying Agent in such currency in accordance with the following provisions. The amounts in such currency payable by the Paying Agent or its agent to DTC with respect to Notes held by DTC or its nominee will be received from the Issuer by the Paying Agent who will make payments in such currency by wire transfer of same day funds to the designated bank account in such currency of those DTC participants entitled to receive the relevant payment who have made an irrevocable election to DTC, in the case of payments of interest, on or prior to the third Business Day in New York City after the Record Date for the relevant payment of interest and, in the case of payments of principal, at least 12 Business Days in New York City prior to the relevant payment date, to receive that payment in such currency. The Paying Agent will convert amounts in such currency into US dollars and deliver such US dollar amount in same day funds to DTC for payment through its settlement system to those DTC participants entitled to receive the relevant payment who did not elect to receive such payment in such currency. The Agency Agreement (as amended from time to time) sets out the manner in which such conversions are to be made.

### **Transfers of Registered Securities**

Transfers of interests in Global Securities within Euroclear, Clearstream and DTC will be in accordance with the usual rules and operating procedures of the relevant clearing system. The laws of some states in the United States require that certain persons take physical delivery in definitive form of securities. Consequently, the ability to transfer interests in a Rule 144A Global Security to such persons may be limited. Because DTC can only act on behalf of participants, who in turn act on behalf of indirect participants, the ability of a person having an interest in a Rule 144A Global Security to pledge such interest to persons or entities that do not participate in DTC, or otherwise take actions in respect of such interest, may be affected by the lack of a physical certificate in respect of such interest.

Beneficial interests in a Regulation S Global Security may only be held through Euroclear or Clearstream. In the case of Registered Securities to be cleared through Euroclear, Clearstream and/or DTC, transfers may be made at any time by a holder of an interest in a Regulation S Global Security to a transferee who wishes to take delivery of such interest through a Rule 144A Global Security for the same Series, provided that any such transfer made on or prior to the expiration of the Distribution Compliance Period relating to the Securities represented by such Regulation S Global Security will only be made upon receipt by the Registrar or any Transfer Agent of a written certificate from Euroclear or Clearstream, as the case may be, (based on a written certificate from the transferor of such interest) to the effect that such transfer is being made to a person whom the transferor, and any person acting on its behalf, reasonably believes is a QIB within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States. Any such transfer made thereafter of the Securities represented by such Regulation S Global Security will only be made upon request through Euroclear or Clearstream by the holder of an interest in the Regulation S Global Security to the Issue and Paying Agent of details of that account at DTC to be credited with the relevant interest in the Rule 144A Global Security. Transfers at any time by a holder of any interest in the Rule 144A Global Security to a transferee who takes delivery of such interest through a Regulation S Global Security will only be made upon delivery to any Registrar or Transfer Agent of a certificate setting forth compliance with the provisions of Regulation S and giving details of the account at Euroclear or Clearstream, as the case may be, and DTC to be credited and debited, respectively, with an interest in each relevant Global Security.

Subject to compliance with the transfer restrictions applicable to the Registered Securities described below and under "Transfer Restrictions for Registered Securities", cross-market transfers between DTC, on the one hand, and directly or indirectly through Euroclear or Clearstream accountholders, on the other hand, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Custodian, the Registrar and the Issue and Paying Agent.

On or after the Issue Date for any Series, transfers of Securities of such Series between Accountholders in Euroclear and/or Clearstream and transfers of Securities of such Series between participants in DTC

will generally have a settlement date three Business Days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between Accountholders in Euroclear or Clearstream and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Euroclear and Clearstream, on the other hand, transfers of interests in the relevant Global Securities will be effected through the Issue and Paying Agent, the custodian, the relevant Registrar and any applicable Transfer Agent receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. Transfers will be effected on the later of (i) three Business Days after the trade date for the disposal of the interest in the relevant Global Security resulting in such transfer and (ii) two Business Days after receipt by the Issue and Paying Agent or the Registrar, as the case may be, of the necessary certification or information to effect such transfer. In the case of cross-market transfers, settlement between Euroclear or Clearstream Accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

For a further description of restrictions on transfer of Registered Securities, see "**Transfer Restrictions for Registered Securities**".

DTC has advised the Issuer that it will take any action permitted to be taken by a holder of Registered Securities (including, without limitation, the presentation of Rule 144A Global Securities for exchange as described above) only at the direction of one or more participants in whose account with DTC interests in Rule 144A Global Securities are credited and only in respect of such portion of the aggregate nominal amount or aggregate number of Securities, as applicable, represented by the relevant Rule 144A Global Securities as to which such participant or participants has or have given such direction. However, in the circumstances described above, DTC will surrender the relevant Rule 144A Global Securities in exchange for Definitive Securities (which will, in the case of Restricted Securities, bear the legend applicable to transfers pursuant to Rule 144A).

DTC has advised the Issuer as follows: DTC is a limited purpose trust company organised under the laws of the State of New York, a "banking organisation" under the laws of the State of New York, a member of the US Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of section 17A of the Exchange Act. DTC was created to hold securities for its participants and facilitate the clearance and settlement of securities transactions between participants through electronic computerised book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of certificates. Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to DTC is available to others, such as banks, securities brokers, dealers and trust companies, that clear through or maintain a custodial relationship with a DTC direct participant, either directly or indirectly.

Although Euroclear, Clearstream and DTC have agreed to the foregoing procedures in order to facilitate transfers of beneficial interests in the Global Securities among participants and Accountholders of DTC, Clearstream and Euroclear, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. Neither the Issuer, nor any Paying Agent nor any Transfer Agent will have any responsibility for the performance by Euroclear, Clearstream or DTC or their respective direct or indirect participants or Accountholders of their respective obligations under the rules and procedures governing their operations.

While a Rule 144A Global Security is lodged with DTC or the Custodian, Restricted Securities represented by Definitive Securities will not be eligible for clearing or settlement through Euroclear, Clearstream or DTC.

### **Definitive Securities**

Registration of title to Registered Securities in a name other than a common depositary or its nominee for Clearstream and Euroclear or for DTC will be permitted only in the circumstances set out in General Condition 1 (*Form, Title and Transfer*). In such circumstances, the Issuer will cause sufficient individual Securities to be executed and delivered to the Registrar for completion, authentication and



## Clearance, Settlement and Transfer Restrictions

despatch to the relevant Holder(s). A person having an interest in a Global Security must provide the Registrar with:

- (i) a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Definitive Securities; and
- (ii) in the case of a Rule 144A Global Security only, a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange, or in the case of a simultaneous resale pursuant to Rule 144A, a certification that the transfer is being made in compliance with the provisions of Rule 144A. Definitive Securities issued pursuant to this paragraph (ii) shall bear the legends applicable to transfers pursuant to Rule 144A.

