

BASE PROSPECTUS

BARCLAYS

Barclays Capital (Cayman) Limited
(incorporated with limited liability in the Cayman Islands)
(as Issuer)

Barclays Bank PLC
(incorporated with limited liability in England and Wales)
(as Issuer and Guarantor)

Certificate Programme

This Base Prospectus supersedes the Base Prospectus dated 28th March, 2007, which superseded the Offering Circular dated 24th March, 2006 and any other previous offering circular in respect of the Programme (as defined below). Any Certificates (as defined below) issued on or after the date of this Base Prospectus are issued subject to the provisions described herein. The publication of this Base Prospectus does not affect any Certificates issued before the date of this Base Prospectus.

Under the terms of the Certificate Programme (the **Programme**), each of Barclays Capital (Cayman) Limited (**BCCL**) and Barclays Bank PLC (the **Bank** or the **Guarantor** and, together with BCCL, the **Issuers** and each an **Issuer**) may from time to time issue certificates (**Certificates**) of any kind including, but not limited to, Certificates relating to a specified index or a basket of indices (**Index Certificates**), a specified share or a basket of shares (**Share Certificates**), a specified debt instrument or a basket of debt instruments (**Debt Certificates**), a specified currency or a basket of currencies (**Currency Certificates**), a specified commodity or a basket of commodities (**Commodity Certificates**) or a specified fund or a basket of funds (**Fund Certificates**). Each issue of Certificates will be issued on the terms set out herein which are relevant to such Certificates under "Terms and Conditions of the Certificates" (the **Conditions**) and on such additional terms as will be set out in a final terms supplement (the **Final Terms**) which, with respect to Certificates which are to be listed on a stock exchange, will be delivered to such stock exchange and/or other relevant authority on or prior to the date of listing of such Certificates and, in the case of Certificates to be listed on the London Stock Exchange, will be delivered to the UK Listing Authority and the London Stock Exchange.

Each issue of Certificates by BCCL will be guaranteed by the Guarantor pursuant to a Deed of Guarantee (the **Guarantee**), the form of which is set out herein.

Each of BCCL and the Bank has a right of substitution as set out in Condition 13.

A description of the Final Terms is set out herein on page 19 and will specify with respect to each issue of Certificates to which it relates, *inter alia*, the specific designation of the Certificates, the aggregate number and type of the Certificates, the date of issue of the Certificates, the issue price, the underlying asset, index or other item(s) to which the Certificates relate, the redemption date and certain other terms relating to the offering and sale of the Certificates. The Final Terms relating to such issue of Certificates will be attached to the Global Certificate (as defined in the Conditions). The Final Terms supplements the Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, supplement, replace or modify the Conditions.

Each issue of Certificates will entitle the holder thereof on the Redemption Date either to receive a cash amount (if any) calculated in accordance with the relevant terms and/or to receive physical delivery of an amount of the underlying assets calculated in accordance with the relevant terms, all as set forth herein and in the applicable Final Terms.

Prospective purchasers of Certificates should ensure that they understand the nature of the relevant Certificates and the extent of their exposure to risks and that they consider the suitability of the relevant Certificates as an investment in the light of their own circumstances and financial condition. Certificates involve a high degree of risk and potential investors should be prepared to sustain a total loss of the purchase price of their Certificates. See "Risk Factors" on page 11.

Application has been made to the Financial Services Authority in its capacity as competent authority under the Financial Services and Markets Act 2000 (the **UK Listing Authority**) for Certificates issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to the official list of the UK Listing Authority (the **Official List**) and to the London Stock Exchange plc (the **London Stock Exchange**) for such Certificates to be admitted to trading on the London Stock Exchange's Domestic Market.

References in this Base Prospectus to Certificates being **listed** (and all related references) shall mean that such Certificates have been admitted to trading on the London Stock Exchange's Domestic Market and have been admitted to the Official List. The London Stock Exchange's Domestic Market is a regulated market for the purposes of Directive 93/22/EEC (the **Investment Services Directive**).

The Programme provides that Certificates may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as the relevant Issuer may decide. Each Issuer may also issue unlisted Certificates and/or Certificates not admitted to trading on any market.

The Certificates and the Guarantee and, in certain cases, the Entitlement (as defined herein) 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 or delivered within the United States or to or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (**Regulation S**)) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. In addition, neither Issuer has registered as an investment company pursuant to the United States Investment Company Act of 1940, as amended (the **Investment Company Act**). Accordingly, Certificates represented by Regulation S Global Certificates, Permanent Global Certificates or Registered Global Certificates (each as defined below) are only being offered and sold outside the United States to persons who are not U.S. persons as defined in Regulation S in offshore transactions in reliance on Regulation S. Certificates represented by Rule 144A Global Certificates (as defined below) may be offered and sold within the United States only to qualified institutional buyers (each a **QIB**) as defined in Rule 144A under the Securities Act (**Rule 144A**) in reliance

on the exemption from registration under the Securities Act provided by Rule 144A. Each purchaser of the Certificates will be deemed to have made the representations described in "Notice to Purchasers and Holders of Certificates and Transfer Restrictions". Each purchaser of Certificates represented by Rule 144A Global Certificates is hereby notified that the offer and sale of Certificates to it is being made in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A. In certain circumstances, delivery of any Entitlement under the terms of the Certificates will be conditional upon certification as to non-U.S. beneficial ownership.

The Certificates are excluded from the United States Commodities Exchange Act (the **CEA**). The Certificates have not been approved by the Commodities Futures Trading Commission (the **CFTC**) under the CEA and are therefore not subject to the supervision of the CFTC or regulation under the CEA.

Only Certificates issued by the Bank may be offered and sold in the United States or to, or for the account or benefit of, U.S. persons. Certificates issued by BCCL will only be offered and sold to non-U.S. persons in offshore transactions in compliance with Regulation S.

Certificates sold in the United States will, unless otherwise specified in the relevant Final Terms, be sold through Barclays Capital Inc., a registered broker dealer.

Certificates in bearer form sold exclusively outside the United States to non-U.S. persons will be represented by a permanent global certificate (a **Permanent Global Certificate**) which will be deposited with a common depository on behalf of Clearstream Banking, société anonyme (**Clearstream, Luxembourg**) and Euroclear Bank S.A./N.V. (**Euroclear**) on the date of issue of the relevant Certificates.

Certificates in registered form sold exclusively outside the United States to non-U.S. persons will be represented by a registered global certificate (each a **Registered Global Certificate**) which will be issued by BCCL and deposited with the Registrar (as defined in the Conditions).

In the event that an issue of Certificates is eligible for sale in the United States (**US Certificates**) (i) to QIBs pursuant to Rule 144A, any such US Certificates sold in the United States will be represented by a global certificate which will be deposited either: (1) with JPMorgan Chase Bank N.A., New York Branch, as the New York Certificate Agent as custodian for, and in the name of a nominee of, The Depository Trust Company (**DTC**) or (2) with a common depository on behalf of Clearstream, Luxembourg and Euroclear (each a **Rule 144A Global Certificate**) and (ii) any such US Certificates sold outside the United States to non-U.S. persons will be represented by a Regulation S Global Certificate (each a **Regulation S Global Certificate**) deposited with a common depository on behalf of Clearstream, Luxembourg and Euroclear.

Interests in a Permanent Global Certificate may not be exchanged for interests in a Rule 144A Global Certificate, a Regulation S Global Certificate or a Registered Global Certificate. Interests in a Rule 144A Global Certificate may not be exchanged for interests in a Permanent Global Certificate or a Registered Global Certificate. Interests in a Registered Global Certificate may not be exchanged for interests in a Permanent Global Certificate, a Regulation S Global Certificate or a Rule 144A Global Certificate. Interests in a Regulation S Global Certificate may not be exchanged for interests in a Permanent Global Certificate or a Registered Global Certificate.

Except as otherwise specified herein, definitive Certificates will not be issued.

Dated 29th March, 2007

IMPORTANT NOTICES

This Base Prospectus comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (the Prospectus Directive).

BCCL and the Bank accept responsibility for the information contained in this Base Prospectus. To the best of the knowledge of BCCL and the Bank (each having taken all reasonable care to ensure that such is the case), the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Copies of the Final Terms in respect of each series of Certificates to be listed on the London Stock Exchange will be published on the website of the Regulatory News Service operated by the London Stock Exchange (www.londonstockexchange.com).

The applicable Final Terms will (if applicable) specify the nature of the responsibility taken by the relevant Issuer and, if applicable, the Guarantor for the information relating to the underlying asset, index or other item(s) to which the Certificates relate which is contained in such Final Terms.

No person is authorised to give any information or to make any representation not contained in or not consistent with this document or any other information supplied in connection with the Programme and, if given or made, such information or representation must not be relied upon as having been authorised by BCCL, the Bank or any manager of an issue of Certificates (as applicable to such issue of Certificates, each a Manager). 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 offer or solicitation and no action is being taken to permit an offering of the Certificates or the distribution of this document in any jurisdiction where any such action is required.

This document is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "Documents Incorporated by Reference" on page 7). This Base Prospectus shall be read and construed on the basis that such documents are incorporated and form part of this Base Prospectus.

Certificates shall be redeemed on the redemption date by payment of the Cash Settlement Amount (in the case of Cash Settled Certificates) and/or by delivery of the Entitlement (in the case of Physical Delivery Certificates). In order to receive the Entitlement, the holder of a Certificate may be required to certify, *inter alia*, (in accordance with the provisions outlined in Condition 6(B)(1) or Condition 6(B)(3)) that it is not a U.S. person or acting on behalf of a U.S. person.

The Certificates of each issue may be sold by the relevant Issuer and/or any Manager at such time and at such prices as the Issuer and/or the Manager(s) may select. There is no obligation upon the Issuer or any Manager to sell all of the Certificates of any issue. The Certificates of any issue may be offered or sold from time to time in one or more transactions in the over-the-counter market or otherwise at prevailing market prices or in negotiated transactions, at the discretion of the relevant Issuer. In certain cases, Physical Delivery Certificates may be redeemed by payment of a Cash Settlement Amount in lieu of the delivery of an Entitlement.

Each Issuer shall have complete discretion as to what type of Certificates it issues and when, provided that US Certificates will only be issued by the Bank and Certificates represented by a Registered Global Certificate will only be issued by BCCL.

No Manager has independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by any Manager as to the accuracy or completeness of the information contained in this Base Prospectus or any other information provided by BCCL and/or the Bank in connection with the Programme. No Manager accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by BCCL and/or the Bank in connection with the Programme.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Certificates (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by BCCL or the Bank or any Manager that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Certificates should purchase any Certificates. Each investor contemplating purchasing any Certificates should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of BCCL and the Bank. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Certificates constitutes an offer or an invitation by or on behalf of BCCL or the Bank or any Manager or any other person to subscribe for or to purchase any Certificates.

Neither delivery of this Base Prospectus nor the offering, sale or delivery of any Certificates shall in any circumstances imply that the information contained herein concerning BCCL and/or the Bank is correct at any time subsequent to the date hereof 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. No Manager undertakes to review the financial condition or affairs of BCCL and/or the Bank during the life of the Programme or to advise any investor in the Certificates of any information coming to their attention. Investors should review, *inter alia*, the most recently published audited annual consolidated financial statements of BCCL and/or the most recently published documents incorporated by reference into this Base Prospectus, when deciding whether or not to purchase any Certificates.

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Certificates in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Certificates may be restricted by law in certain jurisdictions. Neither BCCL, the Bank or any Manager represent that this Base Prospectus may be lawfully distributed, or that any Certificates may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by BCCL, the Bank or any Manager which is intended to permit a public offering of any Certificates or distribution of this Base Prospectus in any

jurisdiction where action for that purpose is required. Accordingly, no Certificates may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Certificates may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Certificates. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the European Economic Area (including the United Kingdom, France and Italy), Cayman Islands, Singapore, Hong Kong and Japan, see "Offering and Sale".

In this Base Prospectus references to "U.S.\$" and "U.S. dollars" are to United States dollars, references to "pounds" and "£" are to pounds sterling and references to euro and EUR are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the treaty establishing the European Community, as amended.

U.S. INFORMATION

This Base Prospectus is being submitted on a confidential basis in the United States to a limited number of QIBs (as defined under the Programme) for informational use solely in connection with the consideration of the purchase of the Certificates represented by a Rule 144A Global Certificate being offered hereby. Its use for any other purpose in the United States is not authorised. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

Certificates represented by a Rule 144A Global Certificate may be offered or sold within the United States only to QIBs in transactions exempt from registration under the Securities Act. Each U.S. person purchasing US Certificates represented by a Rule 144A Global Certificate is hereby notified that the offer and sale of any Certificates represented by a Rule 144A Global Certificate to it may be being made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A under the Securities Act.

Each purchaser or holder of Certificates represented by a Rule 144A Global Certificate or any Certificates issued in registered form in exchange or substitution therefor will be deemed, by its acceptance or purchase of any such Certificates, to have made certain representations and agreements intended to restrict the resale or other transfer of such Certificates as set out in "*Notice to Purchasers and Holders of Certificates and Transfer Restrictions*" and "*Offering and Sale*". Unless otherwise stated, terms used in this paragraph have the meanings given to them in "*Terms and Conditions of the Certificates*".

Notwithstanding any provision herein and the otherwise confidential nature of this Base Prospectus and its contents, and effective from the date of commencement of discussions concerning any of the transactions described or contemplated herein (the Transactions), each party hereto (and each employee, representative, or other agent of such party) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the Transactions and all materials of any kind (including opinions or other tax analyses) that are provided to it relating to such tax treatment and tax structure, except to the extent that any such disclosure could reasonably be expected to cause a Transaction not to be in compliance with securities laws. In addition, no person may disclose the name of or identifying information with respect to any party identified herein or other non-public business or financial information that is unrelated to the tax treatment or tax structure of the Transactions without the prior consent of the applicable Issuer or the Guarantor. For purposes of this paragraph, the tax treatment of the Transactions is the purported or claimed U.S. federal income tax treatment of the Transactions, and the tax structure of the Transactions is any fact that may be relevant to understanding the purported or claimed U.S. federal income tax treatment of the Transactions.

NOTICE TO NEW HAMPSHIRE RESIDENTS

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

AVAILABLE INFORMATION

To permit compliance with Rule 144A in connection with any resales or other transfers of Certificates that are "restricted securities" within the meaning of the Securities Act, the Bank has undertaken in the Master Certificate Agreement to furnish, upon the request of a holder of such Certificates or any beneficial interest therein, to such holder or to a prospective purchaser designated by such holder, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, the Bank is neither a reporting company under Section 13 or 15(d) of the United States Securities Exchange Act of 1934, as amended (the *Exchange Act*), nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

BCCL is an exempted company incorporated under the laws of the Cayman Islands. All of the officers and directors named herein reside outside the United States and all or a substantial portion of the assets of BCCL and of such officers and directors are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon BCCL or such persons, or to enforce judgments against them obtained in courts inside the United States predicated upon civil liabilities of BCCL or such directors and officers under United States laws, including any judgment predicated upon the civil liability provisions of the securities laws of the United States. BCCL has been advised by Maples and Calder, its Cayman counsel,

that there is doubt as to the enforceability in the Cayman Islands in original actions or in actions for enforcement of judgments of United States courts of civil liabilities predicated solely upon the civil liability provisions of the securities laws of the United States.

The Bank is a corporation organised under the laws of England and Wales. All of the officers and directors named herein reside outside the United States and all or a substantial portion of the assets of the Bank and of such officers and directors are located outside the United States. As a result, it may not be possible for investors to effect service of process outside England and Wales upon the Bank or such persons, or to enforce judgments against them obtained in courts outside England and Wales predicated upon civil liabilities of the Bank or such directors and officers under laws other than English law, including any judgment predicated upon United States federal securities laws. There is doubt as to the enforceability in England and Wales in original actions or in actions for enforcement of judgments of United States courts of civil liabilities predicated solely upon the federal securities laws of the United States.

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DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published and have been filed with the Financial Services Authority shall be incorporated in, and form part of, this Base Prospectus:

1. the joint Annual Report of Barclays PLC and the Bank, as filed with the US Securities and Exchange Commission (the SEC) on Form 20-F in respect of the years ended 31st December, 2005 and 31st December, 2006 (the 2006 Joint Annual Report) with the exception of the information included as exhibits to the 2006 Joint Annual Report, which shall not be deemed to be incorporated in this Base Prospectus and the Annual Reports containing the audited consolidated accounts of the Bank in respect of the years ended 31st December, 2005 (2005 Bank Annual report) and 31st December, 2006 (2006 Bank Annual Report); and
2. the memorandum and articles of association of BCCL.

The above documents may be inspected as described under "*General Information – Documents Available*" below.

The table below sets out the relevant page references for the information contained within the 2006 Joint Annual Report filed on Form 20-F:

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Any information contained in the 2006 Joint Annual Report filed on Form 20-F, which is not incorporated by reference in this document is either not relevant for investors or is covered elsewhere in this Base Prospectus.

Following the publication of this Base Prospectus if at any time, the Bank or BCCL shall be required to prepare a supplement to the Base Prospectus pursuant to Section 87 of the Financial Services and Markets Act 2000 (FSMA), or to give effect to the provisions of Article 16 (1) of the Prospectus Directive the Bank or BCCL will prepare and make available an appropriate amendment or supplement to this Base Prospectus or a further base prospectus which, in respect of any subsequent issue of Certificates to be listed on the Official List and admitted to trading on the London Stock Exchange's Domestic Market, shall constitute a prospectus supplement as required by the FSA and Section 87 of the FSMA. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Copies of documents incorporated by reference in this Base Prospectus can be obtained from the registered office of the Bank and from the specified office of the Principal Certificate Agent for the time being in London and the specified office of the Registrar for the time being in Luxembourg.

SUMMARY OF THE PROGRAMME

This summary must be read as an introduction to this Base Prospectus and any decision to invest in any Certificates should be based on a consideration of this Base Prospectus as a whole, including the documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area no civil liability will attach to either BCCL or the Bank in any such Member State in respect of this summary, including any translation hereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus. Where a claim relating to information contained in this Base Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.

Words and expressions defined in "*Terms and Conditions of the Certificates*" and the remainder of this Base Prospectus, shall have the same meanings in this summary.

Issuer Descriptions

The Bank and the Group

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

The Bank and its subsidiary undertakings (together, the **Group**) is a major global financial services provider engaged in retail and commercial banking, credit cards, investment banking, wealth management and investment management services. The whole of the issued ordinary share capital of the Bank is beneficially owned by 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.

The short-term unsecured obligations of the Bank are rated A-1+ by Standard & Poor's, P-1 by Moody's and F1+ by Fitch Ratings Limited and the long-term obligations of the Bank are rated AA by Standard & Poor's, Aa1 by Moody's and AA+ by Fitch Ratings Limited.

Based on the Group's audited financial information for the year ended 31st December, 2006, the Group had total assets of £996,503 million (2005: £924,170 million), total net loans and advances¹ of £313,226 million (2005: £300,001 million), total deposits² of £336,316 million (2005: £313,811 million), and total shareholders' equity of £27,106 million (2005: £24,243 million) (including minority interests of £1,685 million (2005: £1,578 million)). The profit before tax of the Group for the year ended 31st December, 2006 was £7,197 million (2005: £5,311 million) after impairment charges on loans and advances and other credit provisions of £2,154 million (2005: £1,571 million). The financial information in this paragraph is extracted from the audited Annual Report of the Group for the year ended 31st December, 2006.

Barclays Capital (Cayman) Limited

BCCL was incorporated in the Cayman Islands on 24th July, 1989 for an unlimited duration and registered on 26th July, 1989. BCCL operates under Cayman Islands law with limited liability. BCCL's registered office is at the offices of Barclays Private Bank & Trust (Cayman) Limited, 4th Floor, First Caribbean House, PO Box 487, Grand Cayman, Cayman Islands, KY1 1106. Its registration number is 32968. BCCL is a wholly-owned direct subsidiary of the Bank. BCCL was established for the purpose of issuing notes, warrants and buying and selling options. It is the policy of the Directors to hedge fully the liabilities of BCCL arising under notes and warrants issued by BCCL. BCCL is resident for tax purposes in the United Kingdom.

Description:	Certificate Programme
Guarantee:	Where the Certificates are issued by BCCL, the Certificates are unconditionally and irrevocably guaranteed by the Bank.
Principal Certificate Agent:	JPMorgan Chase Bank, N.A., London Branch
New York Certificate Agent:	JPMorgan Chase Bank, N.A., New York Branch
Luxembourg Certificate Agent:	J.P. Morgan Bank Luxembourg S.A.
Registrar:	J.P. Morgan Bank Luxembourg S.A.
Calculation Agent:	Barclays Bank PLC.
Distribution:	Syndicated or non-syndicated basis.

¹ Total net loans and advances include balances relating to both banks and customer account

² Total deposits include deposits from banks and customer accounts

Settlement Currencies:	Euro, U.S. dollars or any other currency or currencies selected by the relevant Issuer or any Manager, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.
Issue Price:	Certificates may be issued at such price as shall be determined by the relevant Issuer or the Manager appointed in respect of such issue.
Form of the Certificates:	<p>The Certificates will be either Bearer Certificates or Registered Certificates. Bearer Certificates will be represented by a Permanent Global Certificate. Registered Certificates will be represented by a Regulation S Global Certificate, a Rule 144A Global Certificate or a Registered Global Certificate.</p> <p>Each Permanent Global Certificate and Regulation S Global Certificate will be held by a common depository on behalf of Euroclear and Clearstream, Luxembourg. Each Rule 144A Global Certificate will be deposited either with (i) a Custodian for DTC or (ii) a common depository on behalf of Euroclear and Clearstream, Luxembourg. Each Registered Global Certificate will be held by the Registrar.</p> <p>Certificates represented by a Registered Certificate may only be issued by BCCL.</p>
Clearing Systems:	Euroclear, Clearstream, Luxembourg and/or DTC, as applicable.
Type of Certificates:	The Issuer may issue Certificates of any kind, including but not limited to Index Certificates, Share Certificates, Debt Certificates, Currency Certificates, Commodities Certificates and Fund Certificates.
Settlement:	Settlement will be by way of cash payment (Cash Settled Certificates) or physical delivery (Physical Delivery Certificates).
Index Certificates:	The Cash Settlement Amount in respect of Index Certificates will be calculated by reference to a single index or basket of indices.
Share Certificates:	<p>The Cash Settlement Amount in respect of Cash Settled Share Certificates will be calculated by reference to a single share or basket of shares.</p> <p>The Entitlement in respect of Physical Delivery Share Certificates will be a specified amount of shares of one or more companies, as applicable, subject to payment of any sums payable.</p>
Currency Certificates:	<p>The Cash Settlement Amount in respect of Cash Settled Currency Certificates will be calculated by reference to a single currency or basket of currencies.</p> <p>The Entitlement in respect of Physical Delivery Currency Certificates will be a specified amount of the relevant currency or currencies as applicable, subject to payment of any sums payable.</p>
Debt Certificates:	<p>The Cash Settlement Amount in respect of Cash Settled Debt Certificates will be calculated by reference to a single debt instrument or basket of debt instruments.</p> <p>The Entitlement in respect of Physical Delivery Debt Certificates will be a specified amount of debt instruments of one or more issuers, as applicable, subject to payment of any sums payable.</p>
Commodity Certificates:	<p>The Cash Settlement Amount in respect of Cash Settled Commodity Certificates will be calculated by reference to a single commodity or basket of commodities.</p> <p>The Entitlement in respect of Physical Delivery Commodity Certificates will be a specified amount of commodities, subject to payment of any sums payable.</p>
Fund Certificates:	<p>The Cash Settlement Amount in respect of Cash Settled Fund Certificates will be calculated by reference to units or shares in a single fund or basket of funds.</p> <p>The Entitlement in respect of Physical Delivery Fund Certificates will be a specified amount of fund shares or units, subject to payment of any sums payable.</p>
Other Certificates:	Certificates relating to other underlying instruments or bases of reference may be issued on such terms as may be determined by the relevant Issuer and specified in the applicable Final Terms.
Redemption of Certificates:	Each Certificate will be redeemed by the relevant Issuer by payment of the Cash

Settlement Amount or delivery of the Entitlement in respect of such Certificate, on the Redemption Date.

Status of Certificates:

Certificates constitute direct, unsubordinated and unsecured obligations of the relevant Issuer and rank equally among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of such Issuer (except as prescribed by law).

Status of Guarantee:

Where the Issuer is BCCL, the Guarantee constitutes a direct, unsecured and general obligation of the Guarantor and ranks and will rank equally with all existing and future unsecured obligations of the Guarantor, including those in respect of deposits, but excluding any debts for the time being preferred by operation of law in bankruptcy or other legal proceeding of a similar nature and any subordinated obligations.

Expenses and Taxation:

A holder of Certificates must pay 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 from the redemption of the Certificates and/or delivery or transfer of the Entitlement (as applicable) pursuant to the terms of the Certificates relating to such Certificates.

The relevant Issuer shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer or enforcement of any Certificate and all payments made by the Issuer shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted.

Governing law:

The Certificates will be governed by, and construed in accordance with, English law.

Listing and admission to trading:

Application has been made to the UK Listing Authority for Certificates issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such Certificates to be admitted to trading on the London Stock Exchange's Domestic Market.

Certificates may be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) or market(s) as determined by the relevant Issuer. Certificates which are neither listed nor admitted to trading on any market may also be issued.

The applicable Final Terms will state whether or not the relevant Certificates are to be listed and/or admitted to trading and if so, on which stock exchange(s) and/or market(s).

Selling Restrictions:

There are restrictions on the offer, sale and transfer of the Certificates in the United States, the European Economic Area (including the United Kingdom, France and Italy), Japan, Cayman Islands, Hong Kong and Singapore and such other restrictions as may be required in connection with the offering and sale of a particular series of Certificates, see "*Offering and Sale*".

Risk Factors:

There are certain factors that may affect each Issuer's ability to fulfil its obligations under Certificates issued under the Programme. These are set out under "*Risk Factors*" below and include alterations to business conditions and the general economy, certain credit, market, capital, liquidity, operational, insurance, legal and tax risks, the impact of strategic decisions taken by the group, the impact of external factors on the group and peer group, regulatory compliance risk, the effect of a credit rating reduction, exposure to an underlying asset or basis of reference, factors affecting the value and trading price of Certificates, certain considerations regarding hedging, specific risks in relation to Share Certificates, Currency Certificates and Fund Certificates, option to vary settlement, market disruption, settlement disruption, expenses and taxation, illegality, change of law, potential conflicts of interest, possible illiquidity of the Certificates in the secondary market and exchange rate rises and exchange controls.

RISK FACTORS

Each of BCCL and the Bank believes that the following factors may affect its ability to fulfil its obligations under Certificates issued under the Programme. All of these factors are contingencies which may or may not occur and neither BCCL nor the Bank is in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with Certificates issued under the Programme are also described below.

Each of BCCL and the Bank believes that the factors described below represent the principal risks inherent in investing in Certificates issued under the Programme, but the inability of BCCL or the Bank to pay Cash Settlement Amounts in respect of Cash Settled Certificates or deliver the Entitlement in respect of Physical Delivery Certificates may occur for other reasons and neither BCCL nor the Bank represents that the statements below regarding the risks of holding any Notes are exhaustive. Additional risks and uncertainties not presently known to either BCCL or the Bank or that BCCL or the Bank currently believes to be immaterial could also have a material impact on its business operations or the Certificates. The Final Terms in respect of an issue of Certificates may contain additional Risk Factors in respect of such Certificates. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.

Terms used in this section and not otherwise defined shall have the meanings given to them in "Terms and Conditions of the Certificates" or the remainder of this Base Prospectus.

Factors that may affect the Bank's or BCCL's ability to fulfil their respective obligations under Certificates issued under the Programme

Risks relating to the Bank

Risk Factors

The following discussion sets forth certain risk factors that the Group believes could cause its actual future results to differ materially from expected results. However, other factors could also adversely affect the Group results and so the factors discussed in this report should not be considered to be a complete set of all potential risks and uncertainties.

Business conditions and general economy

The profitability of Barclays businesses could be already affected by a worsening of general economic conditions in the United Kingdom, globally or in certain individual markets such as the US or South Africa. Factors such as interest rates, inflation, investor settlement, the availability and cost of credit, the liquidity of the global financial markets and the level and volatility of equity prices could significantly affect the activity level of customers, for example:

- An economic downturn or significantly higher interest rates could adversely affect the credit quality of Barclays on-balance sheet and off-balance sheet assets by increasing the risk that a greater number of Barclays customers would be unable to meet their obligations.
- A market downturn or worsening of the economy could cause the Group to incur mark to market losses in its trading portfolios.
- A market downturn could reduce the fees Barclays earns for managing assets. For example, a higher level of domestic or foreign interest rates or a downturn in trading markets could affect the flows of assets under management; and
- A market downturn would be likely to lead to a decline in the volume of transactions that Barclays executes for its customers and, therefore, lead to a decline in the income it receives from fees and commissions and interest.

Credit risk

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

Furthermore, credit risk is manifested as country risk where difficulties may arise; in the country in which the exposure is domiciled thus impeding or reducing the value of the asset; or where the counterparty may be the country itself.

Settlement risk is another form of credit risk and is the possibility that the Group may pay a counterparty – for example, a bank in a foreign exchange transaction – but fail to receive the corresponding settlement in return.

Market risk

The most significant market risks the Group faces are interest rate, credit spread, foreign exchange, commodity price and equity price risks. Changes in interest rate levels, yield curves and spreads may affect the interest rate margin realised between lending income and borrowing costs. Changes in currency rates, particularly in the Sterling-US Dollar, Sterling-Euro and Sterling-Rand exchange rates, affect the value of assets and liabilities denominated in foreign currencies and affect earnings reported by the Group's non-UK subsidiaries and may affect revenues from foreign exchange dealing. The performance of financial markets may cause changes in the value of the Group's investment

and trading portfolios and in the amount of revenues generated from assets under management. The Group has implemented risk management methods to mitigate and control these and other market risks to which it is exposed. However, it is difficult to predict with accuracy changes in economic or market conditions and to anticipate the effects that such changes could have on the Group's financial performance, business operations and the value of assets held in the Group's pension and long-term assurance funds.

Capital risk

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

- meet minimum regulatory capital requirements in the UK and in other markets such as the US and South Africa where regulated activities are undertaken. The Group's authority to operate as a bank is dependent upon the maintenance of adequate capital resources.
- support its strong credit rating. In addition to capital resources, the Group's rating is supported by a diverse portfolio of activities, an increasingly international presence, consistent profit performance, prudent risk management and a focus on value creation. A weaker credit rating would increase the Group's cost of funds; and
- support its growth and strategic options.

The Group's capital management activities seek to maximise shareholder value by optimising the level and mix of its capital resources. Capital risk is mitigated by:

- ensuring access to a broad range of investor markets;
- management of the Group's demand for capital; and
- management of the exposure to foreign currency exchange rate movements.

Liquidity risk

This is the risk that the Group is unable to meet its obligations when they fall due and to replace funds when they are withdrawn with consequent failure to repay depositors and fulfil commitments to lend.

The risk that it will be unable to do so is inherent in all banking operations and can be impacted by a range of Institution specific and market-wide events including, but not limited to, credit events, merger and acquisition activity, systemic shocks and natural disasters.

Operational risks

The Group's businesses are dependent on the ability to process a large number of transactions efficiently and accurately. Operational risks and losses can result from fraud, employee errors, failure to properly document transactions or to obtain proper internal authorisation, failure to comply with regulatory requirements and conduct of business rules, equipment failures, natural disasters or the failure of external systems (see page 86 for a detailed list). Although the Group has implemented risk controls and loss mitigation actions, and substantial resources are devoted to developing efficient procedures and to staff training, it is only possible to be reasonably, but not absolutely, certain that such procedures will be effective in controlling each of the operational risks faced by the Group.

Insurance risk

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

Legal risk

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

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

The Group faces risk where legal proceedings are brought against it. Regardless of whether such claims have merit, the outcome of legal proceedings is inherently uncertain and could result in financial loss.

Defending legal proceedings can be expensive and time-consuming and there is no guarantee that all costs incurred will be recovered even if the Group is successful. Although the Group has processes and controls to manage legal risks, failure to manage these risks could impact the Group adversely, both financially and by reputation.

Tax risk

The Group is subject to the tax laws in all countries in which it operates. A number of double taxation agreements entered between countries also impact on the taxation of the Group. The Group is also subject to European Community tax law.

Tax risk is the risk associated with changes in tax law or in the interpretation of tax law. It also includes the risk of changes in tax rates and the risk of failure to comply with procedures required by tax authorities. Failure to manage tax risks could lead to an additional tax charge. It could also lead to a financial penalty for failure to comply with required tax procedures or other aspects of tax law. If, as a result of a particular tax risk materialising, the tax costs associated with particular transactions are greater than anticipated, it could affect the profitability of those transactions.

Effect of governmental policy and regulation

The Group's businesses and earnings can be affected by the fiscal or other policies and other actions of various governmental and regulatory authorities in the UK, the European Union (EU), the US, South Africa and elsewhere.

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

In the EU as a whole, these regulatory actions included an inquiry into retail banking in all of the then 25 Member States by the European Commission's Directorate General for Competition. The inquiry looked at retail banking in Europe generally and the Group has fully co-operated with the inquiry. On 31st January 2007 the European Commission announced that the inquiry had identified barriers to competition in certain areas of retail banking, payment cards and payment systems in the EU. The Commission indicated it will use its powers to address these barriers, and will encourage national competition authorities to enforce European and national competition laws where appropriate. Any action taken by the Commission and national competition authorities could have an impact on the payment cards and payment systems businesses of the Group and on its retail banking activities in the EU countries in which it operates.

In the UK, in September 2005 the Office of Fair Trading (OFT) received a super-complaint from the Citizens Advice Bureau relating to payment protection insurance (PPI). As a result, the OFT commenced a market study on PPI in April 2006. In October 2006, the OFT announced the outcome of the market study and, following a period of consultation, the OFT referred the PPI market to the UK Competition Commission for an indepth inquiry on 7th February 2007. This inquiry could last for up to two years. Also in October 2006, the Financial Services Authority (FSA) published the outcome of its broad industry thematic review of PPI sales practices in which it concluded that some firms fail to treat customers fairly. The Group has cooperated fully with these investigations and will continue to do so.

In April 2006, the OFT commenced a review of the undertakings given following the conclusion of the Competition Commission Inquiry in 2002 into the supply of banking services to Small and Medium Enterprises (SMEs). The Group is cooperating fully with that review.

The OFT has carried out investigations into Visa and MasterCard credit card interchange rates. The decision by the OFT in the MasterCard interchange case was set aside by the Competition Appeals Tribunal in June 2006. The OFT's investigation in the Visa interchange case is at an earlier stage and a second MasterCard interchange case is ongoing. The outcome is not known but these investigations may have an impact on the consumer credit industry in general and therefore on the Group's business in this sector. On 9th February 2007 the OFT announced that it was expanding its investigation into interchange rates to include debit cards.

The OFT announced the findings of its investigation into the level of late and over-limit fees on credit cards on 5th April 2006, requiring a response from credit card companies by 31st May 2006. Barclaycard responded by confirming that it would reduce its late and over-limit fees on credit cards from 1st August 2006.

On 7th September 2006, the OFT announced that it had decided to undertake a fact find on the application of its statement on credit card fees to current account unauthorised overdraft fees. The OFT expects this work to take up to six months, at which stage the OFT will consider whether a further detailed investigation into unauthorised overdraft fees is needed.

On 26th January 2007, the FSA issued a Statement of Good Practice relating to Mortgage Exit Administration Fees. Barclays will charge the fee applicable at the time the customer took out the mortgage, which is one of the options recommended by the FSA.

Other areas where changes could have an impact include:

- the monetary, interest rate and other policies of central banks and regulatory authorities;
- general changes in government or regulatory policy that may significantly influence investor decisions in particular markets in which the Group operates;
- general changes in the regulatory requirements, for example, prudential rules relating to the capital adequacy framework (page 55);
- changes in competition and pricing environments;
- further developments in the financial reporting environment;
- expropriation, nationalisation, confiscation of assets and changes in legislation relating to foreign ownership; and

- other unfavourable political, military or diplomatic developments producing social instability or legal uncertainty which in turn may affect demand for the Group's products and services.

Impact of strategic decisions taken by the Group

The Group devotes substantial management and planning resources to the development of strategic plans for organic growth and identification of possible acquisitions, supported by substantial expenditure to generate growth in customer business. If these strategic plans do not deliver as anticipated, the Group's earnings could grow more slowly or decline.

Competition

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

Impact of external factors on the Group and peer group

The Group's primary performance goal is to achieve top quartile Total Shareholder Return performance for 2004 to 2007 (inclusive) against a group of peer financial institutions. This goal assumes that external factors will impact all peer group entities similarly. The Group's ability to achieve the goal will be significantly impacted if the Group is disproportionately impacted by negative external factors. Even if the Group performs well, if others perform better or the market believes others have performed better, we may not achieve our goal. Additionally some peers are listed on exchanges other than the London Stock Exchange and so may react to differing external factors.

Regulatory compliance risk

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

Risks relating to BCCL

BCCL was established for the purpose of issuing notes, warrants and buying and selling options. It is the policy of the Directors of BCCL to hedge fully the liabilities of BCCL arising under notes and warrants issued by BCCL. If, for any reason, BCCL's hedging strategy did not prove effective the operations of BCCL could be materially adversely affected.

Effect of Credit Rating Reduction

The value of the Certificates is expected to be affected, in part, by investors' general appraisal of the creditworthiness of the relevant Issuer and, if applicable, the Guarantor. Such perceptions are generally influenced by the ratings accorded to the outstanding securities of BCCL or the Bank by standard statistical rating services, such as Moody's Investors Service Limited (**Moody's**), Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. (**Standard & Poor's**) and Fitch Ratings Ltd. (**Fitch**). A reduction in the rating, if any, accorded to outstanding debt securities of BCCL or the Bank by one of these rating agencies could result in a reduction in the trading value of the Certificates.

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

The Certificates may not be a suitable investment for all investors

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

- have sufficient knowledge and experience to evaluate the Certificates, the merits and risks of investing in the Certificates and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement and all information contained in the applicable Final Terms;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Certificates and the impact the Certificates will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Certificates, including Certificates with a Cash Settlement Amount payable in one or more currencies, or where the Settlement Currency is different from the potential investor's currency;
- understand thoroughly the terms of the Certificates and be familiar with any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

In addition, an investment in Index Certificates, Share Certificates, Debt Certificates, Currency Certificates, Commodity Certificates, Fund Certificates or other Certificates linked to other assets or bases of reference, may entail significant risks not associated with investments in

conventional securities such as debt or equity securities, including, but not limited to, the risks set out in "*Risks related to the structure of a particular issue of Certificates*" set out below.

Certificates are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Certificates which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Certificates will perform under changing conditions, the resulting effects on the value of the Certificates and the impact this investment will have on the potential investor's overall investment portfolio.

Risks related to the structure of a particular issue of Certificates

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

General risks and risks relating to underlying asset or basis of reference.

The Certificates involve a high degree of risk, which may include, among others, interest rate, foreign exchange, time value and political risks. Prospective purchasers of Certificates should recognise that their Certificates may have no value on redemption. Purchasers should be prepared to sustain a total loss of the purchase price of their Certificates. This risk reflects the nature of a Certificate as an asset which, other factors held constant, tends to decline in value over time and which may become worthless on redemption. See "*Certain Factors Affecting the Value and Trading Price of Certificates*" below. Prospective purchasers of Certificates should be experienced with respect to options and option transactions, should understand the risks of transactions involving the relevant Certificates and should reach an investment decision only after careful consideration, with their advisers, of the suitability of such Certificates in light of their particular financial circumstances, the information set forth herein and the information regarding the relevant Certificates and the particular reference index (or basket of indices), share (or basket of shares), debt instrument (or basket of debt instruments), currency (or basket of currencies), commodity (or basket of commodities), fund (or basket of funds) or other asset or basis of reference to which the value of the relevant Certificates may relate, as specified in the applicable Final Terms.