### **Pre-issue Trades Settlement**

It is expected that delivery of Securities will be made against payment therefor on the relevant Issue Date, which could be more than three Business Days following the date of pricing. Under Rule 15c6-1 of the Exchange Act, trades in the US secondary market generally are required to settle within three Business Days ("T+3"), unless the parties to any such trade expressly agree otherwise. Accordingly, in the event that an Issue Date is more than three Business Days following the relevant date of pricing, purchasers who wish to trade Registered Securities in the United States between the date of pricing and the date that is three Business Days prior to the relevant Issue Date will be required, by virtue of the fact that such Securities initially will settle beyond T+3, to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement. Settlement procedures in other countries will vary. Purchasers of Securities may be affected by such local settlement practices and, in the event that an Issue Date is more than three Business Days following the relevant date of pricing, purchasers of Securities who wish to trade Securities between the date of pricing and the date that is three Business Days prior to the relevant Issue Date should consult their own adviser.

### **Transfer Restrictions for Registered Securities**

#### **Restricted Securities**

Each purchaser of Restricted Securities, by accepting delivery of this Base Prospectus, will be deemed to have represented, agreed and acknowledged that:

- (1) It is (a) a QIB, (b) acquiring such Restricted Securities for its own account or for the account of a QIB and (c) aware, and each beneficial owner of such Restricted Securities has been advised, that the sale of such Restricted Securities to it is being made in reliance on Rule 144A.
- (2) (a) It understands that such Restricted Securities have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred, except (i) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believes is a QIB purchasing for its own account or for the account of a QIB, (ii) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S or (iii) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available), in each case in accordance with any applicable securities laws of any State of the United States and (b) it will, and each subsequent holder of the Restricted Securities is required to, notify any purchaser of the Restricted Securities from it of the resale restrictions on the restricted securities.
- (3) The Rule 144A Global Security representing such Restricted Securities will, unless the Issuer determines otherwise in accordance with applicable law, bear a legend in or substantially in the following form:

THE SECURITIES REPRESENTED BY THIS RULE 144A GLOBAL SECURITY IN RESPECT HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES 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 AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE

WITH RULE 144A UNDER THE SECURITIES ACT ("RULE 144A") TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A (A "QIB") THAT IS ACQUIRING THIS NOTE FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QIB'S, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATIONS UNDER THE SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER RULE 144 UNDER THE SECURITIES ACT ("RULE 144"), IF AVAILABLE, OR (4) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 FOR REALES OF THE SECURITIES.

A Rule 144A Global Security held by a Custodian on behalf of DTC shall also bear the following legend:

"UNLESS THIS RULE 144A GLOBAL SECURITY IS PRESENTED BY AN AUTHORISED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY SECURITY ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORISED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN."

- (4) The Issuer, the Registrar, Luxembourg Registrar, the Manager and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. If it is acquiring any Restricted Securities for the account of one or more QIBs, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.
- (5) It understands that the Restricted Securities will be represented by a Rule 144A Global Security. Before any interest in a Rule 144A Global Security may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Regulation S Global Security or, as the case may be, Global Security, it will be required to provide a Transfer Agent with a written certification (in the form provided in the Agency Agreement) as to compliance with applicable securities laws.

For as long as any Restricted Securities are outstanding and are "restricted securities" within the meaning of Rule 144 under the Securities Act, the Issuer has agreed that any holder of such Securities or prospective purchaser designated by such holder of Securities will have the right to obtain from the Issuer during any period in which the Issuer is neither subject to section 13 or 15(d) of the Exchange Act, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, upon request, the information required by Rule 144A(d)(4) under the Securities Act.

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

#### **Unrestricted Securities**

Each purchaser of Unrestricted Securities and each subsequent purchaser of such Unrestricted Securities in re-sales prior to the expiration of the Distribution Compliance Period, by accepting delivery of the Base Prospectus and the Unrestricted Securities, will be deemed to have represented, agreed and acknowledged that:

- (1) It is, or at the time Unrestricted Securities are purchased will be, the beneficial owner of such Unrestricted Securities and (a) it is not a US person and it is located outside the United States

## Clearance, Settlement and Transfer Restrictions

(within the meaning of Regulation S) and (b) it is not an affiliate of the Issuer or a person acting on behalf of such an affiliate.

- (2) It understands that such Unrestricted Securities have not been and will not be registered under the Securities Act and that, prior to the expiration of the Distribution Compliance Period, it will not offer, sell, pledge or otherwise transfer such Unrestricted Securities except (a) in accordance with Rule 144A under the Securities Act to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or the account of a QIB or (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any State of the United States.
- (3) It understands that such Unrestricted Securities, unless otherwise determined by the Issuer in accordance with applicable law, will bear a legend to the following effect:

"THE SECURITIES REPRESENTED BY THIS REGULATION S GLOBAL SECURITY IN RESPECT HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES 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 AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT."
- (4) It understands that the Issuer, the Registrars, the Luxembourg Registrar, the Agents, the Manager and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.
- (5) It understands that the Unrestricted Securities will be represented by a Regulation S Global Security or, as the case may be, a Global Security. Prior to the expiration of the Distribution Compliance Period, before any interest in a Regulation S Global Security may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Restricted Security, it will be required to provide a Transfer Agent with a written certification (in the form provided in the Agency Agreement (as amended from time to time)) as to compliance with the applicable securities laws.

## 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 interest or premium payable on the Securities, the delivery of any entitlement 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 and in connection with the transfer or delivery of a pro rata share of any Deliverable Obligations Portfolio.

Investors are referred to General Condition 4.5 (*Taxes, Settlement Expenses and Conditions to Settlement*).

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

#### *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 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 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 Luxembourg 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.

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 tax whether or not the Issuer

## Taxation

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 tax where, at the time the payment is made, the Issuer reasonably believes that either:

- (a) 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
- (b) 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 either annual payments or, in the case of Securities which are capable of physical settlement, manufactured payments for United Kingdom tax purposes, in each case 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**

Persons in the United Kingdom paying interest to, or receiving interest on behalf of, another person who is an individual may be required to provide certain information to HMRC regarding the identity of the payee or the person entitled to the interest. In certain circumstances, such information may be exchanged with tax authorities in other countries.

The provisions referred to above may also apply, in certain circumstances, to payments of amounts due on redemption of Securities that constitute "deeply discounted securities" (as defined in Chapter 8 of Part 4 of the Income Tax (Trading and Other Income) Act 2005). However, HMRC's published practice indicates that no such information will be required in relation to such redemption amounts where they are paid before 5 April 2014.

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

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

Depending upon the terms and conditions of the relevant Securities, UK stamp duty or SDRT may be payable on the issue or on the subsequent transfer of such Securities.

## **European Union Taxation**

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

Under the Savings 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.