The risk of the loss of some or all of the purchase price of a Certificate upon redemption means that, in order to recover and realise a return upon his or her investment, a purchaser of a Certificate must generally be correct about the direction, timing and magnitude of an anticipated change in the value of the relevant index (or basket of indices), share (or basket of shares), debt instrument (or basket of debt instruments), currency (or basket of currencies), commodity (or basket of commodities), fund (or basket of funds) or other asset or basis of reference which may be specified in the applicable Final Terms. Assuming all other factors are held constant, the lower the value of a Certificate and the shorter the remaining term of a Certificate to redemption, the greater the risk that purchasers of such Certificates will lose all or part of their investment. The only means through which a holder can realise value from the Certificate, prior to its Redemption Date in relation to such Certificate is to sell it at its then market price in an available secondary market. See "*Possible Illiquidity of the Certificates in the Secondary Market*" below.

Fluctuations in the value of the relevant index or basket of indices will affect the value of Index Certificates. Fluctuations in the price of the relevant share or value of the basket of shares will affect the value of Share Certificates. Fluctuations in the price or yield of the relevant debt instrument or value of the basket of debt instruments will affect the value of Debt Certificates. Also, due to the character of the particular market on which a debt instrument is traded, the absence of last sale information and the limited availability of quotations for such debt instrument may make it difficult for many investors to obtain timely, accurate data for the price or yield of such debt instrument. Fluctuations in the rates of exchange between the relevant currencies will affect the value of Currency Certificates. Fluctuations in the value of the relevant commodity or basket of commodities will affect the value of Commodity Certificates. Fluctuations in the value of the relevant fund or value of the basket of funds will affect the values of Fund Certificates. Purchasers of Certificates risk losing their entire investment if the value of the relevant underlying basis of reference does not move in the anticipated direction.

Each Issuer may issue several issues of Certificates relating to various reference indices, shares, debt instruments, currencies, commodities, funds or other assets or bases of reference which may be specified in the applicable Final Terms. However, no assurance can be given that the relevant Issuer will issue any Certificates other than the Certificates to which a particular Final Terms relates. At any given time, the number of Certificates outstanding may be substantial. Certificates provide opportunities for investment and pose risks to investors as a result of fluctuations in the value of the underlying investment. Options or certificates on shares or debt instruments are priced primarily on the basis of the value of underlying securities whilst Currency and Commodity Certificates are priced primarily on the basis of present and expected values of the reference currency (or basket of currencies) or commodity (or basket of commodities) specified in the applicable Final Terms.

Certificates are Unsecured Obligations

The Certificates constitute direct, unsubordinated and unsecured obligations of the relevant Issuer and rank equally among themselves and will rank *pari passu* with all other present and future unsecured and unsubordinated obligations of the relevant Issuer (except as prescribed by law). Each issue of Certificates by BCCL will be guaranteed by the Bank pursuant to the Guarantee. The Guarantee constitutes a direct, unsecured and general obligation of the Bank and ranks and will rank equally with all other existing and future unsecured obligations of the Bank, including those in respect of deposits, but excluding any debts for the time being preferred by operation of law in bankruptcy or other legal proceeding of a similar nature and any subordinated obligations.

Certain Factors Affecting the Value and Trading Price of Certificates

The Cash Settlement Amount (in the case of Cash Settled Certificates) or the value of the Entitlement (in the case of Physical Delivery Certificates) (the **Physical Settlement Value**) at any time prior to redemption is typically expected to be less than the trading price of such Certificates at that time. The difference between the trading price and the Cash Settlement Amount or the Physical Settlement Value, as the case may be, will reflect, among other things, the "time value" of the Certificates. The "time value" of the Certificates will depend partly upon the length of the period remaining to redemption and expectations concerning the value of the reference index (or basket of indices),

share (or basket of shares), debt instrument (or basket of debt instruments), currency (or basket of currencies), commodity (or basket of commodities), fund (or basket of funds) or other asset or basis of reference as specified in the applicable Final Terms. Certificates offer hedging and investment diversification opportunities but also pose some additional risks with regard to interim value. The interim value of the Certificates varies with the price level of the reference index (or basket of indices), share (or basket of shares), debt instrument (or basket of debt instruments), currency (or basket of currencies), commodity (or basket of commodities), fund (or basket of funds) or other asset or basis of reference as specified in the applicable Final Terms, as well as by a number of other interrelated factors, including those specified herein.

Before selling Certificates, holders of such Certificates should carefully consider, among other things, (a) the trading price of the Certificates, (b) the value and volatility of the reference index (or basket of indices), share (or basket of shares), debt instrument (or basket of debt instruments), currency (or basket of currencies), commodity (or basket of commodities), fund (or basket of funds) or other asset or basis of reference as specified in the applicable Final Terms, (c) the time remaining to redemption, (d) in the case of Cash Settled Certificates, the probable range of Cash Settlement Amounts, (e) any change(s) in interim interest rates and dividend yields if applicable, (f) any change(s) in currency exchange rates, (g) the depth of the market or liquidity of the reference index (or basket of indices), share (or basket of shares), debt instrument (or basket of debt instruments), currency (or basket of currencies), commodity (or basket of commodities), fund (or basket of funds) or other asset or basis of reference as specified in the applicable Final Terms and (h) any related transaction costs.

Certain Considerations Regarding Hedging

Prospective purchasers intending to purchase Certificates to hedge against the market risk associated with investing in a reference index (or basket of indices), share (or basket of shares), debt instrument (or basket of debt instruments), currency (or basket of currencies), commodity (or basket of commodities), fund (or basket of funds) or other asset or basis of reference which may be specified in the applicable Final Terms, should recognise the complexities of utilising Certificates in this manner. For example, the value of the Certificates may not exactly correlate with the value of the reference index (or basket of indices), share (or basket of shares), debt instrument (or basket of debt instruments), currency (or basket of currencies), commodity (or basket of commodities), fund (or basket of funds) or other asset or basis which may be specified in the applicable Final Terms. Due to fluctuating supply and demand for the Certificates, there is no assurance that their value will correlate with movements of the reference index (or basket of indices), share (or basket of shares), debt instrument (or basket of debt instruments), currency (or basket of currencies), commodity (or basket of commodities), fund (or basket of funds) or other asset or basis which may be specified in the applicable Final Terms. For these reasons, among others, it may not be possible to purchase or liquidate securities in a portfolio at the prices used to calculate the value of any relevant index, share, debt security, currency, commodity, fund or basket.

In the case of Certificates relating to a share (or basket of shares), BCCL and/or the Bank and/or any of their respective Affiliates or agents may from time to time hedge the relevant Issuer's obligations under such Certificates (and under other instruments and OTC contracts issued by or entered into from time to time by BCCL and/or the Bank and/or any of their respective Affiliates or agents relating to such securities) by taking positions, directly or indirectly, in such shares (or basket of shares). Although neither BCCL nor the Bank has any reason to believe that such hedging activities will have a material impact on the price of any share, there can be no assurance that such hedging activities will not adversely affect the value of the Certificates.

Certain Considerations Associated with Certificates Relating to Shares (or Baskets of Shares)

In the case of Certificates relating to a share (or basket of shares), no issuer of such shares will have participated in the preparation of the relevant Final Terms or in establishing the terms of the Certificates and none of the BCCL, the Bank or any Manager will make any investigation or enquiry in connection with such offering with respect to any information concerning any such issuer of shares contained in such Final Terms or in the documents from which such information was extracted. Consequently, there can be no assurance that all events occurring prior to the relevant issue date (including events that would affect the accuracy or completeness of the publicly available information described in this paragraph or in any relevant Final Terms) that would affect the trading price of the share will have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning such an issuer of shares could affect the trading price of the share and therefore the trading price of the Certificates.

Except as provided in the Conditions in relation to Physical Delivery Certificates, Certificateholders will not have voting rights or rights to receive dividends or distributions or any other rights with respect to the relevant shares to which such Certificates relate.

Certain Additional Risk Factors Associated with Currency Certificates

Fluctuations in exchange rates of the relevant currency (or basket of currencies) will affect the value of Currency Certificates. Furthermore, investors who intend to convert gains or losses from the redemption or sale of Currency Certificates into their home currency may be affected by fluctuations in exchange rates between their home currency and the relevant currency (or basket of currencies). Currency values may be affected by complex political and economic factors, including governmental action to fix or support the value of a currency (or basket of currencies), regardless of other market forces (see "Exchange rate risks and exchange controls" below). Purchasers of Currency Certificates risk losing their entire investment if exchange rates of the relevant currency (or basket of currencies) do not move in the anticipated direction.

If additional certificates, warrants, securities or options relating to particular non-U.S. currencies or particular currency indices are subsequently issued, the supply of certificates, warrants, securities and options relating to such non-U.S. currencies or currency indices, as applicable, in the market will increase, which could cause the price at which the Certificates and such other certificates, warrants, securities and options trade in the secondary market to decline significantly.

Certain Considerations Associated with Certificates Relating to Funds (or Baskets of Funds)

An investment in Fund Certificates may bear similar market risks to a direct investment in the relevant fund(s) and investors should take advice accordingly.

Risks Related to Certificates Generally

Market Disruption Event and Disrupted Day

If an issue of Certificates includes provisions dealing with the occurrence of a market disruption event or a failure to open of an exchange or related exchange on a Valuation Date or an Averaging Date and the Calculation Agent determines that a market disruption event or such failure has occurred or exists on a Valuation Date or an Averaging Date, any consequential postponement of the Valuation Date or Averaging Date or any alternative provisions for valuation provided in any Certificates may have an adverse effect on the value of such Certificates.

Settlement Disruption Event

In the case of Physical Delivery Certificates, if a Settlement Disruption Event occurs or exists on the Settlement Date, settlement will be postponed until the next Settlement Business Day on which no Settlement Disruption Event occurs. The relevant Issuer in these circumstances also has the right to pay the Disruption Cash Settlement Price (as defined in the Terms and Conditions) in lieu of delivering the Entitlement. Such a determination may have an adverse effect on the value of the relevant Certificates.

Expenses and Taxation

A holder of Certificates must pay all Expenses relating to such Certificates. As used in the Terms and Conditions, **Expenses** means 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 Certificates and/or delivery or transfer of the Entitlement as more fully set out in Condition 11.

The relevant Issuer shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer or enforcement of any Certificate by any person and all payments made by the Issuer shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted.

Illegality

If the relevant Issuer determines that its performance under any Certificates has or that any arrangements made to hedge the relevant Issuer's obligations under any Certificates have become illegal in whole or in part for any reason, the relevant Issuer may cancel such Certificates and, if permitted by applicable law, pay the holder of each such Certificate an amount equal to the fair market value of such Certificate notwithstanding such illegality less the cost to the relevant Issuer and/or any of its Affiliates or agents of unwinding any underlying related hedging arrangements (including any cost of funding in respect of such hedging arrangements), all as determined by the Calculation Agent in its sole and absolute discretion, which amount may be less than the purchase price of the Certificates and in certain circumstances be zero.

Change of law

The Terms and Conditions are based on English law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Base Prospectus.

Potential Conflicts of Interest

BCCL, the Bank and their Affiliates (including, if applicable, any Manager) may also engage in trading activities (including hedging activities) related to the asset or basis of reference underlying any Certificates and other instruments or derivative products based on or related to the basis of reference underlying any Certificates for their proprietary accounts or for other accounts under their management. BCCL, the Bank and their affiliates (including, if applicable, any Manager) may also issue other derivative instruments in respect of the basis of reference underlying Certificates. BCCL, the Bank and their Affiliates (including, if applicable, any Manager) may also act as underwriter in connection with future offerings of shares or other securities related to an issue of Certificates or may act as financial adviser to certain companies or companies whose shares or other securities are included in a basket or in a commercial banking capacity for such companies. Such activities could present certain conflicts of interest, could influence the prices of such shares or other securities and could adversely affect the value of such Certificates.

Variation of Settlement

If the applicable Final Terms in respect of any Certificates represented by a Permanent Global Certificate or a Registered Global Certificate indicates that the relevant Issuer has an option to vary settlement in respect of such Certificates, the relevant Issuer may, at its sole and absolute discretion, elect (1) not to pay the relevant Holders of the Certificates the Cash Settlement Amount, but to deliver or procure delivery of the Entitlement or (2) not to deliver or procure delivery to the relevant Holders of the Certificates of the Entitlement, but to make payment of the Cash Settlement Amount.

If the Certificates are Physical Delivery Certificates which are represented by a Rule 144A Global Certificate or a Regulation S Global Certificate, unless the applicable Final Terms specifies otherwise, the relevant Issuer shall, in lieu of delivering or procuring the delivery of the Entitlement to the relevant Holders of the Certificates, make payment of the relevant Cash Settlement Amount.

Issuer's Option to Substitute Assets or to pay the Alternate Cash Amount

If the Certificates are represented by a Rule 144A Global Certificate or a Regulation S Global Certificate, the relevant Issuer may, at its sole and absolute discretion, if the Calculation Agent determines that the Relevant Asset(s) comprises shares which are not freely tradable, elect either (i) to substitute a Substitute Asset or Substitute Assets, as the case may be, for the Relevant Asset or Relevant Assets or (ii) not to deliver or procure the delivery of the Entitlement or the Substitute Asset(s) to the relevant Holders of the Certificates, but in lieu thereof to make payment to the relevant Holders of the Certificates on the Redemption Date of the Alternate Cash Amount.

Risks Related to the Market Generally

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

Possible Illiquidity of the Certificates in the Secondary Market

It is not possible to predict the price at which Certificates will trade in the secondary market or whether such market will be liquid or illiquid. The Issuer may, but is not obliged to, list Certificates on a stock exchange. The fact that the Certificates are listed will not necessarily lead to greater liquidity.

Each of BCCL, the Bank and any Manager may, but is not obliged to, at any time purchase Certificates at any price in the open market or by tender or private treaty. Any Certificates so purchased may be held or resold or surrendered for cancellation. A Manager may, but is not obliged to, be a market-maker for an issue of Certificates. Even if a Manager is a market-maker for an issue of Certificates, the secondary market for such Certificates may be limited. In addition, affiliates of BCCL or the Bank (including the relevant Manager as referred to above) may purchase Certificates at the time of their initial distribution and from time to time thereafter. To the extent that an issue of Certificates becomes illiquid, an investor may have to wait until redemption of such Certificates, as applicable, to realise value.

Exchange rate risks and exchange controls

In the case of Cash Settled Certificates, the Issuer will pay the Cash Settlement Amount in respect of the Certificates in the Settlement Currency specified in the applicable Final Terms. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Settlement Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Settlement Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Settlement Currency would decrease (i) the Investor's Currency-equivalent yield on the Certificates, (ii) the Investor's Currency-equivalent value of the Cash Settlement Amount in respect of the Certificates and (iii) the Investor's Currency-equivalent market value of the Certificates.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, the Cash Settlement Amount that investors may receive may be less than expected or zero.

APPLICABLE FINAL TERMS

Set out below is the form of Final Terms which will be completed for each series of Certificates issued under the Programme.

[BARCLAYS CAPITAL (CAYMAN) LIMITED]/[BARCLAYS BANK PLC]

[Title of Certificates]

Under the Certificate Programme

[Guaranteed by Barclays Bank PLC]

PART A – CONTRACTUAL TERMS

The Final Terms relating to each issue of Certificates will contain (without limitation) such of the following information as is applicable in respect of such Certificates [Any information that is not applicable will be deleted].

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Base Prospectus dated 29th March, 2007 which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**). This document constitutes the Final Terms of the Certificates described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Certificates is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing during normal business hours at the registered office of the Issuer and the specified offices of the Principal Certificate Agent and the Registrar and copies may be obtained from those offices.

[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Base Prospectus with an earlier date.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Base Prospectus dated [original date]. This document constitutes the Final Terms of the Certificates described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**) and must be read in conjunction with the Base Prospectus dated 29th March, 2007 which constitutes a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Base Prospectus dated [original date] and are attached hereto. Full information on the Issuer and the offer of the Certificates is only available on the basis of the combination of these Final Terms and the Base Prospectus dated 29th March, 2007 and [original date]. Copies of such Base Prospectus are available for viewing during normal business hours at the registered office of the Issuer and the specified offices of the Principal Certificate Agent and the Registrar and copies may be obtained from those offices.

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

References herein to numbered Conditions are to the terms and conditions of the Certificates and words and expressions defined in such terms and conditions shall bear the same meaning in this Final Terms save as where otherwise expressly provided.

- | | | |
|-----|-----------------------|---|
| 1. | Issuer: | [Barclays Capital (Cayman) Limited]/[Barclays Bank PLC]

<i>(N.B. Only the Bank may issue U.S. Certificates to be represented by a Rule 144A Global Certificate or a Regulation S Global Certificate and only BCCL may issue Certificates to be represented by a Registered Global Certificate)</i> |
| [2. | Guarantor: | Barclays Bank PLC] |
| 3. | Series Number: | The series number of the Certificates is []. |
| 4. | Consolidation: | The Certificates are to be consolidated and form a single series with the [insert title of relevant series of Certificates] issued on [insert issue date]. |
| 5. | Type of Certificates: | |
| | [(i) | The Certificates are Applicable ^{Index} Certificates / Share Certificates / Debt Certificates / Currency Certificates / Commodity Certificates / Fund Certificates / (specify other type of Certificates)]. |
| | [(ii) | The Certificates relate to [describe relevant Index/Indices/ Shares/Debt Securities/Currencies/ Commodities/Funds]. |
| 6. | Averaging: | Averaging [applies/does not apply] to the Certificates. [The Averaging Dates are [].] |

[In the event that an Averaging Date is a Disrupted Day [Omission/Postponement/Modified Postponement] (as defined in Condition 4) will apply.]

[In the event of Modified Postponement applying, the Averaging Date will be determined [specify relevant provisions] (N.B. Only applicable in relation to Debt Certificates, Currency Certificates or Commodity Certificates).]

7. Number of Certificates being issued: The number of Certificates being issued is [].
8. Issue Price: The issue price per Certificate is [].
9. Issue Date: The issue date of the Certificates is [].
10. Redemption Date: []
11. Cash Settlement Amount: [Insert details of Cash Settlement Amount and how it is to be calculated for Cash Settled Certificates]
12. Valuation Date: []
13. Exchange Business Day [] (N.B. Only applicable if different from the definition in Condition 4).
14. Business Day Centre(s): The applicable Business Day Centre[s] for the purposes of the definition of "Business Day" in Condition 4 [is/are] [].
15. Settlement: Settlement will be by way of [cash payment (**Cash Settled Certificates**)] [and/or] [physical delivery (**Physical Delivery Certificates**)].
16. Settlement Business Day: Settlement Business Day [for the purposes of Condition 5 means []/[has the meaning given to it in Condition 6(B)(7)]. (N.B. Only applicable in the case of Physical Delivery Certificates)
17. [(i) Issuer's option to vary settlement: The Issuer [has/does not have] the option to vary settlement in respect of the Certificates - (N.B. Option is only available in relation to Certificates represented by a Permanent Global Certificate or a Registered Certificate) (Cash Settled Certificates which carry this right will be treated as Physical Delivery Certificates for the purposes of the legends on the Certificates and determination of the Distribution Compliance Period).

[(ii) Variation of Settlement of Physical Delivery Certificates [Notwithstanding the fact that the Certificates are Physical Delivery Certificates, the Issuer shall make payment of the Cash Settlement Amount on the Redemption Date and the provisions of Condition 6(C)(ii) will apply to the Certificates]/[The Issuer will procure delivery of the Entitlement in respect of the Certificates and the provisions of Condition 6(C)(ii) will not apply to the Certificates].

(N.B. Only relevant to Physical Delivery Certificates which are Rule 144A Certificates or a Regulation S Global Certificate. Where the provisions of Condition 6(C)(ii) are specified as not applying to the Certificates, any Physical Delivery must be made in compliance with the requirements of U.S. federal securities law.)
18. Exchange Rate: The applicable rate of exchange for conversion of any amount into the relevant Settlement Currency for the purposes of determining the Settlement Price (as defined in Condition 4) or the Cash Settlement Amount (as defined in Condition 4) is [insert rate of exchange and details of how and when such rate is to be ascertained].
19. Settlement Currency: The settlement currency for the payment of [the Cash Settlement Amount] (in the case of Cash Settled Certificates)/[the Disruption Cash Settlement Price] (in the case of Physical Delivery Certificates) is [].
20. Calculation Agent: The Calculation Agent is Barclays Bank PLC/[specify other].
21. Exchange(s): [For the purposes of Condition 4 and Condition 15(B), the relevant Exchange[s] [is/are] []. (N.B. Only applicable in relation to Share Certificates)]

22. Exchange(s), Index Sponsor and Index Currency: [For the purposes of Condition 15(A):
- (a) the relevant Exchange[s] [is/are] [];
- (b) the relevant Index Sponsor is []; and
- (c) the relevant Index Currency is [].]
- (N.B. Only applicable in relation to Index Certificates)]
23. Related Exchange(s): [For the purposes of Condition 4 and Condition 15(B), the relevant Related Exchange(s) [is/are] []/[All Exchanges] (N.B. Only applicable in relation to Share Certificates)]/[For the purposes of Condition 15(A), the relevant Related Exchange(s) [is/are] []/[All Exchanges] (N.B. Only applicable in relation to Index Certificates)]
24. Multiplier: [The multiplier to be applied to each item comprising the Basket to ascertain the Settlement Price is []. Each such Multiplier shall be subject to adjustment [in accordance with Condition 15(B) in the case of Share Certificates]/[specify other]. (N.B. Only applicable in relation to Cash Settled Certificates relating to a Basket)]
25. Debt Certificates The relevant screen page (**Relevant Screen Page**) is []. (N.B. Only applicable in relation to Cash Settled Certificates relating to Debt Securities)
26. Relevant Asset(s): The relevant asset to which the Certificates relate [is/are] []. (N.B. Only applicable in relation to Physical Delivery Certificates)
27. Entitlement:
- [(i) The Entitlement (as defined in Condition 4) in relation to each Certificate is [].
- [(ii) The Entitlement will be evidenced by [the delivery of the Entitlement to the securities account with the Clearance System specified by the Holder in the relevant Asset Transfer Notice. The Issuer shall be under no obligation to register or procure the registration of a Holder in the register of members of [the Share Company]/[a Basket Company]]/[insert details of how the Entitlement will be evidenced].
- [(iii) The Entitlement will be delivered [to such securities account with the Clearance System specified by the Holder in the relevant Asset Transfer Notice]/[insert details of the method of delivery of the Entitlement].
- [The **Clearance System** is [].
- (N.B. Only applicable in relation to Physical Delivery Certificates)
28. Guaranteed Cash Settlement Amount: The Guaranteed Cash Settlement Amount (as defined in Condition 3) is calculated [specify calculation method]. (N.B. Only applicable in the case of Physical Delivery Certificates issued by BCCL)
29. Settlement Price: The Settlement Price will be calculated [insert calculation method]. (N.B. Only applicable in relation to Commodity Certificates)
30. Disrupted Day: If the Valuation Date or an Averaging Date (each as defined in Condition 4), as the case may be, is a Disrupted Day, the Settlement Price will be calculated [insert calculation method].
31. Redemption of underlying Debt Securities: Where one or more of the relevant Debt Securities is redeemed (or otherwise ceases to exist) before the Redemption Date of the relevant Certificates, [insert appropriate fallback provisions]. (N.B. Only applicable in relation to Debt Certificates)
32. Relevant Time: The relevant time is [], being the time specified on the Valuation Date or an Averaging Date, as the case may be, for the calculation of the Settlement Price (N.B. for Index Certificates and Share Certificates, if no Relevant Time is specified, the Valuation Time will be the Scheduled Closing Time as defined in Condition 4).

33. Currency Certificates:
- [(i) The Relevant Screen Page is [].
- [(ii) The relevant base currency (the **Base Currency**) is [].
- [(iii) The relevant subject [currency/currencies] (each a **Subject Currency**) [is/are] [].
- (N.B. Only applicable in relation to Currency Certificates)*
34. Commodity Certificates: *[Specify applicable market disruption, general disruption, adjustment and/or termination provisions]*
35. Fund Certificates: *[Specify applicable market disruption, general disruption, adjustment and/or termination provisions]*
36. Tender Offer: Tender Offer [applies/does not apply].
- (N.B. Tender Offer is only applicable to Share Certificates)*
37. Substitution of Shares: Substitution of Shares [applies/does not apply].
- (N.B. Substitution of Shares is only applicable to Share Certificates relating to a Basket of Shares)*
38. Additional Disruption Events and Asian Additional Disruption Events:
- [(a)] The following Additional Disruption Events apply to the Certificates:
- (Specify each of the following which applies. N.B. Additional Disruption Events are applicable to certain Index Certificates or Share Certificates. Careful consideration should be given to whether Additional Disruption Events would apply for Debt Certificates, Currency Certificates, Commodity Certificates or Index Certificates relating to commodity indices and if so the relevant definitions will require amendment)*
- [Change in Law]
(N.B. Only one of Change in Law and Asian Change in Law pursuant to (b) below should be specified)
[Hedging Disruption]
(N.B. Only one of Hedging Disruption and Asian Hedging Disruption pursuant to (b) below should be specified)
[Increased Cost of Hedging]
(N.B. Only one of Increased Cost of Hedging and Asian Increased Cost of Hedging pursuant to (b) below should be specified)
[Increased Cost of Stock Borrow]
[Insolvency Filing]
(N.B. Only applicable in the case of Share Certificates)]
[Loss of Stock Borrow]
- [(b)] The following Asian Additional Disruption Events apply to the Certificates:
- (Specify each of the following which applies)*
[Asian Change in Law]
(N.B. Only one of Change in Law pursuant to (a) above and Asian Change in Law should be specified)
[Asian Hedging Disruption]
(N.B. Only one of Hedging Disruption pursuant to (a) above and Asian Hedging Disruption should be specified)
[Asian Increased Cost of Hedging]
(N.B. Only one of Increased Cost of Hedging pursuant to (a) above and Asian Increased Cost of Hedging should be specified)
- [(c)] [The Trade Date is [].
- (N.B. only applicable if Change in Law or Asian Change in Law and/or Increased Cost of Hedging is applicable)]*
- [(d)] [The Maximum Stock Loan Rate in respect of *[specify in relation*

to each relevant Share/security/commodity] is [].

(N.B. only applicable if Loss of Stock Borrow is applicable))

[(e)] [The Initial Stock Loan rate in respect of [specify in relation to each relevant Share/ security/commodity] is [].

(N.B. only applicable if Increased Cost of Stock Borrow is applicable))

39. FX Disruption Event:

FX Disruption Event [applies/does not apply].

(If FX Disruption Event applies:)

(a) The Specified Currency is [insert relevant Specified Currency].

(b) The Specified Jurisdiction is [insert relevant Specified Jurisdiction].

40. Failure to Deliver due to Illiquidity:

Failure to Deliver due to Illiquidity [applies/does not apply] to the Certificates. (N.B. Only applicable in the case of Physical Delivery Certificates - Failure to Deliver due to Illiquidity is applicable to certain Share Certificates. Careful consideration should be given to whether Failure to Deliver due to Illiquidity would apply to other Physical Delivery Certificates)

41. Market Access Dividend and Rights Issue Provisions:

Market Access Dividend and Rights Issue Provisions [apply/do not apply]

Dividend Exchange Rate is [].

(N.B. Market Access Dividend and Rights Issue Provisions may only apply to certain types of Cash Settled Share Certificates relating to a single Share)

GENERAL

42. Form:

The Certificates are [Bearer/Registered] Certificates

(N.B. Certificates eligible for sale in the United States and Certificates represented by a Registered Global Certificate are Registered Certificates. Certificates not eligible for sale in the United States and represented by a Permanent Global Certificate are Bearer Certificates. Consider tax position on issue where Barclays Bank PLC issues Registered Certificates with a "guaranteed return")

43. Other Final Terms:

[Insert]

(When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)

44. Eligibility for sale in the United States within the meaning of Rule 144A to QIBs:

The Certificates are [not] eligible for sale in the United States to QIBs within the meaning of Rule 144A:

(N.B. Certificates may only be so eligible if Barclays Bank PLC is the Issuer)

[Where Certificates are eligible for sale in the United States to QIBs within the meaning of Rule 144A, include the following:]

(a) The Rule 144A Global Certificate will be deposited with [the New York Certificate Agent as Custodian for DTC/a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear];

(b) The Certificates may [not] be issued concurrently outside the United States to non-U.S. persons [(such Certificates to be represented by a Regulation S Global Certificate)];

(c) The Certificates may [not] be transferred to QIBs;

(d) The Certificates may [not] be transferred to non-U.S. persons; and

[(f)] The DTC FX Rate is []

(N.B. Only applicable if Settlement Currency is other than USD. If referring to a screen page, consider any fallback. See Clause 7.9 of the Master Certificate Agreement)

[(g)] [insert applicable U.S. selling restrictions and specify details of any transfer restrictions and any necessary certifications, if different from those set out in the Conditions].

45. Additional U.S. federal income tax consequences: [insert details/check with U.S. tax counsel when Certificates are eligible for sale in the United States]

46. Registered Broker/Dealer: [Barclays Capital Inc.]/[specify other]/[Not Applicable]

(N.B. Items 44-46 only applicable for Certificates eligible for sale in the United States)

47. Global Certificate: The Certificates will be represented by a [Permanent/Registered] Global Certificate

(N.B. Only include if Certificates are not eligible for sale in the United States. Certificates in bearer form will be represented by a Permanent Global Certificate and Certificates in registered form will be represented by a Registered Global Certificate.)

[Indian Restrictions are applicable]/[Insert other restrictions applicable to the Transfer Notice] *(N.B. Only applicable where Certificates are represented by Registered Global Certificate)*

DISTRIBUTION

48. Syndication: The Certificates will be distributed on a [non-]syndicated basis

[(i) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable/give names and addresses and underwriting commitments]

(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)

[(ii) Date of Subscription Agreement: []

If non-syndicated, name and address of Manager: [Name and address]

[Total commission and concession: []]

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

[LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Certificates described herein pursuant to the Certificate Programme of Barclays Capital (Cayman) Limited and Barclays Bank PLC].

RESPONSIBILITY

[Subject as provided below, the Issuer [and the Guarantor] accept[s] responsibility for the information contained in these Final Terms. [The information relating to ● [and ●] contained herein has been accurately extracted from [insert information source(s)]. The Issuer [and the Guarantor] accept[s] responsibility for the accuracy of such extraction but accept no further or other responsibility in respect of such information.].

Signed on behalf of the Issuer:

By:
Duly authorised

The Certificates will not become valid or obligatory for any purpose until the Final Terms is attached to the Global Certificate and the certificate of authentication on the Global Certificate has been signed by or on behalf of the Principal Certificate Agent.

PART B – OTHER INFORMATION

1. LISTING

- (i) Listing: [London/other (*specify*)/None]
- (ii) Admission to trading: [Application has been made for the Certificates to be admitted to trading on [] with effect from [].] [Not Applicable.]
- (Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)*

2. NOTIFICATION

The Financial Services Authority [has been requested to provide/has provided] the [*names of competent authorities of host Member States*] with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive.]

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Managers], so far as [BCCL/the Bank] is aware, no person involved in the issue of the Certificates has an interest material to the offer. - *Amend as appropriate if there are other interests*]

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- (i) [Reasons for the offer: []]
- (See "Use of Proceeds" wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)*
- (ii) Estimated net proceeds: []
- (If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)*
- (iii) Estimated total expenses: []. [Expenses are required to be broken down into each principal intended "use" and presented in order of priority of such "uses".]
- ((i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks and where this is the case disclosure of net proceeds and total expenses at (ii) and (iii) above are also required.)*

5. PERFORMANCE OF [INDEX/BASKET OF INDICES], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING THE [INDEX/BASKET OF INDICES]] (*Index Certificates Only*)

[Need to include details of where past and future performance and volatility of the [index/basket of indices] can be obtained, the relevant weighting of each index within a basket of indices and where pricing information is available]. [Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

[Need to include the name of [the/each] index, the name of [the/each] index sponsor and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about [the/each] index can be obtained.]

6. PERFORMANCE OF [THE SHARE/BASKET OF SHARES], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING [THE SHARE/BASKET OF SHARES]] (*Share Certificates Only*)

[Need to include details of the name of [the/each] share company, any security identification number of the shares, where pricing information about the shares is available, the relevant weighting of each share within a basket of shares (if relevant) and where past and future performance and volatility of the [share/basket of shares] can be obtained.] [Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

7. INFORMATION IN RELATION TO THE [DEBT INSTRUMENT/BASKET OF DEBT INSTRUMENTS], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER

INFORMATION CONCERNING [THE DEBT INSTRUMENT/BASKET OF DEBT INSTRUMENTS] (*Debt Certificates Only*)

[Need to include details of the name of the issuer, the ISIN (International Securities Identification Number) of the debt instrument(s), the relevant weighting of each debt instrument in a basket of debt instruments (if relevant) and where pricing information on the debt instrument(s) can be obtained.] [Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

8. **PERFORMANCE OF [RATE[S] OF EXCHANGE/CURRENCIES], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING [THE [RATE[S] OF EXCHANGE/ CURRENCIES]]** (*Currency Certificates Only*)

[Need to include details of [the/each] currency, where past and future performance and volatility of the [rate(s)/currencies] can be obtained.] [Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

9. **PERFORMANCE OF [THE COMMODITY/BASKET OF COMMODITIES], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING [THE COMMODITY/BASKET OF COMMODITIES]]** (*Commodity Certificates Only*)

[Need to include details of [the/each] commodity, where pricing information about [the/each] commodity is available, the relevant weighting of each commodity within a basket of commodities (if relevant) and where past and future performance and volatility of [the commodity/basket of commodities] can be obtained.] [Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

10. **PERFORMANCE OF [THE FUND/BASKET OF FUNDS], EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS [AND OTHER INFORMATION CONCERNING [THE FUND /BASKET OF FUNDS]]** (*Fund Certificates Only*)

[Need to include details of [the/each] fund, the relevant weighting of each fund within a basket of funds and where past and future performance and volatility of [the/each] fund can be obtained. [Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

11. **OPERATIONAL INFORMATION**

- | | | |
|-------|---|---|
| (i) | ISIN Code: | [] |
| (ii) | Common Code: | [] |
| (iii) | [DTC CUSIP: | []] |
| (iv) | [Any clearing system(s) other than Euroclear Bank S.A./N.V., Clearstream Banking, société anonyme and the relevant identification number(s):] | [Not Applicable/give name(s) and number(s)] |

TERMS AND CONDITIONS OF THE CERTIFICATES

The following is the text of the Terms and Conditions of the Certificates which will be attached to each Global Certificate (as defined below). The applicable Final Terms in relation to any issue of Certificates may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Certificates. The applicable Final Terms (or the relevant provisions thereof) will be attached to each Global Certificate.

The Certificates of this series (such Certificates being hereinafter referred to as the **Certificates**) are issued by whichever of Barclays Capital (Cayman) Limited (**BCCL**) or Barclays Bank PLC (the **Bank**) is specified in the applicable Final Terms (the **Issuer**) and references to the Issuer shall be construed accordingly. The Certificates are issued pursuant to an amended and restated Master Certificate Agreement dated 29th March, 2007 (such Master Certificate Agreement as amended and/or supplemented and/or restated from time to time, the **Master Certificate Agreement**) between BCCL as issuer, the Bank as issuer and (where the Issuer is BCCL) guarantor (in such capacity, the **Guarantor**), JPMorgan Chase Bank N.A., London Branch as principal certificate agent (the **Principal Certificate Agent** which expression shall include any successor principal certificate agent), J.P. Morgan Bank Luxembourg S.A. as Luxembourg certificate agent (the **Luxembourg Certificate Agent** which expression shall include any additional or successor Luxembourg certificate agent) and as registrar (the **Registrar** which expression shall include any additional or successor registrar), JPMorgan Chase Bank N.A., New York Branch as New York certificate agent (the **New York Certificate Agent** which expression shall include any additional or successor New York Certificate Agent and together with the Principal Certificate Agent, the Luxembourg Certificate Agent and the New York Certificate Agent, the **Certificate Agents**). The Bank shall undertake the duties of calculation agent (the **Calculation Agent**) in respect of the Certificates as set out below and in the applicable Final Terms unless another entity is so specified as calculation agent in the applicable Final Terms. The expression Calculation Agent shall, in relation to the relevant Certificates, include such other specified calculation agent. The Certificates are constituted by the Master Certificate Agreement as amended and/or supplemented by the applicable Final Terms and shall become valid obligations of the Issuer when the applicable Final Terms is attached to the relevant Global Certificate (the **Global Certificate**).

In the event that the applicable Final Terms specifies that the Certificates issued by the Bank are eligible for sale in the United States (such eligibility to be pursuant to an exemption from the registration requirements of the United States Securities Act of 1933, as amended (the **Securities Act**)), (A) the Certificates will be sold in the United States to qualified institutional buyers (**QIBs**) within the meaning of Rule 144A under the Securities Act (**Rule 144A**) and will be represented by a Rule 144A Global Certificate in registered form (the **Rule 144A Global Certificate**), and (B) Certificates will otherwise be sold outside the United States to non-U.S. persons in reliance on Regulation S and will be represented by a Regulation S Global Certificate in registered form (the **Regulation S Global Certificate**). BCCL will not issue any Certificates that are eligible for sale in the United States.

In the event that the applicable Final Terms specifies that the Certificates are in bearer form and are not eligible for sale in the United States, such Certificates will be represented by a Permanent Global Certificate (the **Permanent Global Certificate**).

In the event that the applicable Final Terms specifies that the Certificates are in registered form and are not eligible for sale in the United States, such Certificates will be represented by a Registered Global Certificate (the **Registered Global Certificate**).

References herein to a **Global Certificate** include, as the context so requires, a Permanent Global Certificate, a Regulation S Global Certificate, a Rule 144A Global Certificate and a Registered Global Certificate. Interests in a Permanent Global Certificate may not be exchanged for interests in any other Global Certificate. Interests in a Rule 144A Global Certificate may not be exchanged for interests in a Permanent Global Certificate or a Registered Global Certificate. Interests in a Registered Global Certificate may not be exchanged for interests in any other Certificate. Interests in a Regulation S Global Certificate may not be exchanged for interests in a Permanent Global Certificate or a Registered Global Certificate.

Each Permanent Global Certificate and Regulation S Global Certificate will be deposited with a depositary (a **Common Depositary**) on behalf of Clearstream Banking, société anonyme (**Clearstream, Luxembourg**) and Euroclear Bank S.A./N.V. (**Euroclear**). Each Rule 144A Global Certificate will be either (i) deposited with the New York Certificate Agent as custodian (the **Custodian**) for, and registered in the name of a nominee of, The Depositary Trust Company (**DTC**) or (ii) deposited with a Common Depositary, as specified in the applicable Final Terms. Each Registered Global Certificate will be held by the Registrar on behalf of the Holders (as defined in Condition 1(E)).

In the case of Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, if DTC notifies the Issuer that it is unwilling or unable to continue as a depositary for that Rule 144A Global Certificate, or if at any time DTC ceases to be a clearing agency registered under the United States Securities Exchange Act of 1934, as amended, and, in each case, a successor depositary is not appointed by the Issuer within 90 days of such notice, the Issuer will deliver Certificates in definitive registered form (bearing such legends as may be required by the Issuer) in exchange for that Rule 144A Global Certificate. Except in these circumstances, owners of beneficial interests in a Rule 144A Global Certificate held by a Custodian on behalf of DTC will not be entitled to have any portion of such Certificates registered in their name and will not receive or be entitled to receive physical delivery of registered Certificates in definitive form in exchange for their interests in that Rule 144A Global Certificate. Transfer, settlement and other mechanics related to any Certificates issued in definitive form in exchange for Certificates represented by a Rule 144A Global Certificate shall be as agreed between the Issuer and the New York Certificate Agent and notice of any amendments to these Terms and Conditions as a result of any such Certificates being issued in definitive form shall be given in accordance with Condition 10.