Investors should note that the European Commission has announced proposals to amend the Savings Directive. If implemented, the proposed amendments would 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 US federal income tax consequences of the acquisition, ownership and disposition of Securities by a non-US holder. For purposes of this section, a "non-US holder" is a beneficial owner of Securities that is: (i) a nonresident alien individual for US federal income tax purposes; (ii) a foreign corporation for US federal income tax purposes; or (iii) an estate or trust whose income is not subject to US federal income tax on a net income basis. If the investor is not a non-US holder, he/she should consult his/her tax advisor with regard to the US 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 of 1986, 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 US federal income tax consequences described herein. Investors considering the purchase of Securities should consult their own tax advisors concerning the application of US 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 US FEDERAL, STATE, LOCAL, AND OTHER TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF SECURITIES.**

**US Federal Tax Treatment of Non-US Holders**

In general and subject to the discussion in the following paragraphs, payments on the Securities to a non-US holder and gain realized on the sale, exchange, redemption or other disposition of the Securities by a non-US holder will not be subject to US federal income or withholding tax, unless (1) such income is effectively connected with a trade or business conducted by such non-US holder in the United States, or (2) in the case of gain, such non-US holder is a nonresident 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 US federal income tax purposes. The Internal Revenue Service ("**IRS**") released a notice in 2007 that may affect the taxation of non-US 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-US holders of such Securities will ultimately be required to accrue income currently and that non-US 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 US 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 US stock, it is possible that the IRS could assert that investors should be subject to US withholding tax in respect of such dividends. Similarly, in the case of Securities that are linked to one or more assets characterised as "US real property interests" (as such term is defined in section 897(c) of the IR Code), non-US holders may be subject to special rules governing the ownership and disposition of US real property interests. Prospective non-US 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 US 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-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. To avoid becoming subject to the 30 per cent withholding tax on such payments, the Issuer and other non-US 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-US 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-US 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 US source payments (e.g., "dividend equivalent" payments) and before 1 January 2017 with respect to non-US source payments.

## **Luxembourg**

**The comments below are intended as a basic overview of certain tax consequences in relation to the purchase, ownership and disposal of the Securities under Luxembourg law. Persons who are in any doubt as to their tax position should consult a professional tax adviser.**

### **Withholding tax and Self-Applied Tax**

Under Luxembourg tax law currently in effect and with the possible exception of interest paid to certain individual holders of Securities or so-called residual entities, there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest). There is also no Luxembourg withholding tax, with the possible exception of payments made to certain individual holders of Securities or so-called residual entities, upon repayment of principal in case of reimbursement, redemption, repurchase or exchange of the Securities.

### ***Luxembourg non-resident individuals***

Under the Luxembourg laws dated 21 June 2005 (the "**Laws**") implementing the Savings Directive and several agreements concluded between Luxembourg and certain dependent or associated territories of the EU, a Luxembourg based paying agent (within the meaning of the Laws) is required since 1 July 2005 to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual or certain "residual entities" resident or established in another Member State or in certain EU dependent or associated territories, unless the beneficiary of the interest payments elects for the exchange of information or, in case of an individual beneficiary, the tax certificate procedure. "Residual entities" within the meaning of Article 4.2 of the Savings Directive are entities established in a Member State or in certain EU dependent or associated territories which are not legal persons (the Finnish and Swedish companies listed in Article 4.5 of the Savings Directive are not considered as legal persons for this purpose), whose profits are not taxed under the general arrangements for the business taxation, which are not and have not opted to be treated as UCITS recognised in accordance with the Council Directive 85/611/EEC, as replaced by the European Council Directive 2009/65/EC, or similar collective investment funds located in Jersey, Guernsey, the Isle of Man, the Turks and Caicos Islands, the Cayman Islands, Montserrat or the British Virgin Islands.

The current withholding tax rate is 35 per cent. The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain third countries.

The European Commission has proposed certain amendments to the Savings Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

### ***Luxembourg resident individuals***

In accordance with the law of 23 December 2005, as amended (the "**Law**") on the introduction of a withholding tax on certain interest payments on savings income, interest payments made by Luxembourg paying agents (defined in the same way as in the Savings Directive) to Luxembourg individual residents or to certain residual entities that secure interest payments on behalf of such individuals (unless such entities have opted either to be treated as UCITS recognised in accordance with the European Council Directive 85/611/EEC, as replaced by the European Council Directive 2009/65/EC, or for the exchange of information regime) are subject to a 10 per cent withholding tax.

Pursuant to the Law, Luxembourg resident individuals, acting in the course of their private wealth, can opt to self-declare and pay a 10 per cent tax on interest payments made after 31 December 2007 by paying agents (defined in the same way as in the Savings Directive) located in an EU Member State other than Luxembourg, a Member State of the European Economic Area other than an EU Member State or in a State or territory which has concluded an international agreement directly related to the Savings Directive.



## PURCHASE AND SALE

Pursuant to the Master Subscription Agreement dated 18 April 2013 (as amended, supplemented and/or restated from time to time, the "**Master Subscription Agreement**"), each Manager (being, at the date of this Base Prospectus, each of Barclays Bank PLC and Barclays Capital Inc. in their respective capacities 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 pursuant to 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 the 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 at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive provided that such offer shall not 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.

#### **Argentina**

The offering of the Securities has not been registered with the Argentine Securities and Exchange Commission (Comisión Nacional de Valores, or the "**CNV**"). The CNV has neither approved nor disapproved the Securities, nor has the CNV passed upon or endorsed the merits of any offering or the accuracy or adequacy of the Base Prospectus and any Final Terms. As a result, the Securities may not be publicly offered or sold within Argentina. The Base Prospectus and any Final Terms do not constitute an offer to sell any of the Securities referred to therein to any prospective purchaser of the Securities in Argentina, nor do they constitute a solicitation of any prospective purchaser of the Securities in Argentina of an offer to buy any of the Securities referred to therein, under circumstances in which such offer or solicitation, as applicable, would be unlawful.

#### **Australia**

## Purchase and Sale

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia ("**Australian Corporations Act**")) in relation to the Securities has been or will be lodged with the Australian Securities and Investments Commission ("**ASIC**"). Unless the applicable Final Terms (or another supplement to any Base Prospectus) otherwise provides, no person:

- (a) shall have offered or invited applications, and no person will offer or invite applications, for the issue, sale or purchase of the Securities in Australia (including, without limitation, an offer or invitation which is received by a person in Australia); and
- (b) shall have distributed or published, and no person will distribute or publish, any draft, preliminary or definitive offering circular or other offering material or advertisement relating to the Securities in Australia,

unless, depending upon the characterisation of the offering:

- (i) the offer or invitation is made to a "wholesale client" (as defined for the purposes of Chapter 7 of the Australian Corporations Act); or
- (ii) the offer or invitation does not require disclosure to investors under Part 6D.2 or Chapter 7 of the Australian Corporations Act,

as appropriate, and:

- (i) such action complies with all applicable laws, regulations and directives (including, without limitation, the licensing requirements of Chapter 7 of the Australian Corporations Act); and
- (ii) such action does not require any document to be lodged with ASIC.

### **Bahamas**

The Base Prospectus and Final Terms in connection with the offer of Securities by Barclays Bank PLC have not been filed with the Securities Commission of The Bahamas because this offer of Securities is exempt from the prospectus filing requirements under the Securities Industry Act, 2011. No offer or sale of any Securities of Barclays Bank PLC can be made in The Bahamas unless the offer of the Securities is made by or through a firm registered with the Securities Commission of The Bahamas to carry on securities business and in compliance with the Bahamian Exchange Control Regulations.

### **Bahrain**

This Base Prospectus has not been approved by the Central Bank of Bahrain and the Central Bank of Bahrain takes no responsibility for its contents. The Securities may not be offered to (i) the public (as defined in Articles 142-146 of the Commercial Companies Law (Decree Law No. 21/2001) of Bahrain) or (ii) any person in Bahrain who is not an "accredited investor".

For this purpose, an "accredited investor" means: (a) an individual holding financial assets (either singly or jointly with a spouse) of US\$1,000,000 or more; (b) a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than US\$1,000,000; or (c) a government, supranational organization, central bank or other national monetary authority or a state organization whose main activity is to invest in financial instruments (such as a state pension fund). This Base Prospectus is intended to be read by the addressee only and must not be passed to, issued to, or shown to the public generally.

### **Brazil**

The Securities have not been, and will not be, registered with the Brazilian Securities Commission (*Comissão de Valores Mobiliários*, or the "**CVM**"). The Securities may not be offered or sold in Brazil, except in circumstances that do not constitute a public offering or unauthorised distribution of securities in Brazil or an undue solicitation of investors under Brazilian laws and regulations. Any documents or other materials relating to any offering of the Securities, as well as the information contained herein, may not be supplied in Brazil as part of any public offering, unauthorised distribution

or undue solicitation of investors, and may not be used in connection with any offer for subscription, sale, unauthorised distribution of the Securities or undue solicitation of investors in Brazil.

### **British Virgin Islands**

The distribution of the Base Prospectus and Final Terms does not constitute a public offer within the meaning of the Securities and Investment Business Act, 2010 of the British Virgin Islands, and the Base Prospectus and Final Terms have not been registered with or approved by the Financial Services Commission or any other Governmental or regulatory authority in the British Virgin Islands.

### **Cayman Islands**

No invitation will be made to the public in the Cayman Islands to subscribe for any of the Securities.

### **Chile**

Neither Barclays Bank PLC nor the Securities offered herein are registered in the Securities Registry maintained by the Chilean Securities and Insurance Superintendency (*Superintendencia de Valores y Seguros de Chile*, or the "SVS") pursuant to the Chilean Securities Market Law No. 18,045 (Ley de Mercado de Valores No. 18,045), as amended and restated, and supplemental rules enacted thereunder ("Law 18,045"). Accordingly, the Securities may not be offered in Chile except in circumstances which do not constitute a public offer of Securities in Chile within the meaning of Article 4 of Law 18,045. The Base Prospectus and Final Terms are confidential and personal to each offeree and do not constitute an offer to any other person or to the general public in Chile to acquire the securities. Distribution of the Base Prospectus and Final Terms in Chile to any person other than the offeree is unauthorised, and any disclosure of any of the content of the Base Prospectus and Final Terms within Chile without our prior written consent is prohibited. Each prospective investor in Chile, by accepting the delivery of the Base Prospectus and Final Terms, agrees to the foregoing and will not make photocopies or any other reproduction, either physical or electronic, of the Base Prospectus and Final Terms or any other documents referred to herein. We reserve the right to reject any offer to purchase, in whole or in part, and for any reason, the securities offered hereby. We also reserve the right to sell or place less than all of the securities offered hereby.

To the extent the offering is conducted in accordance to Rule No. 336 (Norma de Carácter General No. 336) ("NCG 336") issued by the SVS, this private offering of the Securities (a) commences on the issue date as specified in the related Final Terms, and is subject to the provisions indicated in NCG 336, (b) the Securities are not registered in the *Registro de Valores* nor in the *Registro de Valores Extranjeros* of the SVS and therefore the Securities are not subject to such authority's control, (c) Barclays Bank PLC is not obliged to deliver public information regarding the Securities in Chile and (d) the Securities cannot be publicly offered while they are not registered in the *Registro de Valores* or in the *Registro de Valores Extranjeros* of the SVS, as applicable. Spanish translation: En caso que esta oferta se realice de conformidad a la Norma de Carácter General No. 336, emitida por la Superintendencia de Valores y Seguros ("NCG 336"), esta oferta privada de Valores: (a) se inicia la fecha de emisión, tal como se especifica en el Suplemento de Precio relevante, y estará sujeta a las disposiciones de la NCG 336, (b) los valores no están inscritos en el Registro de Valores ni en el Registro de Valores Extranjeros que lleva la Superintendencia de Valores y Seguros, por lo que tales valores no están sujetos a la fiscalización de ésta, (c) Barclays Bank PLC no está obligado a entregar en Chile información pública respecto de los valores sobre los que versa esta oferta, y (d) estos valores no podrán ser objeto de oferta pública mientras no sean inscritos en el Registro de Valores o en el Registro de Valores Extranjeros de la Superintendencia de Valores y Seguros, según corresponda.

### **Colombia**

The Securities have not been, and will not be, registered in the National Securities and Issuers Registry (*Registro Nacional de Valores y Emisores*) of Colombia or traded on the Colombian Stock Exchange (*Bolsa de Valores de Colombia*). Therefore, the Securities may not be publicly offered in Colombia or traded on the Colombian Stock Exchange.

The Base Prospectus and Final Terms are for the sole and exclusive use of the addressee as an offeree in Colombia, and the Base Prospectus and Final Terms shall not be interpreted as being addressed to any third party in Colombia or for the use of any third party in Colombia, including any shareholders, administrators or employees of the addressee.

## Purchase and Sale

The recipient of the Securities acknowledges that certain Colombian laws and regulations (specifically foreign exchange and tax regulations) are applicable to any transaction or investment made in connection with the securities being offered and represents that it is the sole party liable for full compliance with any such laws and regulations.

### **Costa Rica**

The Securities are not intended for the Costa Rican public or the Costa Rican market and are not registered, and will not be registered, with the General Superintendence of Securities (the "SUGEVAL") as part of any public offering of securities in Costa Rica. The Base Prospectus and Final Terms relate to an individual, private offering that is made in Costa Rica in reliance upon an exemption from registration with the SUGEVAL pursuant to articles 7 and 8 of the Regulations on the Public Offering of Securities (*Reglamento se Oferta Pública de Valores*). The information contained in the Base Prospectus and Final Terms is confidential, and the Base Prospectus and Final Terms are not to be reproduced or distributed to third parties in Costa Rica.

### **Dubai International Financial Centre**

The Securities will not be issued pursuant to the Programme to any person in the Dubai International Financial Centre unless such offer is:

- (a) an "Exempt Offer" of Securities in accordance with the Markets Law No. 1 of 2012 (as amended from time to time), as supplemented by the Markets Rules issued by the Dubai Financial Services Authority (the "DFSA"); and
- (b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.2 of the DFSA Conduct of Business Module.