Except as provided above, no Certificates in definitive form will be issued.

The applicable Final Terms for the Certificates is attached to the relevant Global Certificate and supplements these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, supplement, replace or modify these Terms and Conditions for the purposes of the Certificates.

References herein to the "applicable Final Terms" are to the Final Terms (in the case of any further certificates issued pursuant to Condition 12 and forming a single series with the Certificates) attached to the relevant Global Certificate.

Subject as provided in Condition 3 and in the Guarantee (as defined below), the obligations of BCCL with respect to physical delivery (if applicable) and/or the payment of amounts payable by BCCL are guaranteed by the Bank (in such capacity the **Guarantor**) pursuant to a deed of guarantee (the **Guarantee**) dated 29th March, 2007 executed by the Guarantor. The original of the Guarantee is held by the Principal Certificate Agent on behalf of the Holders (as defined in Condition 1) at its specified office.

Copies of the Master Certificate Agreement and the Guarantee are available for inspection during normal business hours at the registered office of the Issuer and the specified offices of the Principal Certificate Agent and the Registrar. Copies of the applicable Final Terms are available for viewing at the office of the Principal Certificate Agent at c/o The Bank of New York, One Canada Square, London, E14 5AL and copies may be obtained from the Principal Certificate Agent at c/o The Bank of New York, One Canada Square, London, E14 5AL save that, if this Certificate is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive, the applicable Final Terms will only be obtainable by a Certificateholder holding one or more Certificates and such Certificateholder must produce evidence satisfactory to the Issuer and the relevant Certificate Agent or the Registrar, as the case may be, as to its holding of such Certificates and identity.

Words and expressions defined in the Master Certificate Agreement or used in the applicable Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated.

The Holders are entitled to the benefit of and are deemed to have notice of and are bound by all the provisions of the Master Certificate Agreement (insofar as they relate to the Certificates) and the applicable Final Terms, which are binding on them.

1. Form, Type, Title and Transfer

(A) Form

The Certificates are either Bearer Certificates or Registered Certificates as specified in the applicable Final Terms. Bearer Certificates are represented by a Permanent Global Certificate. Registered Certificates are represented by a Regulation S Global Certificate, a Rule 144A Global Certificate or a Registered Global Certificate as specified in the applicable Final Terms.

(B) Type

The Certificates are Index Certificates, Share Certificates, Debt Certificates, Currency Certificates, Commodity Certificates, Fund Certificates or any other or further type of certificates as is specified in the applicable Final Terms. Certain terms which will, unless otherwise varied in the applicable Final Terms, apply to Index Certificates, Share Certificates, Debt Certificates, Currency Certificates, Commodity Certificates or Fund Certificates are set out in Condition 15.

The applicable Final Terms will indicate whether settlement shall be by way of cash payment (**Cash Settled Certificates**) or physical delivery (**Physical Delivery Certificates**) and whether Averaging (**Averaging**) will apply to the Certificates. If Averaging is specified as applying in the applicable Final Terms the applicable Final Terms will state the relevant Averaging Dates and, if an Averaging Date is a Disrupted Day, whether Omission, Postponement or Modified Postponement (each as defined in Condition 4 below) applies.

References in these Terms and Conditions, unless the context otherwise requires, to Cash Settled Certificates shall be deemed to include references to (a) Physical Delivery Certificates, which include an option (as set out in the applicable Final Terms) at the Issuer's election to request cash settlement of such Certificate pursuant to Condition 6(C)(i) and where settlement is to be by way of cash payment and (b) Physical Delivery Certificates where settlement is to be automatically varied pursuant to Condition 6(C)(ii). References in these Terms and Conditions, unless the context otherwise requires, to Physical Delivery Certificates shall be deemed to include references to Cash Settled Certificates which include an option (as set out in the applicable Final Terms) at the Issuer's election to request physical delivery of the relevant underlying asset in settlement of such Certificate pursuant to Condition 6(C)(i) and where settlement is to be by way of physical delivery.

Certificates may allow holders to elect for settlement by way of cash payment or by way of physical delivery or by such other method of settlement as is specified in the applicable Final Terms. Those Certificates where the holder has elected for cash payment will be Cash Settled Certificates and those Certificates where the holder has elected for physical delivery will be Physical Delivery Certificates. The rights of a holder as described in this paragraph may be subject to the Issuer's right to vary settlement as indicated in the applicable Final Terms.

(C) Title to the Permanent Global Certificate and Certificates represented by a Permanent Global Certificate

Subject as set out below, title to the Permanent Global Certificate will pass by delivery. The Issuer (where the Issuer is BCCL), the Guarantor and the Certificate Agents will (except as otherwise required by law) deem and treat the bearer of the Permanent Global Certificate as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but without prejudice to the provisions set out in the next succeeding sentence. Each person who is for the time being shown in the records of Clearstream, Luxembourg or of Euroclear as the holder of a particular amount of Certificates represented by a Permanent Global Certificate (in which regard any certificate or other document issued by Clearstream, Luxembourg or Euroclear as to the amount of Certificates standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest or proven error) shall be treated by the Issuer, (where the Issuer is BCCL) the Guarantor and the Certificate Agents as the holder of such amount of Certificates for all purposes other than with respect to the payments on such amount of such Certificates, for which purpose the bearer of the Permanent Global Certificate shall be treated by the Issuer (where the Issuer is BCCL), the Guarantor and any Certificate Agent as the holder of such amount of such Certificates in accordance with and subject to the terms of the Permanent Global Certificate (and

the expressions **Holder** and **holder of Certificates** and related expressions in respect of such Certificates shall be construed accordingly).

(D) *Title to Rule 144A Global Certificate and Certificates represented by a Regulation S Global Certificate and Rule 144A Global Certificate*

In the case of Certificates represented by a Regulation S Global Certificate or a Rule 144A Global Certificate held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear, subject as set forth in Condition 1(F) below, each person who is for the time being shown in the records of Clearstream, Luxembourg or of Euroclear as the holder of a particular amount of Certificates (in which regard any certificate or other document issued by Clearstream, Luxembourg or Euroclear as to the amount of Certificates standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest or proven error) shall (except as otherwise required by law) be treated by the Issuer (where the Issuer is BCCL), the Guarantor and the Certificate Agents as the holder of such amount of Certificates for all purposes (and the expressions **Holder** and **holder of Certificates** and related expressions in respect of such Certificates shall be construed accordingly).

In the case of Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, the Rule 144A Global Certificate will be registered in the name of Cede & Co. or any other nominee of DTC in whose name a Rule 144A Global Certificate may be registered (**Cede & Co.**) but this does not confer any rights or benefits on Cede & Co. Transfers of such Rule 144A Global Certificate by such nominee of DTC shall be limited to transfers of such Rule 144A Global Certificate, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor's nominee. Rights conferred by the Rule 144A Global Certificate are only enforceable by the Holders (as defined below) as provided therein. Subject as set forth in Condition 1(G) below, each person who is for the time being shown in the records of DTC as the holder of a particular amount of Certificates shall (except as otherwise required by law) be treated by the Issuer (where the Issuer is BCCL), the Guarantor and the Certificate Agents as the holder of such amount of Certificates for all purposes other than with respect to payments on such Certificates for which purposes Cede & Co. shall be treated by the Issuer (where the Issuer is BCCL), the Guarantor and the Certificate Agents as the holder of such amount of Certificates (and the expressions **Holder** and **holder of Certificates** and related expressions in respect of such Certificates shall be construed accordingly).

(E) *Title to Certificates represented by a Registered Global Certificate*

In the case of Certificates represented by a Registered Global Certificate, the Issuer shall cause to be kept at the principal office of the Registrar a register (the **Register**) on which shall be entered the names and addresses of all Holders (as defined below) of the Certificates, the amount and type of the Certificates held by each Holder and details of all transfers of the Certificates. Each person who is for the time being shown in the Register as the holder of a particular amount of Certificates shall (except as otherwise required by law) be treated by the Issuer, the Guarantor and the Certificate Agents as the absolute owner of such amount of Certificates for all purposes (regardless of any notice of ownership, trust, or any interest in it, any writing on it, or its theft or loss) (and the expressions **Holder** and **holder of Certificates** and related expressions in respect of such Certificates shall be construed accordingly).

(F) *Transfers of Certificates represented by a Permanent Global Certificate, a Regulation S Global Certificate or a Rule 144A Global Certificate held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear*

All transactions in respect of Certificates represented by a Permanent Global Certificate, a Regulation S Global Certificate or a Rule 144A Global Certificate held by a Common Depositary on behalf of Clearstream, Luxembourg or Euroclear (including transfers of Certificates) in the open market or otherwise must be effected through an account at Clearstream, Luxembourg or Euroclear subject to and in accordance with the rules and procedures for the time being of Clearstream, Luxembourg or of Euroclear, as the case may be. Title will pass upon registration of the transfer in the books of either Clearstream, Luxembourg or Euroclear, as the case may be.

(G) *Transfers of Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC*

Subject as set forth in this Condition, all transactions in respect of Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC (including permitted transfers of Certificates) in the open market or otherwise must be effected through a direct or indirect participant of DTC, subject to and in accordance with the rules and procedures for the time being of DTC. Title will pass upon registration of the transfer in the books of DTC.

(H) *Transfers of Certificates represented by a Registered Global Certificate*

Title to Certificates represented by a Registered Global Certificate will pass upon the registration of transfers in accordance with the provisions of the Master Certificate Agreement. A Certificate may be transferred by the transferor or a person duly authorised on behalf of the transferor depositing at the specified office of the Registrar a duly completed transfer certificate (a **Transfer Certificate**) in the form set out in the Master Certificate Agreement (copies of which are available from the Registrar) signed by or on behalf of the transferor and upon the Registrar after due and careful enquiry being satisfied with the documents of title and the identity of the person making the request and subject to the regulations set out in Schedule 8 to the Master Certificate Agreement, the Registrar should enter the name of the transferee in the Register for the Certificates as the holder of the Certificate specified in the form of transfer. If the applicable Final Terms state that Indian Restrictions are applicable, then the transfer is subject to receipt by each of the Issuer, the Guarantor, the Principal Certificate Agent and the Registrar of a letter in the form of Schedule 9 to the Master Certificate Agreement signed by the transferee.

Holders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration or exchange in the jurisdiction of the Issuer or in any other jurisdiction where the Registrar's specified office is located.

(I) *Transfer Provisions relating to Certificates represented by a Regulation S Global Certificate and Rule 144A Global Certificate*

Transfers of Certificates represented by a Rule 144 A Global Certificate or a Regulation S Global Certificate, as the case may be, may be made only in accordance with the following provisions:

- (i)
 - (A) in the case of transfers to a person who takes delivery in the form of Certificates represented by a Regulation S Global Certificate, from a holder of Certificates represented by a Regulation S Global Certificate, within the Distribution Compliance Period only, upon certification (in the form from time to time available from any Certificate Agent) to the Principal Certificate Agent by the transferor thereof that such transfer is being made to a non-U.S. person in an offshore transaction pursuant to Regulation S under the Securities Act (**Regulation S**) and, after the expiry of the Distribution Compliance Period, to a non-U.S. person in an offshore transaction pursuant to Regulation S but without such certification;
 - (B) in the case of transfers to a person who takes delivery in the form of Certificates represented by a Rule 144A Global Certificate, from a holder of Certificates represented by a Regulation S Global Certificate, within the Distribution Compliance Period only, upon certification (in the form from time to time available from any Certificate Agent) to the relevant Certificate Agent by the transferor thereof that such transfer is being made to a person who is a QIB who is acquiring such Certificates in a transaction meeting the requirements of Rule 144A and, after the expiry of the Distribution Compliance Period, in a transaction meeting the requirements of Rule 144A but without such certification;
 - (C) in the case of transfers to a person who takes delivery in the form of Certificates represented by a Rule 144A Global Certificate, from a holder of Certificates represented by a Rule 144A Global Certificate, in a transaction meeting the requirements of Rule 144A; and
 - (D) in the case of transfers to a person who takes delivery in the form of Certificates represented by a Regulation S Global Certificate, from a holder of Certificates represented by a Rule 144A Global Certificate, within the Distribution Compliance Period only, upon certification (in the form from time to time available from any Certificate Agent) to the Principal Certificate Agent by the transferor thereof that such transfer is being made to a non-U.S. person in an offshore transaction pursuant to Regulation S and, after the expiry of the Distribution Compliance Period, to a non-U.S. person in an offshore transaction pursuant to Regulation S but without such certification,

in each case, in accordance with any applicable rules and regulations of the Principal Certificate Agent, the New York Certificate Agent, DTC, Clearstream, Luxembourg and/or Euroclear, as the case may be, and/or as specified in the applicable Final Terms.

- (ii) Subject as provided in Condition 1(I)(v) below, the Holder must send:
 - (A) in the case of transfers of Certificates represented by a Regulation S Global Certificate or a Rule 144A Global Certificate held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear, a free of payment instruction to Clearstream, Luxembourg or Euroclear, as the case may be, not later than 10.00 a.m. (Luxembourg or Brussels time, as the case may be) one Luxembourg Business Day or Brussels Business Day, as the case may be, prior to the date on which the transfer is to take effect; and
 - (B) in the case of transfers of Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, a free of payment instruction to DTC at least two New York Business Days prior to the date on which the transfer is to take effect.

Separate payment arrangements are required to be made between the transferor and the transferee.

- (iii) Subject as provided in Condition 1(I)(v) below, on the transfer date:
 - (A) DTC, Clearstream, Luxembourg or Euroclear, as the case may be, will debit the account of its participant; and
 - (B) DTC, Clearstream, Luxembourg, Euroclear or the Holder, as the case may be, will instruct (x) in the case of transfers to a person who takes delivery in the form of Certificates represented by a Regulation S Global Certificate or a Rule 144A Global Certificate held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear, the Principal Certificate Agent to instruct Clearstream, Luxembourg, or Euroclear, as the case may be, to credit the relevant account of the Clearstream, Luxembourg or Euroclear participant, as the case may be, and (y) in the case of transfers to a person who takes delivery in the form of Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, the New York Certificate Agent (in the case of transfers of Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC) to credit the relevant account of the DTC participant, or the Principal Certificate Agent (in the case of transfers of Certificates represented by a Regulation S Global Certificate or Rule 144A Global Certificate held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear) to instruct DTC to credit the relevant account of Clearstream, Luxembourg or Euroclear at DTC and thereafter DTC will debit such account of Clearstream, Luxembourg or Euroclear, as the case may be, and will credit the relevant account of the DTC participant.

(iv) Subject as provided in Condition 1(I)(v) below, upon any such transfer, on the transfer date:

- (A) the Principal Certificate Agent, in the case of transfers to and/or from a person who takes delivery in the form of Certificates represented by a Regulation S Global Certificate or Rule 144A Global Certificate held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear, will increase or decrease, if appropriate, the number of Certificates represented by such Regulation S Global Certificate or Rule 144A Global Certificate, whereupon the number of Certificates represented by such Regulation S Global Certificate or Rule 144A Global Certificate shall be increased or decreased, if appropriate, for all purposes by the number so transferred and endorsed; or
- (B) the New York Certificate Agent, in the case of transfers to and/or from a person who takes delivery in the form of Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, will increase or decrease, if appropriate, the number of Certificates represented by such Rule 144A Global Certificate, whereupon the number of Certificates represented by such Rule 144A Global Certificate shall be increased or decreased, if appropriate, for all purposes by the number so transferred and endorsed,

in each case, in accordance with any applicable rules and regulations of the Principal Certificate Agent, the New York Certificate Agent, DTC, Clearstream, Luxembourg and/or Euroclear, as the case may be, and/or as specified in the applicable Final Terms.

- (v) Transfers of Certificates (**book-entry Certificates**) that will be represented by the same Global Certificate after any such transfer may be made only through the book-entry system of DTC, Euroclear or Clearstream, Luxembourg, DTC, Euroclear or Clearstream, Luxembourg, as the case may be, will record all transfers of the interests in book-entry Certificates using their respective book-entry systems following their customary procedures.

Any reference herein to Clearstream, Luxembourg, Euroclear and/or DTC shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer and the Principal Certificate Agent from time to time and notified to the Holders in accordance with Condition 10.

2. Status of the Certificates and Guarantee

The Certificates constitute direct, unsubordinated and unsecured obligations of the Issuer and rank equally among themselves and will rank *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer (except as prescribed by law).

Where the Issuer is BCCL, the Guarantee constitutes a direct, unsecured and general obligation of the Guarantor and ranks and will rank equally with all existing and future unsecured obligations of the Guarantor, including those in respect of deposits, but excluding any debts for the time being preferred by operation of law in bankruptcy or other legal proceeding of a similar nature and any subordinated obligations.

3. Guarantee

Subject as provided below and in the Guarantee, the Guarantor has unconditionally and irrevocably, as a continuing obligation, guaranteed, for the benefit of each relevant Holder, all obligations of BCCL to such Holder under the Certificates and in the event that BCCL shall default in satisfying such obligations as and when the same become due, undertaken to satisfy or procure the satisfaction of such obligations upon written demand being made under the Guarantee by the relevant Holder Provided That (A) in the case of Physical Delivery Certificates, notwithstanding that BCCL had the right to vary settlement in respect of such Physical Delivery Certificates in accordance with Condition 6(C) and exercised such right or failed to exercise such right, the Guarantor will have the right at its sole and unfettered discretion to elect not to deliver or procure delivery of the Entitlement to the holders of such Physical Delivery Certificates, but in lieu thereof, to make payment in respect of each such Physical Delivery Certificate of an amount equal to the Guaranteed Cash Settlement Amount calculated pursuant to the terms of the relevant Final Terms (the **Guaranteed Cash Settlement Amount**) and (B) in the case of Certificates where the obligations of BCCL which fall to be satisfied by the Guarantor constitute the delivery of the Entitlement to the Holders the Guarantor will as soon as practicable following BCCL's failure to satisfy its obligations under such Certificates deliver or procure delivery of such Entitlement using the method of delivery specified in the relevant Final Terms, Provided That, if in the opinion of the Guarantor, delivery of the Entitlement using such method is impossible or impracticable by reason of (i) a Settlement Disruption Event (as defined in Condition 6(B)(7)) or (ii) if "Failure to Deliver due to Illiquidity" is specified as applying in the relevant Final Terms, a Failure to Deliver due to Illiquidity (as defined in Condition 6(B)(8)), in lieu of such delivery the Guarantor will make payment in respect of each such Certificate of, in the case of (i) above, the Guaranteed Cash Settlement Amount or, in the case of (ii) above the Failure to Deliver Settlement Price (as defined in Condition 6(B)(8)). Any payment of the Guaranteed Cash Settlement Amount or the Failure to Deliver Settlement Price, as the case may be, in respect of a Certificate shall constitute a complete discharge of the Guarantor's obligations in respect of such Certificate.