### **El Salvador**

The recipient of the Base Prospectus and Final Terms acknowledges that the Base Prospectus and Final Terms have been provided by Barclays Bank PLC upon the recipient's request and under a private placement of securities.

### **Hong Kong**

No person:

- (a) should have offered or sold or will offer or sell in Hong Kong, by means of any document, any Securities (except for Securities which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) other than (i) to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) should have issued or should have had in its possession for the purposes of issue, or will issue, or has or will have in its possession for the purposes of issue (whether in Hong Kong or elsewhere), any advertisement, invitation or document relating to the Securities which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) and any rules made under that Ordinance.

### **Israel**

No action has been, or will be, taken in Israel that would permit an offering of the Securities or a distribution of this Base Prospectus to the public in Israel. In particular, the Base Prospectus has not been reviewed or approved by the Israel Securities Authority. The Securities are being offered to a limited number of sophisticated investors, in all cases under the circumstances that will fall within the private placement or other exemptions of the Israeli Securities Law, 5728-1968. This Base Prospectus

may not be reproduced or used for any other purpose, nor be furnished to any other person other than those to whom copies have been sent. Any offeree who purchases the Securities is purchasing such Securities for its own benefit and on its own account and not with the aim or intention of distributing or offering such Securities to other parties. Nothing in this Base Prospectus should be considered "investment advice", as defined in the Regulation of Investment Advice, Investment Marketing and Portfolio Management Law, 5755-1995.

### **Korea**

Each Manager has represented, warranted and agreed, and any additional Manager or holder of Securities named in the applicable Final Terms will be required to represent, warrant and agree, that the Securities have not been and will not be registered under the Financial Investment Services and Capital Markets Act of the Republic of Korea and that the Securities have not been and will not be offered, delivered or sold directly or indirectly in Korea or to any resident of Korea (as defined under the Foreign Exchange Transactions Law of Korea and the regulations thereunder) or to others for reoffering or resale, directly or indirectly, in Korea or to any resident of Korea, except as otherwise permitted under the applicable laws and regulations of Korea. Furthermore, a holder of Securities is prohibited from offering, delivering or selling any Securities, directly or indirectly, in Korea or to any Korean resident except as otherwise permitted under the Korean laws and regulations. Each Manager has undertaken, and any additional Manager named in the applicable Final Terms will be required to undertake, to ensure that any investor to which it sells Securities confirms that it is purchasing such Securities as principal and agrees with such Manager that it will comply with the restrictions described above.

### **Kuwait**

This Base Prospectus is not for general circulation to the public in Kuwait. The Securities have not been licensed for offering in Kuwait by the Kuwait Capital Markets Authority or any other relevant Kuwaiti government agency. The offering of the Securities in Kuwait on the basis of a private placement or public offering is, therefore, restricted in accordance with Decree Law No. 31 of 1990 and the implementing regulations thereto (as amended) and Law No. 7 of 2010 and the bylaws thereto (as amended). No private or public offering of the Securities is being made in Kuwait, and no agreement relating to the sale of the Securities will be concluded in Kuwait. No marketing or solicitation or inducement activities are being used to offer or market the Securities in Kuwait.

### **Lebanon**

The Securities have not obtained the authorisation of the board of the Financial Markets Authority to be marketed, promoted, offered or sold ("offered") in Lebanon and as such have not been, and are not being, publicly offered into Lebanon, other than in compliance with the laws and regulations of Lebanon governing the issue, offering and sale of Securities where such Securities are promoted in Lebanon by duly licensed and authorised Lebanese banks, financial institutions or brokerage institutions.

### **Mainland China**

The Securities may not be offered or sold or delivered, or offered or sold or delivered to any person for reoffering or resale or redelivery, in any such case directly or indirectly (i) by means of any advertisement, invitation, document or activity which is directed at, or the contents of which are likely to be accessed or read by, the public in the People's Republic of China, excluding Hong Kong, Taiwan and Macau ("Mainland China") or (ii) to any person within Mainland China other than permitted by and in full compliance with the relevant laws and regulations of Mainland China, including but not limited to the Mainland China Securities Law, the Company Law and/or the Administrative Rules Governing Derivatives Activities of Financial Institutions (as amended from time to time). The Issuer does not represent that the Base Prospectus may be lawfully distributed, or that any Securities may be lawfully offered, in compliance with any applicable registration or other requirements in Mainland China, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. Neither the Base Prospectus nor any material or information contained or incorporated by reference therein relating to the Programme, which has not been and will not be submitted to or approved/verified by or registered with the China Securities Regulatory Commission or other relevant governmental authorities in Mainland China, constitutes an offer or

## Purchase and Sale

solicitation of an offer to subscribe, purchase or sell the Securities in Mainland China or may be supplied to the public in Mainland China or used in connection with any offer for the subscription, purchase or sale of the Securities other than in compliance with the aforesaid in Mainland China.

### **Mexico**

The Securities have not been, and will not be, registered with the National Securities Registry maintained by the Mexican National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*). and, therefore the Securities may not be publicly offered or sold nor be the subject of intermediation in Mexico, publicly or otherwise, except that the Securities may be offered in Mexico to institutional and qualified investors pursuant to the private placement exception set forth in Article 8 of the Mexican Securities Market Law.

### **Oman**

The information contained in this Base Prospectus neither constitutes a public offer of securities in the Sultanate of Oman as contemplated by the Commercial Companies Law of Oman (Royal Decree 4/74) or the Capital Market Law of Oman (Royal Decree 80/98), nor does it constitute an offer to sell, or the solicitation of any offer to buy Non-Omani securities in the Sultanate of Oman as contemplated by Article 139 of the Executive Regulations of the Capital Market Law (issued by Decision No.1/2009). Additionally, this Base Prospectus is not intended to lead to the conclusion of a contract for the sale or purchase of Securities. The recipient of this Base Prospectus represents that it is a financial institution and/or is a sophisticated investor (as described in Article 139 of the Executive Regulations of the Capital Market Law), and that it has and/or its officers/employees have such experience in business and financial matters that they are capable of evaluating the merits and risks of investments.

### **Panama**

The Securities have not been, and will not be, registered with the Superintendency of Capital Markets (the "SCV") under Decree Law No. 1 of 8 July 1999 (the "**Panamanian Securities Act**") and may not be publicly offered or sold within Panama, except in certain limited transactions exempted from the registration requirements of the Panamanian Securities Law. The Securities do not benefit from the tax incentives accorded to registered securities by the Panamanian Securities Law and are not subject to regulation or supervision by the SCV.

### **Paraguay**

The Securities and the Base Prospectus and Final Terms do not constitute a public offering of securities or other financial products and services in Paraguay. You acknowledge that (a) the Securities were issued outside of Paraguay, (b) any legal matter arising from any offering of the Securities shall not be submitted to any Paraguayan government authority and (c) the Paraguayan Deposit Insurance legislation does not insure investments in the Securities. The Paraguayan Central Bank (*Banco Central del Paraguay*), the Paraguayan National Stock Exchange Commission (*Comisión Nacional de Valores del Paraguay*) and the Paraguayan Banking Superintendency (*Superintendencia de Bancos del Banco Central del Paraguay*) do not regulate any offering of the Securities or any obligations that may arise from such offering. You should make your own decision whether any offering meets your investment objectives and risk tolerance level.

Spanish translation: Ni este prospecto ni los valores constituyen el ofrecimiento público de valores u otros productos y servicios financieros en Paraguay. Ud. reconoce y acepta que (a) los valores fueron emitidos fuera del Paraguay; (b) cualquier disputa o conflicto legal que surja en virtud de cualquier oferta de valores no será sometida a autoridad pública Paraguaya alguna; y (c) la Ley de Garantía de Depósitos de su país de residencia no cubre los valores, ni los activos y fondos transferidos a estos efectos. El Banco Central del Paraguay, la Comisión Nacional de Valores del Paraguay y la Superintendencia de Bancos del Banco Central del Paraguay no regulan, ni son responsables de, cualquier oferta de los valores o de cualquier obligación que pueda surgir como resultado de tal oferta. Ud. debe hacer su propia evaluación en cuanto a si cualquier oferta cumple con sus objetivos de inversión y sus niveles de tolerancia de riesgos.

### **Peru**

The Securities have not been, and will not be, registered with the Superintendency of Stock Market (Superintendencia del Mercado de Valores, or "SMV"). The Securities may not be sold or transferred by such institutional investor for a period of 12 months from their acquisition date unless (a) such transfer or sale is made to another institutional investor as defined by the Peruvian Securities Market Law (Ley del Mercado de Valores); (b) such Securities have been registered under SMV's Public Registry or (c) such transfer or sale is made pursuant to an applicable exemption from registration under the Peruvian Securities Market Law.

Notice to Private Pension Funds and Insurance Companies in Peru. Private Pension Funds (*Administradoras Privadas de Fondos de Pensiones*) and Insurance Companies (*Compañías de Seguros*) in Peru should seek their own legal advice as to the eligibility of the Securities and legal, financial and technical advice as to their capacity to acquire the Securities in compliance with the limits set forth by applicable Peruvian law. In particular, to acquire the Securities, Peruvian Private Pension Funds should seek to register the securities with the Peruvian Bank and Insurance Superintendency (Superintendencia de Banca, Seguros y AFP).

### **Qatar**

All applications for an investment in the Securities should be received, and any allotments made, from outside Qatar. The Securities have not been registered in Qatar. The Securities have not been offered, sold or delivered, and will not be offered sold or delivered at any time, directly or indirectly, in Qatar except (a) in compliance with all applicable laws and regulations of Qatar and (b) through persons or corporate entities authorised and licensed to provide investment advice and/or engage in brokerage activity and/or trade in respect of foreign securities in Qatar. In no circumstances shall Securities be offered in a manner that would constitute a public offering. Therefore, this Base Prospectus is strictly private and confidential and is being issued to a limited number of sophisticated investors in Qatar and may not be reproduced or used for any other purpose nor provided to any other person other than the recipient thereof.

### **Russian Federation**

Each Manager is required to represent, warrant and agree (and each additional Manager named in the Final Terms will be required to represent and agree) that it has not offered or sold or transferred or otherwise disposed of, and will not offer, transfer or sell any Securities as part of their initial distribution or at any time thereafter to or for the benefit of any persons (including legal entities) resident, incorporated, established or having their usual residence in the Russian Federation or to any person located within the territory of the Russian Federation, unless and to the extent otherwise permitted by Russian law; it being understood and agreed that the Managers may distribute the Base Prospectus to persons in the Russian Federation in a manner that does not constitute offering to an unlimited circle of persons, including an advertisement (as defined in Russian law) of Securities, and may sell Securities to Russian persons in a manner that does not constitute "placement" or "public circulation" of the Securities in the Russian Federation (as defined in Russian law) or by any other means to the extent permitted by Russian law.

### **Saudi Arabia**

This document may not be distributed in Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations issued by the Saudi Arabian Capital Market Authority ("**CMA**"). The CMA does not make any representation as to the accuracy or completeness of this document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective purchasers of Securities should conduct their own due diligence on the accuracy of the information relating to the Securities. If you do not understand the contents of this document you should consult an authorised financial adviser.

No action has been or will be taken in Saudi Arabia that would permit a public offering of the Securities in Saudi Arabia. The Securities will only be initially offered and sold in Saudi Arabia, following a notification to the CMA, through an entity authorized by the CMA in accordance with the Offers of Securities Regulations as issued by the board of the CMA pursuant to resolution number 2-11-2004 dated October 4, 2004 as amended by resolution number 1-28-2008 (the "**CMA Regulations**").

## Purchase and Sale

The offer of the Securities will only be directed at either: (a) not more than 60 persons who are investors in the Kingdom of Saudi Arabia or who are Saudi persons ("**Saudi Investors**") (excluding Sophisticated Investors, as defined below) where the minimum amount payable per Saudi Investor will be not less than Saudi Riyal (SR) 1 million or an equivalent amount; or (b) "Sophisticated Investors", as defined in Article 10 of the CMA Regulations).

Investors are informed that Article 17 of the CMA Regulations restricts secondary market activity with respect to the Securities. Any Saudi Investor or Sophisticated Investor who has acquired Securities may not offer or sell those Securities to any person unless the offer or sale is made through an authorised person appropriately licensed by the CMA and either: (a) the Securities are offered or sold to a Sophisticated Investor; (b) the price to be paid for the Securities in any one transaction is equal to or exceeds SR 1 million or an equivalent amount; or (c) the offer or sale is otherwise in compliance with Article 17 of the CMA Regulations.

### **Singapore**

THIS DOCUMENT HAS NOT BEEN REGISTERED AS A PROSPECTUS WITH THE MONETARY AUTHORITY OF SINGAPORE. ACCORDINGLY, THIS DOCUMENT AND ANY OTHER DOCUMENT OR MATERIAL IN CONNECTION WITH THE OFFER OR SALE, OR INVITATION FOR SUBSCRIPTION OR PURCHASE, OF INTERESTS MAY NOT BE CIRCULATED OR DISTRIBUTED, NOR MAY INTERESTS BE OFFERED OR SOLD, OR BE MADE THE SUBJECT OF AN INVITATION FOR SUBSCRIPTION OR PURCHASE, WHETHER DIRECTLY OR INDIRECTLY, TO PERSONS IN SINGAPORE OTHER THAN (I) TO AN INSTITUTIONAL INVESTOR UNDER SECTION 274 OF THE SECURITIES AND FUTURES ACT, CHAPTER 289 OF SINGAPORE (THE "SFA"), (II) TO A RELEVANT PERSON PURSUANT TO SECTION 275(1), OR ANY PERSON PURSUANT TO SECTION 275(1A), AND IN ACCORDANCE WITH THE CONDITIONS SPECIFIED IN SECTION 275, OF THE SFA, OR (III) OTHERWISE PURSUANT TO, AND IN ACCORDANCE WITH THE CONDITIONS OF, ANY OTHER APPLICABLE PROVISION OF THE SFA.