4. Definitions

For the purposes of these Terms and Conditions, the following general definitions will apply:

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;

Averaging Date means each date specified as an Averaging Date in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Calculation Agent any such day is a Disrupted Day. If any such day is a Disrupted Day, then:

- (a) if "Omission" is specified as applying in the applicable Final Terms, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant Settlement Price provided that, if through the operation of this provision no Averaging Date would occur, then the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant level, price or amount on the final Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day; or
- (b) if "Postponement" is specified as applying in the applicable Final Terms, then the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant level, price or amount on that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or
- (c) if "Modified Postponement" is specified as applying in the applicable Final Terms then:
 - (i) where the Certificates are Index Certificates relating to a single Index or Share Certificates relating to a single Share, the Averaging Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date), and (B) the Calculation Agent shall determine the relevant level or price for that Averaging Date in accordance with sub-paragraph (a)(ii) of the definition of "Valuation Date" below;
 - (ii) where the Certificates are Index Certificates relating to a Basket of Indices or Share Certificates relating to a Basket of Shares, the Averaging Date for each Index or Share not affected by the occurrence of a Disrupted Day shall be the originally designated Averaging Date (the **Scheduled Averaging Date**) and the Averaging Date for an Index or Share affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date (as defined below) in relation to such Index or Share. If the first succeeding Valid Date in relation to such Index or Share has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date, then (A) that eighth Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) in respect of such Index or Share, and (B) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with sub-paragraph (b)(ii) of the definition of "Valuation Date" below; and
 - (iii) where the Certificates are Debt Certificates, Currency Certificates or Commodity Certificates, provisions for determining the Averaging Date in the event of Modified Postponement applying will be set out in the applicable Final Terms,

for the purposes of these Terms and Conditions **Valid Date** means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date does not or is not deemed to occur;

Brussels Business Day means a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in Brussels;

Business Day means a day that is:

- (a) a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant Business Day Centre(s) and, for the purposes of making payments, the relevant place of presentation;
- (b)
 - (i) if the Certificates are represented by a Permanent Global Certificate, a Regulation S Global Certificate or a Rule 144A Certificate held by a Common Depositary on behalf of Clearstream, Luxembourg or Euroclear, a day on which Clearstream, Luxembourg and Euroclear are open for business; or
 - (ii) if the Certificates are represented by a Rule 144A Global Certificate, DTC is open for business; or
 - (iii) if the Certificates are represented by a Registered Global Certificate, a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in Luxembourg; and
- (c) for the purposes of making payments in euro, any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open;

Cash Settlement Amount means, in relation to Cash Settled Certificates, the amount to which the Holder is entitled in the Settlement Currency in relation to each such Certificate, as determined by the Calculation Agent pursuant to the provisions set out in the applicable Final Terms;

Distribution Compliance Period means the period expiring 40 days after the completion of the distribution of the relevant Certificates (as certified by the Manager (in the case of a non-syndicated issue) or the lead Manager (in the case of a syndicated issue));

Disrupted Day means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred;

Entitlement means, in relation to a Physical Delivery Certificate, the quantity of the Relevant Asset or the Relevant Assets or Substitute Asset or Substitute Assets, as the case may be, which a Holder is entitled to receive on the Redemption Date in respect of each such Certificate following payment of any sums payable (including Expenses) rounded down as provided in Condition 6(B)(6), as determined by the Calculation Agent, including any documents evidencing such Entitlement;

Exchange means:

- (a) in respect of Index Certificates and in relation to an Index each exchange or quotation system specified as such for such Index in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the securities/commodities comprising such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the securities/commodities comprising such Index on such temporary substitute exchange or quotation system as on the original Exchange); and
- (b) in respect of Share Certificates and in relation to a Share (as defined in Condition 15(B)), each exchange or quotation system specified as such for such Share in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Share on such temporary substitute exchange or quotation system as on the original Exchange);

Exchange Business Day means any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time;

Expenses has the meaning given to it in Condition 11;

Luxembourg Business Day means a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in Luxembourg;

New York Business Day means a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in New York City;

Redemption Date means the date specified as the Redemption Date in the applicable Final Terms;

Related Exchange means, in respect of Index Certificates and in relation to an Index or in respect of Share Certificates and in relation to a Share, each exchange or quotation system specified as such for such Index or Share in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Index or Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index or such Share on such temporary substitute exchange or quotation system as on the original Related Exchange), Provided That where "All Exchanges" is specified as the Related Exchange in the applicable Final Terms, **Related Exchange** shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Index or such Share;

Scheduled Closing Time means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours;

Scheduled Trading Day means any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions;

Scheduled Valuation Date means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date;

Settlement Price means, in relation to each Cash Settled Certificate:

- (a) in respect of Index Certificates, subject to Condition 15(4) and as referred to in "Valuation Date" below or "Averaging Date" above, as the case may be:
 - (i) in the case of Index Certificates relating to a Basket of Indices, an amount (which shall be deemed to be a monetary amount in the Index Currency) equal to the sum of the values calculated for each Index as the

official closing level for each Index as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of each Index determined by the Calculation Agent as set out in the applicable Final Terms at the Relevant Time on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, without regard to any subsequently published correction, multiplied by the relevant Multiplier; and

- (ii) in the case of Index Certificates relating to a single Index, an amount (which shall be deemed to be a monetary amount in the Index Currency) equal to the official closing level of the Index as determined by the Calculation Agent or, if so specified in the applicable Final Terms, the level of the Index determined by the Calculation Agent as set out in the applicable Final Terms at the Relevant Time on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, without regard to any subsequently published correction;
- (b) in respect of Share Certificates, subject to Condition 15(B) and as referred to in "Valuation Date" below or "Averaging Date" above, as the case may be:
 - (i) in the case of Share Certificates relating to a Basket of Shares, an amount equal to the sum of the values calculated for each Share at the official closing price (or the price at the Relevant Time on the Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Share (as defined in Condition 15(B)) on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, without regard to any subsequently published correction (or if in the opinion of the Calculation Agent, any such official closing price (or the price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the Valuation Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for the relevant Share whose official closing price (or the price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be determined based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the relevant Share or on such other factors as the Calculation Agent shall decide), multiplied by the relevant Multiplier, each such value to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate and the sum of such converted amounts to be the Settlement Price, all as determined by or on behalf of the Calculation Agent; and
 - (ii) in the case of Share Certificates relating to a single Share, an amount equal to the official closing price (or the price at the Relevant Time on the Valuation Date or an Averaging Date, as the case may be, if so specified in the applicable Final Terms) quoted on the relevant Exchange for such Share on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date and, in either case, without regard to any subsequent published correction (or if, in the opinion of the Calculation Agent, any such official closing price (or the price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) cannot be so determined and the Valuation Date or Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) and the closing fair market selling price (or the fair market selling price at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the applicable Final Terms) for the Share based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the Share or on such other factors as the Calculation Agent shall decide), such amount to be converted, if so specified in the applicable Final Terms, into the Settlement Currency at the Exchange Rate and such converted amount to be the Settlement Price, all as determined by or on behalf of the Calculation Agent;
- (c) in respect of Debt Certificates, subject as referred to in "Valuation Date" below or "Averaging Date" above:
 - (i) in the case of Debt Certificates relating to a Basket of Debt Securities, an amount equal to the sum of the values calculated for each Debt Security at the bid price for such Debt Security as determined by or on behalf of the Calculation Agent by reference to the bid price for such Debt Security appearing on the Relevant Screen Page at the Relevant Time on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date, or if such price is not available, the arithmetic mean of the bid prices for such Debt Security at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, as received by it from two or more market-makers (as selected by the Calculation Agent) in such Debt Security, such bid prices to be expressed as a percentage of the notional amount of such Debt Security, multiplied by the relevant Multiplier;

- (ii) in the case of Debt Certificates relating to a single Debt Security, an amount equal to the bid price for the Debt Security as determined by or on behalf of the Calculation Agent by reference to the bid price for such Debt Security appearing on the Relevant Screen Page at the Relevant Time on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date, or if such price is not available, the arithmetic mean of the bid prices for such Debt Security at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, as received by it from two or more market-makers (as selected by the Calculation Agent) in such Debt Security, such bid prices to be expressed as a percentage of the notional amount of the Debt Security;
- (d) in respect of Currency Certificates:
 - (i) in the case of Currency Certificates relating to a Basket of Subject Currencies, an amount equal to the sum of the values calculated for each Subject Currency at the spot rate of exchange appearing on the Relevant Screen Page at the Relevant Time on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date, for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of such Base Currency for which one unit of the Subject Currency can be exchanged) or, if such rate is not available, the arithmetic mean (rounded, if necessary, to four decimal places (with 0.00005 being rounded upwards)) as determined by or on behalf of the Calculation Agent of the bid and offer Subject Currency/Base Currency exchange rates (expressed as aforesaid) at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, of two or more leading dealers (as selected by the Calculation Agent) on a foreign exchange market (as selected by the Calculation Agent), multiplied by the relevant Multiplier; and
 - (ii) in the case of Currency Certificates relating to a single Subject Currency, an amount equal to the spot rate of exchange appearing on the Relevant Screen Page at the Relevant Time on (A) if Averaging is not specified in the applicable Final Terms, the Valuation Date or (B) if Averaging is specified in the applicable Final Terms, an Averaging Date, for the exchange of such Subject Currency into the Base Currency (expressed as the number of units (or part units) of the Base Currency for which one unit of the Subject Currency can be exchanged) or, if such rate is not available, the arithmetic mean (rounded, if necessary, to four decimal places (with 0.00005 being rounded upwards)) as determined by or on behalf of the Calculation Agent of the bid and offer Subject Currency/Base Currency exchange rates (expressed as aforesaid) at the Relevant Time on the Valuation Date or such Averaging Date, as the case may be, of two or more leading dealers (as selected by the Calculation Agent) on a foreign exchange market (as selected by the Calculation Agent);
- (e) in respect of Commodity Certificates, the provisions relating to the calculation of the Settlement Price will be set out in the applicable Final Terms.

U.S. person has the meaning given in Regulation S;

Valuation Date means the Valuation Date specified in the applicable Final Terms or, if such day is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:

- (a) where the Certificates are Index Certificates relating to a single Index, Share Certificates relating to a single Share, Debt Certificates relating to a single Debt Security or Commodity Certificates relating to a single Commodity, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day. In that case, (i) that eighth Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Settlement Price in the manner set out in the applicable Final Terms or, if not set out or if not practicable, determine the Settlement Price:
 - (x) in the case of Index Certificates, by determining the level of the Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with (subject to Condition 15(4)(2)) the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each security/commodity comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security/commodity on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security/commodity as of the Valuation Time on that eighth Scheduled Trading Day); or
 - (y) in the case of Share Certificates, Debt Certificates or Commodity Certificates, in accordance with its good faith estimate of the Settlement Price as of the Valuation Time on that eighth Scheduled Trading Day; or
- (b) where the Certificates are Index Certificates relating to a Basket of Indices, Share Certificates relating to a Basket of Shares, Debt Certificates relating to a Basket of Debt Securities or Commodity Certificates relating to a Basket of Commodities, the Valuation Date for each Index, Share, Debt Security or Commodity, as the case may be, not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Index, Share, Debt Security or Commodity affected, as the case may be, (each an **Affected Item**) by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Item unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Item. In that case, (i) that eighth Scheduled Trading Day shall be deemed

to be the Valuation Date for the Affected Item, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Settlement Price using, in relation to the Affected Item, the level or value as applicable, determined in the manner set out in the applicable Final Terms, and, in the case of a Share, Debt Security or Commodity a price determined in the manner set out in the applicable Final Terms or, if not set out or if not practicable, using:

- (x) in the case of an Index, the level of that Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each security/commodity comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security/commodity on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security/commodity as of the Valuation Time on that eighth Scheduled Trading Day); or
- (y) in the case of a Share, Debt Security or Commodity, its good faith estimate of the value for the Affected Item as of the Valuation Time on that eighth Scheduled Trading Day,

and otherwise in accordance with the above provisions; and

Valuation Time means the Relevant Time specified in the applicable Final Terms or, in the case of Index Certificates or Share Certificates, if no Relevant Time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date or Averaging Date, as the case may be, in relation to each Index or Share to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

5. Redemption of Certificates

Subject as provided in these Terms and Conditions and as specified in the applicable Final Terms, each Certificate will be redeemed by the Issuer:

- (i) in the case of a Cash Settled Certificate, by payment of the Cash Settlement Amount; or
- (ii) in the case of a Physical Delivery Certificate, subject as provided in Condition 6(B) below, by delivery of the Entitlement,

such redemption to occur in either case, subject as provided below, on the Redemption Date. If (i) the date for payment of any amount in respect of the Certificates is not a Business Day, the holder thereof shall not be entitled to payment until the next following Business Day and shall not be entitled to any further payment in respect of such delay or (ii) the date for delivery of any Entitlement in respect of the Certificates is not a Settlement Business Day (as defined in Condition 6(B)(7)), the Holder thereof shall not be entitled to delivery of the Entitlement until the next following Settlement Business Day.

6. Payments and Physical Delivery

(A) Payments

(1) Payments in respect of Certificates represented by a Permanent Global Certificate

The Issuer or, (where the Issuer is BCCL) failing the Issuer, the Guarantor shall pay or cause to be paid the Cash Settlement Amount (if any) for each Certificate represented by a Permanent Global Certificate by credit or transfer in the relevant Settlement Currency to the account (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with a bank in the principal financial centre of the country of such Settlement Currency (which, if the Settlement Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively) or, in the case of payments in euro, by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee for value on the Redemption Date less any Expenses. Payments will (subject as provided below) be made in the manner specified above and otherwise in the manner specified in the Permanent Global Certificate against presentation or surrender, as the case may be, of the Permanent Global Certificate at the specified office of the Principal Certificate Agent outside the United States. A record of each payment made against presentation or surrender of the Permanent Global Certificate will be made on the Permanent Global Certificate by the Principal Certificate Agent upon presentation or surrender and such record shall be *prima facie* evidence that the payment in question has been made.

The Holder of the Permanent Global Certificate shall be the only person entitled to receive payments in respect of the Certificates represented by the Permanent Global Certificate and the Issuer or, as the case may be, the Guarantor will be discharged by payment to, or to the order of, the Holder of the Permanent Global Certificate in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular amount of Certificates represented by the Permanent Global Certificate must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer or, as the case may be, the Guarantor to, or to the order of, the holder of the Permanent Global Certificate.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment.

(2) Payments in respect of Certificates represented by a Regulation S Global Certificate or a Rule 144A Global Certificate

Subject as provided below, the Issuer shall pay or cause to be paid the Cash Settlement Amount (if any) for each Certificate represented by a Regulation S Global Certificate or a Rule 144A Global Certificate on the Redemption Date less any Expenses.

Payments in respect of Certificates represented by a Regulation S Global Certificate or a Rule 144A Global Certificate will be made against presentation and surrender of the relevant Global Certificate at the specified office of (i) in respect of a Regulation S Global Certificate or a Rule 144A Global Certificate held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear, any Certificate Agent outside of the United States and (ii) in respect of a Rule 144A Global Certificate held by a Custodian on behalf of DTC, the New York Certificate Agent. Such payments will be made by transfer to the Designated Account (as defined below) of the Holder (or the first named of joint Holders) of the relevant Global Certificate at the close of business on the third New York Business Day before the relevant due date. Notwithstanding the previous sentence, if (i) a Holder does not have a Designated Account (as defined below), payment will instead be made or (ii) the Cash Settlement Amount payable in respect of Certificates held by a Holder is less than U.S.\$250,000 (or its approximate equivalent in any other Settlement Currency), payment may, at the sole and absolute discretion of the Issuer, instead be made, in either case by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, **Designated Account** means the account (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by a holder with a Designated Bank and identified as such by the Holder and **Designated Bank** means (in the case of payment in a Settlement Currency other than euro) a bank in the principal financial centre of the country of such Settlement Currency (which, if the Settlement Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Holders of Certificates represented by a Regulation S Global Certificate or Rule 144A Global Certificate will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Certificate as a result of a cheque posted in accordance with this Condition 6(4)(2) arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such Holders by the New York Certificate Agent in respect of any payments in respect of the Certificates.

All amounts payable to DTC or its nominee as registered holder of a Rule 144A Global Certificate in respect of Certificates in a Settlement Currency other than U.S. dollars shall be paid by transfer by the New York Certificate Agent to an account in the relevant Settlement Currency of the New York Certificate Agent on behalf of DTC or its nominee for conversion into and payment in U.S. dollars in accordance with the provisions of the Master Certificate Agreement.

None of the Issuer or the Certificate Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Rule 144A Global Certificates or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

The Holder of a Rule 144A Global Certificate shall be the only person entitled to receive payments in respect of Certificates represented by such Rule 144A Global Certificate and the Issuer will be discharged by payment to, or to the order of, the Holder of such Rule 144A Global Certificate in respect of each amount so paid. Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or DTC as the beneficial holder of a particular nominal amount of Certificates represented by such Rule 144A Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or DTC, as the case may be, for his share of each payment so made by the Issuer or, as the case may be, the Guarantor to, or to the order of, the holder of such Global Certificate.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in place of payment.

(3) Payments in respect of Certificates represented by a Registered Global Certificate

Payments in respect of Certificates represented by a Registered Global Certificate will be made by transfer to the Designated Account (as defined below) of the Holder (or the first named of joint Holders) of the Registered Global Certificate appearing in the register of holders of the Certificates maintained by the Registrar at the close of business on the second business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) (the **Record Date**) before the relevant due date. Notwithstanding the previous sentence, if a Holder does not have a Designated Account, payment will instead be made by a cheque in the Specified Currency drawn on a Registered Designated Bank (as defined below). For these purposes, **Designated Account** means the account (which, in the case of a payment in Japanese yen to a non resident of Japan, shall be a non resident account) maintained by the Holder with a Designated Bank and specified as such by the Holder and **Designated Bank** means (in the case of payment in a Settlement Currency other than euro) a bank in the principal financial centre of the country of such Settlement Currency (which, if the Settlement Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Holders of Certificates represented by a Registered Global Certificate will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Certificate as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such Holders by the Registrar in respect of any payments in respect of the Certificates.

None of the Issuer, the Guarantor, the Registrar or the Certificate Agents will have any responsibility or liability for any aspect of records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Certificates or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in place of payment.

(B) *Physical Delivery*

- (1) Asset Transfer Notices for Certificates represented by a Permanent Global Certificate, a Regulation S Global Certificate and a Rule 144A Global Certificate held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear

In relation to Certificates represented by a Permanent Global Certificate, a Regulation S Global Certificate and a Rule 144A Global Certificate held by a Common Depositary on behalf of the Clearstream, Luxembourg and Euroclear which are Physical Delivery Certificates, in order to obtain delivery of the Entitlement(s) in respect of any such Certificate, the relevant Holder must deliver to Clearstream, Luxembourg or Euroclear (as applicable), not later than 10.00 a.m., Luxembourg or Brussels time, as the case may be, on the date (the **Cut-off Date**) falling three Business Days prior to the Redemption Date with a copy to the Principal Certificate Agent, a duly completed asset transfer notice (an **Asset Transfer Notice**) in the form set out in the Master Certificate Agreement in accordance with the provisions set out in this Condition.

Copies of the Asset Transfer Notice may be obtained during normal business hours from Clearstream, Luxembourg, Euroclear and the specified offices of the Certificate Agents.

An Asset Transfer Notice may only be delivered in such manner as is acceptable to Clearstream, Luxembourg or Euroclear, as the case may be, which is expected to be by authenticated SWIFT message or tested telex.

The Asset Transfer Notice shall:

- (a) specify the name, address and contact telephone number of the relevant Holder and the person from whom the Issuer may obtain details for the delivery of the Entitlement;
- (b) specify the series number of the Certificates and the number of Certificates which are the subject of such notice;
- (c) specify the number of the Holder's account at Clearstream, Luxembourg or Euroclear, as the case may be, to be debited with such Certificates;
- (d) irrevocably instruct Clearstream, Luxembourg or Euroclear, as the case may be, to debit the relevant Holder's account with the relevant Certificates;
- (e) include an undertaking to pay all Expenses and an authority to Clearstream, Luxembourg or Euroclear, as the case may be, to debit a specified account of the Holder at Clearstream, Luxembourg or Euroclear, as the case may be, in respect thereof and to pay such Expenses;
- (f) include such details as are required by the applicable Final Terms for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and specify the name and number of the Holder's account with Euroclear or Clearstream, Luxembourg, as the case may be, to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event or a Failure to Deliver due to Illiquidity and the Issuer electing to pay the Disruption Cash Settlement Price or Failure to Deliver Settlement Price, or as a result of the Issuer electing to pay the Alternate Cash Settlement Amount as applicable;
- (g) in the case of Currency Certificates only, specify the number of the Holder's account to Clearstream, Luxembourg or Euroclear, as the case may be, to be credited with the amount due upon redemption of the Certificates; and
- (h) in relation to Certificates represented by a Permanent Global Certificate or a Regulation S Global Certificate only, certify, *inter alia*, that the beneficial owner of each Certificate is not a U.S. person (as defined in the Asset Transfer Notice), the Certificate is not being redeemed within the United States or on behalf of a U.S. person and no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any redemption thereof; and
- (i) authorise the production of such certification in any applicable administrative or legal proceedings,

all as provided in the Master Certificate Agreement.