WHERE INTERESTS ARE SUBSCRIBED OR PURCHASED UNDER SECTION 275 BY A RELEVANT PERSON WHICH IS:

- (a) A CORPORATION (WHICH IS NOT AN ACCREDITED INVESTOR (AS DEFINED IN SECTION 4A OF THE SFA)) THE SOLE BUSINESS OF WHICH IS TO HOLD INVESTMENTS AND THE ENTIRE SHARE CAPITAL OF WHICH IS OWNED BY ONE OR MORE INDIVIDUALS, EACH OF WHOM IS AN ACCREDITED INVESTOR; OR
- (b) A TRUST (WHERE THE TRUSTEE IS NOT AN ACCREDITED INVESTOR) WHOSE SOLE PURPOSE IS TO HOLD INVESTMENTS AND EACH BENEFICIARY OF THE TRUST IS AN INDIVIDUAL WHO IS AN ACCREDITED INVESTOR,

SECURITIES (AS DEFINED IN SECTION 239(1) OF THE SFA) OF THAT CORPORATION OR THE BENEFICIARIES" RIGHTS AND INTEREST (HOWSOEVER DESCRIBED) IN THAT TRUST SHALL NOT BE TRANSFERRED WITHIN SIX MONTHS AFTER THAT CORPORATION OR THAT TRUST HAS ACQUIRED THE INTERESTS PURSUANT TO AN OFFER MADE UNDER SECTION 275 OF THE SFA EXCEPT:

- (i) TO AN INSTITUTIONAL INVESTOR OR TO A RELEVANT PERSON DEFINED IN SECTION 275(2) OF THE SFA, OR TO ANY PERSON ARISING FROM AN OFFER REFERRED TO IN SECTION 275(1A) OR SECTION 276(4)(i)(B) OF THE SFA;
- (ii) WHERE NO CONSIDERATION IS OR WILL BE GIVEN FOR THE TRANSFER;
- (iii) WHERE THE TRANSFER IS BY OPERATION OF LAW;
- (iv) AS SPECIFIED IN SECTION 276(7) OF THE SFA; OR
- (v) AS SPECIFIED IN REGULATION 32 OF THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES) REGULATIONS 2005 OF SINGAPORE.



### **South Africa**

The Securities may not be offered for sale or subscription, directly or indirectly, within the Republic of South Africa or to any person or corporate or other entity resident in the Republic of South Africa except (a) in accordance with the exchange control regulations of the Republic of South Africa and the South African Companies Act, 2008, the South African Banks Act, 1990 and any other applicable laws and regulations of the Republic of South Africa in force from time to time, and (b) to any entity resident or within the Republic of South Africa in accordance with the Commercial Paper regulations and the Financial Advisory and Intermediary Services Act 2002.

### **Taiwan**

The Securities may not be sold, offered or issued to Taiwan resident investors or in Taiwan unless they are made available (a) outside Taiwan for purchase outside Taiwan by such investors and/or (b) in Taiwan through bank trust departments, licensed securities brokers and/or insurance company investment linked insurance policies pursuant to the Taiwan Rules Governing Offshore Structured Products.

### **Trinidad & Tobago**

The Securities have been or will be issued in Trinidad & Tobago on a private placement basis exempt from registration under the Securities Industry Act, 1995 of the laws of Trinidad & Tobago (the "TTSIA") and may not be offered, resold, distributed or otherwise transferred to a person in Trinidad & Tobago if such offer, resale, distribution or transfer would cause or require the Securities to be registered under the TTSIA.

The Base Prospectus and Final Terms are personal to each offeree in Trinidad & Tobago and do not constitute an offer to any other person or to the public generally in Trinidad & Tobago to subscribe for or otherwise acquire securities. Distribution of the Base Prospectus and Final Terms to, or access to the Base Prospectus and Final Terms (through the internet or through any other electronic or written means) by, any other person in Trinidad & Tobago other than the prospective investor, and any person retained to advise such prospective investor with respect to its purchase, is unauthorised, and any disclosure of its contents in Trinidad & Tobago is prohibited. Each prospective investor in Trinidad & Tobago, by accepting delivery of, or accessing, the Base Prospectus and Final Terms, as applicable, agrees to the foregoing and to not make photocopies, electronic copies or otherwise of the Base Prospectus and Final Terms.

The Trinidad & Tobago Securities and Exchange Commission (the "TTSEC") has not in any way evaluated the merits of the Securities described in the Base Prospectus and Final Terms and any representation to the contrary is an offence.

The Securities are subject to restrictions on transferability and resale and may not be transferred or resold in Trinidad & Tobago except as permitted under the TTSIA and other applicable securities laws in Trinidad & Tobago. The Securities will be subject to restrictions on resale and transfer as described below under "Trinidad & Tobago Transfer Restrictions".

#### **Trinidad & Tobago Transfer Restrictions.**

In this subsection, the terms "offer to the public", "distribution", "offer to sell", "reporting issuer", "prospectus", "sale" and "Sophisticated Purchaser" shall bear the same meanings as are assigned to them in the TTSIA.

The Securities shall be offered to Sophisticated Purchasers not exceeding 34 persons in the aggregate and the distribution shall be previously notified in writing to the TTSEC in accordance with Section 75(2) of the TTSIA and shall be followed by a report to the TTSEC of such distribution within 10 days of same.

The distribution of the Securities in Trinidad & Tobago shall not be accompanied by an advertisement other than an announcement of its completion as prescribed by the TTSEC and no selling or promotional expenses shall be paid or incurred in connection with the distribution except for professional services or services performed by Barclays Bank PLC.

## Purchase and Sale

Pursuant to Section 75(2) of the TTSIA, Barclays Bank PLC is exempt from filing a prospectus with the TTSEC.

Unless a proposed sale or distribution of the Securities by a purchaser is exempt from registration under the TTSIA, no purchaser in Trinidad & Tobago may distribute or offer to sell any security without the prior written consent of Barclays Bank PLC or the applicable distributor, agent or underwriter. Neither Barclays Bank PLC nor the applicable distributor, agent or underwriter shall give its consent to a purchaser to distribute or offer to sell a security:

- if such distribution or offer for sale would cause or require the securities to be registered with the TTSEC as an offer to the public;
- if such distribution or offer for sale would result in Barclays Bank PLC and/or or the applicable distributor, agent or underwriter having to comply with Sections 69 to 71 of the TTSIA; and
- unless such consent is made conditional upon the purchaser ensuring that each purchaser of the security enters into a direct covenant with Barclays Bank PLC and/or the applicable distributor, agent or underwriter not to distribute or offer to sell any security without their prior written consent.

No purchaser may distribute or offer to sell any securities if such distribution or offer for sale would result in the purchaser of the securities not being a Sophisticated Purchaser or the number of holders to exceed 34 Sophisticated Purchasers in the aggregate.