If Condition 6(C) applies, the form of Asset Transfer Notice required to be delivered will be different from that set out above. Copies of such Asset Transfer Notice may be obtained during normal business hours from Clearstream, Luxembourg, Euroclear and the specified offices of the Certificate Agents.

- (2) Asset Transfer Notices for Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC

In relation to Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC which are Physical Delivery Certificates, in order to obtain delivery of the Entitlement(s) in respect of such Certificate, the relevant Holder must deliver through computerised exercise instruction through DTC (via its **Deposit and Withdrawal at Custodian, or DWAC**, function) to the New York Certificate Agent not later than 5.00 p.m., New York City time, on the date (the **Cut-off Date**) falling four New York Business Days prior to the Redemption Date with a copy to the Principal Certificate Agent, a duly completed asset transfer notice (an **Asset Transfer Notice**) in the form set out in the Master Certificate Agreement in accordance with the provisions set out in this Condition.

Copies of the Asset Transfer Notice may be obtained during normal business hours from the specified offices of the Certificate Agents.

The Asset Transfer Notice shall:

- (a) specify the name, address and contact telephone number of the relevant Holder and the person from whom the Issuer may obtain details for the delivery of the Entitlement;
 - (b) specify the series number of the Certificates and the number of Certificates which are the subject of such notice;
 - (c) specify the designated account at DTC to be debited with such Certificates;
 - (d) irrevocably instruct the New York Certificate Agent to debit the relevant Holder's account with the relevant Certificates by means of DTC's DWAC function;
 - (e) include an undertaking to pay all Expenses and an authority to the New York Certificate Agent to debit a specified account of the Holder in respect thereof and to pay such Expenses;
 - (f) include such details as are required by the applicable Final Terms for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and specify the details of the account to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event or a Failure to Deliver due to Illiquidity and the Issuer electing to pay the Disruption Cash Settlement Price or Failure to Deliver Settlement Price, as applicable, or as a result of the Issuer electing to pay the Alternate Cash Settlement Amount; and
 - (g) authorise the production of such certification in any applicable administrative or legal proceedings,
- all as provided in the Master Certificate Agreement.

If Condition 6(C) applies, the form of Asset Transfer Notice required to be delivered will be different from that set out above. Copies of such Asset Transfer Notice may be obtained during normal business hours from the specified offices of the Certificate Agents.

(3) Asset Transfer Notices for Certificates represented by a Registered Global Certificate

In relation to Certificates represented by a Registered Global Certificate which are Physical Delivery Certificates, in order to obtain delivery of the Entitlement(s) in respect of such Certificates, the relevant Holder must deliver to the Registrar not later than 11 a.m., London time, on the date (the **Cut off Date**) falling two Business Days prior to the Redemption Date with a copy to the Principal Certificate Agent, a duly completed Asset Transfer Notice (an **Asset Transfer Notice**) in the form set out in the Master Certificate Agreement in accordance with the provisions set out in this Condition.

Copies of the Asset Transfer Notice may be obtained during normal business hours from the specified offices of the Certificate Agents and the Registrar.

The Asset Transfer Notice shall:

- (a) specify the name, addresses and contact telephone number of the relevant Holder and the person from whom the Issuer may obtain details for the delivery of the Entitlement;
- (b) specify the series number of the Certificates and the number of Certificates which are the subject of such notice;
- (c) irrevocably instruct the Registrar to remove from the Register the Certificates which are the subject of such notice;
- (d) include an undertaking to pay all Expenses;
- (e) include such details as are required by the applicable Final Terms for delivery of the Entitlement which may include account details and/or the name and address of any person(s) into whose name evidence of the Entitlement is to be registered and/or any bank, broker or agent to whom documents evidencing the Entitlement are to be delivered and specify the details of the account to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Entitlement or any dividends relating to the Entitlement or as a result of the occurrence of a Settlement Disruption Event or a Failure to Deliver due to Illiquidity and the Issuer electing to pay the Disruption Cash Settlement Price or Failure to Deliver Settlement Price, as applicable, or as a result of the Issuer electing to pay the Alternate Cash Settlement Amount;
- (f) in the case of Currency Certificates only, specify the details of the Holder's account to be credited with the amount due upon redemption of the Certificates;
- (g) certify, *inter alia*, that the beneficial owner of each Certificate is not a U.S. person (as defined in the Asset Transfer Notice), the Certificate is not being redeemed within the United States or on behalf of a U.S. person and no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any redemption thereof; and

(h) authorise the production of such certification in any applicable administrative legal proceedings,

all as provided in the Master Certificate Agreement.

If Condition 6(C) applies, the form of Asset Transfer Notice required to be delivered will be different from that set out above. Copies of such Asset Transfer Notice may be obtained during normal business hours from the specified offices of the Certificate Agents and the Registrar.

(4) Verification of the Holder

In the case of Certificates represented by a Permanent Global Certificate, a Regulation S Global Certificate or a Rule 144A Global Certificate held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear only, upon receipt of an Asset Transfer Notice, Clearstream, Luxembourg or Euroclear, as the case may be, shall verify that the person delivering the Asset Transfer Notice is the holder of the Certificates described therein according to the books of Clearstream, Luxembourg or Euroclear, as the case may be. Subject thereto, Clearstream, Luxembourg or Euroclear, as the case may be, will confirm to the Principal Certificate Agent the series number and number of Certificates the subject of such notice, the relevant account details and the details for the delivery of the Entitlement of each Certificate. Upon receipt of such confirmation, the Principal Certificate Agent will inform the Issuer thereof. Clearstream, Luxembourg or Euroclear, as the case may be, will on or before the Delivery Date (as defined in Condition 6(B)(5)) debit the account of the relevant Holder with the relevant Certificates.

In the case of Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, upon receipt of an Asset Transfer Notice the New York Certificate Agent shall verify that the person delivering the Asset Transfer Notice is the Holder according to the records of DTC. Subject thereto, the New York Certificate Agent shall notify the Issuer of the series number and the number of Certificates the subject of such notice, the account details and the details for the delivery of the Entitlement of each Certificate.

In the case of Certificates represented by a Registered Global Certificate, upon receipt of an Asset Transfer Notice, the Registrar shall verify that the person delivering the Asset Transfer Notice is the Holder according to the Register. Subject thereto, the Registrar shall confirm to the Issuer and the Principal Certificate Agent the series number and the number of Certificates the subject of such notice, the account details and the details for delivery of the Entitlement of each Certificate. The Registrar will on or before the Delivery Date remove from the Register the Certificates which are the subject of the Asset Transfer Notice.

(5) Determinations and Delivery

Any determination as to whether an Asset Transfer Notice is duly completed and in proper form shall be made, in the case of Certificates represented by a Permanent Global Certificate, a Regulation S Global Certificate or a Rule 144A Global Certificate held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear only, by Clearstream, Luxembourg or Euroclear, as the case may be, or, in the case of Certificates represented by a Registered Global Certificate, the Registrar or, in the case of Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, the New York Certificate Agent, in each case, in consultation with the Principal Certificate Agent, and shall be conclusive and binding on the Issuer, (where the Issuer is BCCL) the Guarantor, the Certificate Agents, the Registrar and the relevant Holder. Subject as set out below, any Asset Transfer Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Certificate Agent immediately after being delivered or sent to Clearstream, Luxembourg, Euroclear, the New York Certificate Agent or the Registrar, as the case may be, as provided in paragraphs (1), (2) or (3), as applicable, above, shall be null and void.

If such Asset Transfer Notice is subsequently corrected to the satisfaction of Clearstream, Luxembourg, Euroclear, the New York Certificate Agent or the Registrar, as the case may be, in consultation with the Principal Certificate Agent, it shall be deemed to be a new Asset Transfer Notice submitted at the time such correction was delivered to Clearstream, Luxembourg, Euroclear, the New York Certificate Agent or the Registrar, as the case may be, and the Principal Certificate Agent.

Clearstream, Luxembourg, Euroclear, the New York Certificate Agent or the Registrar, as the case may be, shall use its best efforts promptly to notify the Holder submitting an Asset Transfer Notice if, in consultation with the Principal Certificate Agent, it has determined that such Asset Transfer Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, (where the Issuer is BCCL) the Guarantor, the Principal Certificate Agent, Clearstream, Luxembourg, Euroclear, the New York Certificate Agent or the Registrar shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Holder.

No Asset Transfer Notice may be withdrawn after receipt thereof by Clearstream, Luxembourg, Euroclear, the New York Certificate Agent, the Registrar or the Principal Certificate Agent, as the case may be, as provided above. After delivery of an Asset Transfer Notice, the relevant Holder may not transfer the Certificates which are the subject of such notice.

The Entitlement will be delivered at the risk of the relevant Holder, in the manner provided below on the Redemption Date (such date, subject to adjustment in accordance with this Condition, the **Delivery Date**), provided that the Asset Transfer Notice is duly delivered to Clearstream, Luxembourg, Euroclear, the New York Certificate Agent or the Registrar, as the case may be, with a copy to the Principal Certificate Agent, as provided above on or prior to the Cut-Off Date.

If a Holder fails to give an Asset Transfer Notice as provided herein with a copy to the Principal Certificate Agent, on or prior to the Cut-Off Date, then the Entitlement will be delivered as soon as practicable after the Redemption Date (in which case, such date of delivery shall be the **Delivery Date**) at the risk of such Holder in the manner provided below. For the avoidance of doubt, in such circumstances such Holder shall not be entitled to any payment, whether of interest or otherwise, as a result of such Delivery Date falling after the Redemption Date and no liability in respect thereof shall attach to the Issuer or (where the Issuer is BCCL) the Guarantor.

The Issuer shall at the risk of the relevant Holder, deliver or procure the delivery of the Entitlement for each Certificate, pursuant to the details specified in the Asset Transfer Notice or in such commercially reasonable manner as the Calculation Agent shall in its sole discretion determine and notify to the person designated by the Holder in the relevant Asset Transfer Notice. All Expenses arising from the delivery of the Entitlement in respect of such Certificates shall be for the account of the relevant Holder and no delivery of the Entitlement shall be made until all Expenses have been paid to the satisfaction of the Issuer by the relevant Holder.

(6) General

Certificates held by the same Holder will be aggregated for the purpose of determining the aggregate Entitlements in respect of such Certificates PROVIDED THAT the aggregate Entitlements in respect of the same Holder will be rounded down to the nearest whole unit of the Relevant Asset or each of the Relevant Assets, as the case may be, in such manner as the Calculation Agent shall determine. Therefore, fractions of the Relevant Asset or of each of the Relevant Assets, as the case may be, will not be delivered and no cash adjustment will be made in respect thereof.

Following the Delivery Date of a Share Certificate all dividends on the relevant Shares to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the Shares executed on the Delivery Date and to be delivered in the same manner as such relevant Shares. Any such dividends to be paid to a Holder will be paid to the account specified by the Holder in the relevant Asset Transfer Notice.

For such period of time after delivery of the Entitlement as the Issuer or any person acting on behalf of the Issuer shall continue to be the legal owner of the securities comprising the Entitlement (the **Intervening Period**), none of the Issuer, (where the Issuer is BCCL) the Guarantor, the Calculation Agent nor any other person shall at any time (i) be under any obligation to deliver or procure delivery to any Holder any letter, certificate, notice, circular or any other document or, except as provided herein, payment whatsoever received by that person in respect of such securities or obligations, (ii) be under any obligation to exercise or procure exercise of any or all rights (including, without limitation, any voting rights) attaching to such securities or obligations or (iii) be under any liability to a Holder in respect of any loss or damage which such Holder may sustain or suffer as a result, whether directly or indirectly, of that person being registered during such Intervening Period as legal owner of such securities or obligations.

(7) Settlement Disruption

If, in the opinion of the Calculation Agent, delivery of the Entitlement using the method of delivery specified in the applicable Final Terms or such commercially reasonable manner as the Calculation Agent has determined is impossible or impracticable by reason of a Settlement Disruption Event (as defined below) having occurred and continuing on the Delivery Date, then the Delivery Date shall be postponed to the first following Settlement Business Day in respect of which there is no such Settlement Disruption Event, provided that the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Certificate by delivering the Entitlement using such other commercially reasonable manner as it may select and in such event the Delivery Date shall be such day as the Issuer deems appropriate in connection with delivery of the Entitlement in such other commercially reasonable manner. For the avoidance of doubt, where a Settlement Disruption Event affects some but not all of the Relevant Assets comprising the Entitlement, the Delivery Date for the Relevant Assets not affected by the Settlement Disruption Event will be the originally designated Delivery Date. For so long as delivery of the Entitlement is impossible or impracticable by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Certificate by payment to the relevant Holder of the Disruption Cash Settlement Price (as defined below) on the fifth Business Day following the date that notice of such election is given to the Holders in accordance with Condition 10. Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the Holders in accordance with Condition 10. The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with Condition 10 that a Settlement Disruption Event has occurred. No Holder shall be entitled to any payment in respect of the relevant Certificate in the event of any delay in the delivery of the Entitlement due to the occurrence of a Settlement Disruption Event and no liability in respect thereof shall attach to the Issuer or (where the Issuer is BCCL) the Guarantor.

For the purposes hereof:

Disruption Cash Settlement Price, in respect of any relevant Certificate, shall be the fair market value of such Certificate (taking into account, where the Settlement Disruption Event affected some but not all of the Relevant Assets comprising the Entitlement and such non-affected Relevant Assets have been duly delivered as provided above, the value of such Relevant Assets), less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion; and

Clearance System means, in respect of a Physical Delivery Certificate:

- (a) if the Entitlement comprises a Relevant Asset, the Clearance System or any successor to such Clearance System for such Relevant Asset specified in the applicable Final Terms; or
- (b) if (i) the Entitlement comprises a Relevant Asset and no Clearance System is specified for such Relevant Asset in the applicable Final Terms or (y) the Entitlement comprises a Substitute Asset, the principal domestic clearance system customarily used for settling trades in the relevant Asset or Substitute Asset, as the case may be, on the Delivery Date as determined by the Calculation Agent in its sole and absolute discretion;

Settlement Business Day has the meaning given to it in the applicable Final Terms or if not defined in the applicable Final Terms, means, in respect of a Clearance System, any day on which such Clearance System is (or, but for the occurrence of a Settlement Disruption Event, would have been) open for the acceptance and execution of settlement instructions.

Settlement Disruption Event means, in the opinion of the Calculation Agent or, if the proviso to Condition 3 applies, the Guarantor, an event beyond the control of the Issuer or, if the proviso to Condition 3 applies, the Guarantor as a result of which the Issuer or the Guarantor, as the case may be, cannot make delivery of the Relevant Asset(s) using the method specified in the applicable Final Terms.

(8) Failure to Deliver due to Illiquidity

If "Failure to Deliver due to Illiquidity" is specified as applying in the applicable Final Terms and in the opinion of the Calculation Agent, it is impossible or impracticable to deliver, when due, some or all of the Relevant Assets (the **Affected Relevant Assets**) comprising the Entitlement, where such failure to deliver is due to illiquidity in the market for the Relevant Assets (a **Failure to Deliver due to Illiquidity**), then:

- (a) subject as provided elsewhere in the Conditions, any Relevant Assets which are not Affected Relevant Assets, will be delivered on the originally designated Redemption Date in accordance with Condition 5; and
- (b) in respect of any Affected Relevant Assets, in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Certificate by payment to the relevant Holder of the Failure to Deliver Settlement Price (as defined below) on the fifth Business Day following the date that notice of such election is given to the Holders in accordance with Condition 10. Payment of the Failure to Deliver Settlement Price will be made in such manner as shall be notified to the Holders in accordance with Condition 10. The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with Condition 10 that the provisions of this Condition 6(B)(8) apply.

For the purposes hereof:

Failure to Deliver Settlement Price in respect of any relevant Certificate shall be the fair market value of such Certificate (taking into account, the Relevant Assets comprising the Entitlement which have been duly delivered as provided above, the value of such Relevant Assets), less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion.

(C) *Issuer's Option to Vary Settlement*

- (i) In relation to any issue of Certificates which are represented by a Permanent Global Certificate or a Registered Global Certificate only, if the applicable Final Terms indicate that the Issuer has an option to vary settlement in respect of the Certificates, the Issuer may at its sole and absolute discretion in respect of each such Certificate, elect not to pay the relevant Holders the Cash Settlement Amount or to deliver or procure delivery of the Entitlement to the relevant Holders, as the case may be, but in lieu thereof to deliver or procure delivery of the Entitlement or make payment of the Cash Settlement Amount on the Redemption Date to the relevant Holders, as the case may be. Notification of such election will be given to Holders in accordance with Condition 10.
- (ii) In relation only to Certificates which are represented by a Rule 144A Global Certificate or a Regulation S Global Certificate and which are Physical Delivery Certificates, unless the applicable Final Terms specifies otherwise, the Issuer shall, in respect of each such Certificate, in lieu of delivering or procuring the delivery of the Entitlement to the relevant Holders, make payment of the Cash Settlement Amount on the Redemption Date to the relevant Holders.

(D) *Issuer's Option to Substitute Assets or to Pay the Alternate Cash Amount*

If the Certificates are Physical Delivery Certificates and are represented by a Rule 144A Global Certificate or a Regulation S Global Certificate, the Issuer may, in its sole and absolute discretion, if the Calculation Agent determines (in its sole and absolute discretion) that the Relevant Asset or Relevant Assets, as the case may be, comprises shares which are not freely tradable shares, elect either (i) to substitute for the Relevant Asset or the Relevant Assets, as the case may be, an equivalent value (as determined by the Calculation Agent in its sole and absolute discretion) of such other shares which the Calculation Agent determines, in its sole and absolute discretion, are freely tradable (the **Substitute Asset** or the **Substitute Assets**, as the case may be) or (ii) not to deliver or procure the delivery of the Entitlement to the relevant Holders, but in lieu thereof to make payment to the relevant Holders on the Redemption Date of an amount equal to the fair market value of the Entitlement on the Valuation Date as determined by the Calculation Agent in its sole and absolute discretion by reference to such sources as it considers appropriate (the **Alternate Cash Amount**). Notification of any such election will be given to Holders in accordance with Condition 10.

For purposes hereof, a **freely tradable share** shall mean a share which may be delivered by the Issuer to the relevant Holder without registration under the Securities Act and without such share being a "restricted security" within the meaning of Rule 144 under the Securities Act, or otherwise being subject to restrictions on subsequent resale or transfer pursuant to the Securities Act, by reason of such delivery, in each case as determined by the Calculation Agent in its sole and absolute discretion.

(E) *Rights of Holders and Calculations*

None of the Issuer, (where the Issuer is BCCL) the Guarantor, the Calculation Agent, the Registrar and the Certificate Agents shall have any responsibility for any errors or omissions in the calculation of any Cash Settlement Amount, any other amount payable pursuant to these Terms and Conditions or the applicable Final Terms or of any Entitlement.

The purchase of Certificates does not confer on any holder of such Certificates any rights (whether in respect of voting, distributions or otherwise) attaching to any Relevant Asset.

(F) *Prescription*

Claims against the Issuer or (where the Issuer is BCCL) the Guarantor, for payment of principal or interest in respect of the Certificates shall become void unless made within 60 months from the Redemption Date and no claims shall be made after such date.

7. **Illegality**

If the Issuer determines that the performance of its obligations under the Certificates has become illegal in whole or in part for any reason, the Issuer may, on giving notice to Holders in accordance with Condition 10, redeem all but not some only of the Certificates.

If the Issuer redeems the Certificates early then the Issuer will, if and to the extent permitted by applicable law, pay to each Holder in respect of each Certificate held by such Holder an amount equal to the fair market value of a Certificate, notwithstanding such illegality less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements as determined by the Calculation Agent in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Holders in accordance with Condition 10.

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

8. **Purchases**

The Issuer or any Affiliate may, but is not obliged to, at any time purchase Certificates at any price in the open market or by tender or private treaty. Any Certificates so purchased may be held, reissued, resold or, at the option of the Issuer, or (where the Issuer is BCCL) the Guarantor, be surrendered for cancellation.