Each purchaser of the Securities offered and sold in Trinidad & Tobago will be deemed to have represented and agreed as follows: the purchaser (a) is a Sophisticated Purchaser, (b) is aware that the sale to it is being made in accordance with Section 75(2) of the TTSIA and (c) is acquiring such Securities for its own account or for the account of a Sophisticated Purchaser.

Each purchaser understands and acknowledges that the Securities are being offered in a transaction not involving any public offering in Trinidad & Tobago within the meaning of the TTSIA, that the Securities have not been, and, except as described in the Base Prospectus and Final Terms, will not be, registered under the TTSIA and may not be offered, sold or otherwise transferred in Trinidad & Tobago unless exempt from registration under the TTSIA. By acquiring the Securities, each purchaser agrees that (a) if in the future such purchaser decides to offer, resell, pledge or otherwise transfer any of the Securities, such Securities may only be offered, sold, pledged or otherwise transferred pursuant to an exemption from registration and from the filing of a prospectus under the TTSIA, and (b) such purchaser will, and will require each subsequent holder to, notify any person to whom such purchaser or subsequent holder, as applicable, resells the Securities, of the resale restrictions referred to in (a) above.

### **Turkey**

The offering of the Securities will not be registered with the Turkish Capital Markets Board (the "CMB") under the provisions of Law No:2499 of the Republic of Turkey relating to capital markets (the "**Capital Markets Law**"). Neither this Base Prospectus nor any other offering material related to the offering may be utilised in connection with any general offering to the public within the Republic of Turkey for the purposes of the sale of the Securities without the prior approval of and the registration with the CMB pursuant to the provisions of the Capital Markets Law and related legislation. On the other hand, pursuant to Article 15(d)(ii) of the Decree No: 32 regarding the Protection of the Value of the Turkish Currency, there is no restriction on the purchase or sale of Securities by residents of the Republic of Turkey in the financial markets outside of the Republic of Turkey and such sale and purchase is made through banks or licensed brokerage institutions in the Republic of Turkey.

### **United Arab Emirates (excluding the Dubai International Financial Centre)**

The Securities to be issued pursuant to the Programme have not been and will not be offered, sold or publicly promoted or advertised in the United Arab Emirates (the "UAE") other than in compliance with any laws applicable in the UAE governing the issue, offering and sale of securities. The Securities are only being offered to a limited number of sophisticated investors in the UAE who (a) are willing

and able to conduct an independent investigation of the risks involved in an investment in such Securities, and (b) upon their specific request. The Securities have not been approved by or licensed or registered with the UAE Central Bank, the Securities and Commodities Authority or any other relevant licensing authorities or governmental agencies in the UAE. The information contained in this Base Prospectus does not constitute, and is not intended to constitute, a public offer of securities in the UAE and the information contained in this Base Prospectus is not intended to lead to the conclusion of any contract of whatsoever nature within the territory of the UAE.

### **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 Financial Services and Markets Act 2000 ("**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**

#### **US Tax Selling Restrictions**

Securities issued in bearer form for US 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 US 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 US 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

## Purchase and Sale

Manager has obtained or will obtain from that party, for the benefit of the Issuer and each 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 (US Tax Selling Restrictions) shall, unless the context otherwise requires, have the meanings given to them by the Internal Revenue Code and the US Treasury Regulations thereunder, including the D Rules.

### **US Securities Selling Restrictions**

The Securities, and in, certain cases, the Entitlements 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, US persons, except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this section (*US 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, US persons, except to certain qualified institutional buyers as defined in Rule 144A ("**QIBs**") in reliance on Rule 144A and it will have sent to each Manager to which it sells Securities during the Distribution Compliance Period (other than resales pursuant to Rule 144A) 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, US 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.

The Securities are being offered and sold outside the United States to non-US persons in reliance on Regulation S. The Master Subscription Agreement provides that a Manager may directly or through its US broker-dealer affiliates arrange for the offer and resale of Registered Securities within the United States to QIBs only.

In addition, until 40 calendar days after the commencement of the offering of any identifiable tranche of Notes and Certificates, an offer or sale of such Notes or Certificates within the United States by any dealer (whether or not participating in the offering of such tranche of Notes or Certificates) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

The 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 US person other than any QIB to whom an offer has been made directly by a Manager or its US broker-dealer affiliate. Distribution of the Base Prospectus by any non-US person outside the United States or by any QIB in the United States to any US person or to any other person within the United States, other than any QIB and those persons, if any, retained to advise such non-US person or QIB with respect thereto, is unauthorised, and any disclosure without the prior written consent of the Issuer of any of its contents to any of such US person or other person within the United States, other than any QIB and those persons, if any, retained to advise such non-US person or QIB, 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 ten 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 ten 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 ten 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.

## Uruguay

## Purchase and Sale

The Securities have not been, and will not be registered with the Central Bank of Uruguay and are being placed in Uruguay pursuant to a private placement exemption under Uruguayan securities law.

### **Venezuela**

No public offering may be conducted in Venezuela without prior registration or authorization and in accordance with applicable laws and regulations in Venezuela.

## GENERAL INFORMATION

### Authorisation and Consents

The establishment of the Programme and the issue of Securities pursuant 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 this 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.

### Indication of Yield

In respect of any relevant Securities, the yield is calculated at the Issue Date on the basis of the Issue Price for such Securities and will be specified in the applicable Final Terms. It is not an indication of future yield.

### 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 the Base Prospectus (a "**Supplement**") pursuant to Article 13 of the Luxembourg Prospectus Law, or to give effect to the provisions of Article 16(1) of the Prospectus Directive, the Issuer will prepare and make available an appropriate 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 Luxembourg Stock Exchange, or of any other Relevant Stock Exchange, shall constitute a supplemental base prospectus as required by Article 13 of the Luxembourg Prospectus Law.

### Listing and admission to trading

Any Series may be admitted to listing and trading on the Luxembourg Stock Exchange. Unlisted Securities may also be issued pursuant to the Programme.

### Relevant Clearing Systems

The Securities issued pursuant to the Programme may be accepted for clearance through Euroclear, Clearstream, DTC and any other Relevant Clearing System as set out in the Final Terms. The appropriate common code for each Series allocated by Euroclear, Clearstream or CINS or CUSIP number allocated by DTC, 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 The Depository Trust Company is 55 Water Street, New York, NY10041-0099, USA. 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 the relevant Paying Agents or Transfer Agents:

the constitutional documents of the Issuer;

the documents set out in the "Incorporation by Reference" section of this Base Prospectus;

all future annual reports and semi-annual financial statements of the Issuer;

the Master Subscription Agreement;

the Agency Agreement;

the Deed of Covenant;

the current Base Prospectus in respect of the Programme and any future supplements thereto;

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

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.

### **Minimum denomination**

No securities may be issued which have a Specified Denomination of less than EUR 100,000 (or its equivalent in another currency) for sale to investors in a Member State of the European Economic Area.

### **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.



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