9. **Agents, Determinations, Meetings Provisions and Modifications**

(A) *Certificate Agents and Registrar*

The specified offices of the Certificate Agents and the Registrar are as set out at the end of these Terms and Conditions.

The Issuer and (where the Issuer is BCCL) the Guarantor reserve the right at any time to vary or terminate the appointment of any Certificate Agent or the Registrar and to appoint further or additional Certificate Agents or a further or additional Registrar, provided that no termination of appointment of any Certificate Agent or the Registrar shall become effective until a replacement Certificate Agent or a replacement Registrar, as the case may be, shall have been appointed and provided that, so long as any of the Certificates are listed on a stock exchange or admitted to trading or listing by any other relevant authority, there shall be a Certificate Agent having a specified office in each location required by the rules and regulations of the relevant stock exchange or other relevant authority and, Provided That so long as any of the Certificates are represented by a Registered Global Certificate there shall be a Registrar and Provided Further That there shall be a New York Certificate Agent. Notice of any termination of appointment and of any changes in the specified office of any Certificate Agent or the Registrar will be given to Holders in accordance with Condition 10. In acting under the Master Certificate Agreement, each Certificate Agent and the Registrar acts solely as agent of the Issuer and (where the Issuer is BCCL) the Guarantor and do not assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders and any determinations and calculations made in respect of the Certificates by any Certificate Agent or the Registrar shall (save in the case of manifest error) be final, conclusive and binding on the Issuer, (where the Issuer is BCCL) the Guarantor and the Holders.

(B) *Calculation Agent*

In relation to each issue of Certificates, the Calculation Agent (whether it be the Bank or another entity) acts solely as agent of the Issuer and (where the Issuer is BCCL) the Guarantor and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders. All calculations and determinations made in respect of the Certificates by the Calculation Agent shall (save in the case of manifest error) be final, conclusive and binding on the Issuer, (where the Issuer is BCCL) the Guarantor and the Holders.

The Calculation Agent may, with the consent of the Issuer, delegate any of its obligations and functions to a third party as it deems appropriate.

(C) *Determinations by the Issuer*

Any determination made by the Issuer pursuant to these Terms and Conditions shall (save in the case of manifest error) be final, conclusive and binding on the Issuer and the Holders.

(D) *Meetings of Holders*

The Master Certificate Agreement contains provisions for convening meetings of the Holders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Master Certificate Agreement) of a modification of the Terms and Conditions or the Master Certificate Agreement. At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is held) specifying the date, time and place of the meeting shall be given to Holders. Such a meeting may be convened by the Issuer, (where the Issuer is BCCL) the Bank or Holders holding not less than 5 per cent. (by number) of the Certificates for the time being outstanding. The quorum at a meeting of the Holders

(except for the purpose of passing an Extraordinary Resolution) will be two or more persons holding or representing not less than 20 per cent. (by number) of the Certificates outstanding, or at any adjourned meeting two or more persons being or representing Holders whatever the number of Certificates so held or represented. The quorum at a meeting of Holders for the purpose of passing an Extraordinary Resolution will be two or more persons holding or representing not less than 50 per cent. (by number) of the Certificates outstanding or at any adjourned meeting two or more persons being holding or representing not less than 10 per cent. (by number) of the Certificates outstanding. A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three-fourths of the votes cast by Holders at such meeting as, being entitled to do so, vote in person or by proxy. An Extraordinary Resolution passed at any meeting of the Holders shall be binding on all the Holders, whether or not they are present at the meeting. Resolutions can be passed in writing if passed unanimously.

(E) Modifications

The Issuer may modify these Terms and Conditions and/or the Master Certificate Agreement without the consent of the Holders in any manner which the Issuer may deem necessary or desirable provided that such modification is not materially prejudicial to the interests of the Holders or such modification is of a formal, minor or technical nature or to correct a manifest or proven error or to cure, correct or supplement any defective provision contained herein and/or therein. Notice of any such modification will be given to the Holders in accordance with Condition 10 but failure to give, or non-receipt of, such notice will not affect the validity of any such modification.

10. Notices

All notices to Holders shall be valid if (i) (a) in the case of Certificates represented by a Permanent Global Certificate, a Regulation S Global Certificate or a Rule 144A Global Certificate held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear only, delivered to Clearstream, Luxembourg and Euroclear for communication by them to the Holders, (b) in the case of Certificates represented by a Registered Global Certificate, mailed to their registered addresses appearing in the Register or (c) in the case of Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, delivered to DTC for communication by DTC to the Holders and (ii) if and so long as the Certificates are listed on a stock exchange or are admitted to trading by another relevant authority, in accordance with the rules and regulations of the relevant stock exchange or other relevant authority. Any such notice shall be deemed to have been given on the second Business Day following such delivery or, if earlier, the date of such publication or, if published more than once, on the date of the first such publication.

11. Expenses and Taxation

- (A)* A holder of Certificates must pay 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 from the redemption of the Certificates and/or the delivery or transfer of the Entitlement (as applicable) pursuant to the terms of the Certificates (**Expenses**) relating to such Certificates as provided above.
- (B)* The Issuer shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer or enforcement of any Certificate and all payments made by the Issuer shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted.

12. Further Issues

The Issuer shall be at liberty from time to time without the consent of Holders to create and issue further Certificates so as to be consolidated with and form a single series with the outstanding Certificates.

13. Substitution of Issuer or Guarantor

- (A)* The Issuer, other than where the Issuer is the Bank, shall be entitled at any time, without the consent of any Holder, to substitute any subsidiary or holding company of the Issuer or any subsidiary of any such holding company the identity of which shall be in the absolute discretion of the Issuer (the **New Issuer**) in place of the Issuer, to act as obligor in respect of any Certificates issued by it, provided that (i) the New Issuer shall assume all obligations of the Issuer in relation to the Holders under or in relation to the Certificates and (ii) the obligations of the New Issuer shall continue to be guaranteed by the Guarantor (unless the New Issuer is the Guarantor itself). In the event of any such substitution, any reference in these Conditions to the Issuer shall be construed as a reference to the New Issuer. Such substitution shall be promptly notified to the Holders in accordance with Condition 10. 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 New Issuer any indemnification or payment in respect of any tax consequence of any such substitution upon such Holder.
- (B)* The Bank as Issuer and Guarantor shall be entitled at any time, without the consent of the Holders, to substitute any other entity (the **New Entity**) the identity of which shall be in the absolute discretion of the Bank in place of the Bank as Issuer or Guarantor to act as obligor in respect of the Certificates issued by it or as guarantor in respect of BCCL's obligations under the Certificates provided that (i) the New Entity's long term unsecured, unsubordinated and unguaranteed debt obligations are rated at least the same as the Bank's long term unsecured, unsubordinated and unguaranteed debt obligations at the date on which the substitution is to take effect or the New Entity has an equivalent long term rating from another internationally recognised rating agency and (ii) if applicable, the New Entity enters into a guarantee on substantially the same terms as the Guarantee. In the event of any such substitution, any reference in the Terms and Conditions to the Bank in its capacity as Issuer or as Guarantor shall be construed as a reference to the New Entity and any reference to the Guarantee shall be construed as a reference to the new guarantee. Such substitution shall be promptly notified to the Holders in accordance with Condition 10. In connection with such right of substitution, the Bank in its capacity as Issuer or as Guarantor 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 Bank in its capacity as Issuer or as Guarantor or New Entity any indemnification or payment in respect of any tax or other consequence of any such substitution upon such Holder.

14. **Governing Law**

The Certificates, the Global Certificate, the Master Certificate Agreement and the Guarantee are governed by and shall be construed in accordance with English law.

Where the Issuer is BCCL, the Issuer irrevocably agrees for the exclusive benefit of each Holder that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Certificates and that accordingly any suit, action or proceeding (together in this Condition referred to as **Proceedings**) arising out of or in connection with the Certificates may be brought in such courts. Nothing contained in this Condition shall limit the right of any Holder to take Proceedings in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

Where the Issuer is BCCL, the Issuer agrees that process in connection with Proceedings in the courts of England will be validly served on it if served upon Barclays Capital Services Limited at its offices for the time being (being at the date hereof 1 Churchill Place, London E14 5HP) and agrees that, in the event of it ceasing to have an office in London it will appoint another person as its agent for service of process in England in respect of any Proceedings.

15. **Terms for Index Certificates, Share Certificates, Debt Certificates, Commodity Certificates and Fund Certificates**

(A) Index Certificates

For the purposes of this Condition 15(A):

Indices and **Index** mean, subject to adjustment in accordance with this Condition 15(A), the indices or index specified in the applicable Final Terms and related expressions shall be construed accordingly; and

Index Sponsor means, in relation to an Index, the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any related to such Index and (b) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Trading Day, which as of the Issue Date is the index sponsor specified for such Index in the applicable Final Terms.

(1) Market Disruption

Market Disruption Event means, in relation to Certificates relating to a single Index or Basket of Indices, in respect of an Index:

- (a) the occurrence or existence at any time during the one hour period that ends at the Valuation Time:
 - (i) of any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise:
 - (A) on any relevant Exchange(s) relating to securities/commodities that comprise 20 per cent. or more of the level of the relevant Index; or
 - (B) in futures or options contracts relating to the relevant Index on any relevant Related Exchange;
 - (ii) of any event (other than an event described in (b) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (A) to effect transactions in, or to obtain market values for, on any relevant Exchange(s) securities/commodities that comprise 20 per cent. or more of the level of the relevant Index, or (B) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Index on any relevant Related Exchange,

which in either case the Calculation Agent determines is material; or

- (b) the closure on any Exchange Business Day of any relevant Exchange(s) relating to securities/commodities that comprise 20 per cent. or more of the level of the relevant Index or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to (A) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day or, if earlier, (B) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

For the purposes of determining whether a Market Disruption Event in respect of an Index exists at any time, if a Market Disruption Event occurs in respect of a security/commodity included in the Index at any time, then the relevant percentage contribution of that security/commodity to the level of the Index shall be based on a comparison

of (i) the portion of the level of the Index attributable to that security/commodity and (ii) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event.

The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with Condition 10 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been an Averaging Date or a Valuation Date.

(2) Adjustments to an Index

(a) Successor Index Sponsor Calculates and Reports an Index

If a relevant Index is (i) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent, or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then in each case that index (the **Successor Index**) will be deemed to be the Index.

(b) Modification and Cessation of Calculation of an Index

If (i) on or prior to a Valuation Date or an Averaging Date the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalisation, contracts or commodities and other routine events) (an **Index Modification**), or permanently cancels a relevant Index and no Successor Index exists (an **Index Cancellation**), or (ii) on a Valuation Date or an Averaging Date the Index Sponsor or (if applicable) the Successor Index Sponsor fails to calculate and announce a relevant Index (an **Index Disruption** and, together with an Index Modification and an Index Calculation, each an **Index Adjustment Event**), then

(i) the Calculation Agent shall determine if such Index Adjustment Event has a material effect on the Certificates and, if so, shall calculate the relevant Settlement Price and/or any other terms of the Terms and Conditions and/or the applicable Final Terms using, in lieu of a published level for that Index, the level for that Index as at the Valuation Time on that Valuation Date or that Averaging Date, as the case may be, as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to the change, failure or cancellation, but using only those securities/commodities that comprised that Index immediately prior to that Index Adjustment Event; or

(ii) on giving notice to Holders in accordance with Condition 10, the Issuer shall redeem all but not some only of the Certificates, each Certificate being redeemed by payment of an amount equal to the fair market value of a Certificate taking into account the Index Adjustment Event, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with Condition 10.

(c) Notice

The Calculation Agent shall, as soon as practicable, notify the Principal Certificate Agent of any determination made by it pursuant to paragraph (b) above and the action proposed to be taken in relation thereto and the Principal Certificate Agent shall make available for Holders copies of any such determinations.

(B) *Share Certificates*

For the purposes of this Condition 15(B):

Basket Company means a company whose shares are included in the Basket of Shares and **Basket Companies** means all such companies;

Share and **Shares** mean, subject to adjustment in accordance with this Condition 15(B), in the case of an issue of Certificates relating to a Basket of Shares, each share and, in the case of an issue of Certificates relating to a single Share, the share, specified in the applicable Final Terms, and related expressions shall be construed accordingly; and

Share Company means, in the case of an issue of Certificates relating to a single Share, the company that has issued such share.

(1) Market Disruption

Market Disruption Event means, in relation to Certificates relating to a single Share or a Basket of Shares, in respect of a Share:

- (a) the occurrence or existence any time during the one hour period that ends at the Valuation Time for such Share:
 - (i) of any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or any Related Exchange or otherwise:
 - (A) relating to the Share on the Exchange; or
 - (B) in futures or options contracts relating to the Share on any relevant Related Exchange; or
 - (ii) of any event (other than as described in (b) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (A) to effect transactions, in or obtain market values for, the Share on the Exchange or (B) to effect transactions in, or obtain market values for, futures or options contracts on or relating to the Share on any relevant Related Exchange,
- which in either case the Calculation Agent determines is material; or
- (b) the closure on any Exchange Business Day of the relevant Exchange or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to (A) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day or, if earlier, (B) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

The Calculation Agent shall give notice as soon as practicable to the Holders in accordance with Condition 10 of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been an Averaging Date or a Valuation Date.

(2) Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation and Insolvency

- (a) **Potential Adjustment Event** means any of the following:
 - (i) a subdivision, consolidation or reclassification of relevant Shares (unless resulting in a Merger Event or, if Tender Offer is specified as applying in the applicable Final Terms, a Tender Offer) or a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalisation or similar issue;
 - (ii) a distribution, issue or dividend to existing holders of the relevant Shares of (a) such Shares or (b) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Basket Company or Share Company, as the case may be, equally or proportionately with such payments to holders of such Shares or (c) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Basket Company or Share Company, as the case may be, as a result of a spin-off or other similar transaction or (d) any other type of securities, rights or Certificates or other assets, in any case for payment (in cash or in other consideration) at less than the prevailing market price as determined by the Calculation Agent;
 - (iii) an extraordinary dividend as determined by the Calculation Agent;
 - (iv) a call by a Basket Company or Share Company, as the case may be, in respect of relevant Shares that are not fully paid;
 - (v) a repurchase by the Basket Company or Share Company, as the case may be, of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
 - (vi) in respect of a Basket Company or Share Company, as the case may be, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Basket Company or Share Company, as the case may be, pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, Certificates, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
 - (vii) any other event having, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant Shares.

Following the declaration by the Basket Company or Share Company, as the case may be, of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Shares and, if so, will (i) make the corresponding adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share) and (ii) determine the effective date of that adjustment. The Calculation Agent may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Shares traded on that options exchange. Upon the making of any such adjustment by the Calculation Agent, the Calculation Agent shall give notice as soon as practicable to the Holders in accordance with Condition 10, stating the adjustment to any Relevant Asset and/or the Entitlement and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms and giving brief details of the Potential Adjustment Event.

Notwithstanding the foregoing, in the case of Cash Settled Share Certificates relating to a single Share, if Market Access Dividend and Rights Issue Provisions is specified as applying in the applicable Final Terms, the Issuer may on giving notice to the Holders in accordance with Condition 10 elect in lieu of making an adjustment as aforesaid, to deliver to each Holder one or more additional certificates (on the same or, in the opinion of the Calculation Agent, substantially similar terms as the Certificates) and/or pay to each Holder a cash amount. In such notice the Issuer will set out the amount of certificates to be delivered and/or cash to be paid and the manner in which such delivery and/or payment is to be made.

- (b) **De-Listing** means, in respect of any relevant Shares, the Exchange announces that pursuant to the rules of such Exchange, such Shares cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or, if Tender Offer is specified as applying in the applicable Final Terms, a Tender Offer) and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in a member state of the European Union).

Insolvency means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the Basket Company or Share Company, as the case may be, (i) all the Shares of that Basket Company or Share Company, as the case may be, are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Shares of that Basket Company or Share Company, as the case may be, become legally prohibited from transferring them.

Merger Date means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

Merger Event means, in respect of any relevant Shares, any (i) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of a Basket Company or Share Company, as the case may be, with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Basket Company or Share Company, as the case may be, is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares of the Basket Company or Share Company, as the case may be, that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Basket Company or its subsidiaries or the Share Company or its subsidiaries, as the case may be, with or into another entity in which the Basket Company or Share Company, as the case may be, is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event, in each case if the Merger Date is on or before (a) in the case of Cash Settled Certificates, the last occurring Valuation Date or where Averaging is specified in the applicable Final Terms, the final Averaging Date in respect of the relevant Certificate or (b) in the case of Physical Delivery Certificates, the relevant Redemption Date.

Nationalisation means that all the Shares or all or substantially all the assets of the Basket Company or Share Company, as the case may be, are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

Tender Offer means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Basket Company or Share Company, as the case may be, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

If (x) a Merger Event, De-listing, Nationalisation or Insolvency and/or (y), if Tender Offer is specified as applying in the applicable Final Terms, a Tender Offer occurs in relation to a Share, the Issuer in its sole and absolute discretion may take the action described in (i), (ii), (iii) or (iv) below:

- (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment. The relevant adjustments may in the case of adjustments following a Merger Event or Tender Offer include, without limitation, adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares or to the Certificates. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency made by any options exchange to options on the Shares traded on that options exchange; or
- (ii) in the case of Share Certificates relating to a Basket of Shares redeem the Certificates in part by giving notice to Holders in accordance with Condition 10. If the Certificates are so redeemed in part the portion (the **Redeemed Amount**) of each Certificate representing the affected Share(s) shall be redeemed and the Issuer will (i) pay to each Holder in respect of each Certificate held by him an amount equal to the fair market value of the Redeemed Amount, taking into account the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion; and (ii) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for such redemption in part. For the avoidance of doubt the remaining part of each Certificate after such cancellation and adjustment shall remain outstanding with full force and effect. Payments will be made in such manner as shall be notified to the Holders in accordance with Condition 10; or
- (iii) on giving notice to Holders in accordance with Condition 10, redeem all but not some only of the Certificates, each Certificate being redeemed by payment of an amount equal to the fair market value of a Certificate taking into account the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with Condition 10; or
- (iv) following such adjustment to the settlement terms of options on the Shares traded on such exchange(s) or quotation system(s) as the Issuer in its sole discretion shall select (the **Options Exchange**), require the Calculation Agent to make a corresponding adjustment to any one or more of any Relevant Asset and/or the Entitlement and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Options Exchange. If options on the Shares are not traded on the Options Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Options Exchange to account for the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, as the case may be, that in the determination of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were so traded.

(c) Substitution of Shares

In the case of Share Certificates relating to a Basket of Shares, if Substitution of Shares is specified as applying in the applicable Final Terms and if (x) a Merger Event, De-listing, Nationalisation or Insolvency and/or (y) if Tender Offer is specified as applying in the applicable Final Terms, a Tender Offer occurs in relation to a Share (the **Affected Share**) then without prejudice to any other rights that the Issuer may have under these Terms and Conditions and/or the applicable Final Terms, the Calculation Agent may (but is not obliged to) (i) substitute the Affected Share with a substitute share (the **Substitute Share**) selected by the Calculation Agent in its sole and absolute discretion using the Substitution Criteria set out below as of the Substitution Date and (ii) determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for such substitution.

The **Substitution Criteria** shall be such criteria as the Calculation Agent at the relevant time deems appropriate and may include (but is not limited to) the following:

- (i) the issuer of the Substitute Share shall be of the same broad economic sector as the Basket Company in respect of the Affected Share;
- (ii) the issuer of the Substitute Share shall be of a similar international standing and creditworthiness as the Basket Company in respect of the Affected Share; and
- (iii) the Substitute Share shall not prior to the Substitution Date be comprised in the Basket of Shares.

Announcement Date means (i) in the case of a Merger Event, the date of the first public announcement of a firm intention to engage in a transaction (whether or not subsequently amended) that leads to the Merger Event, (ii) in the case of a Tender Offer, the date of the first public announcement of a firm intention to purchase or otherwise obtain the requisite number of voting shares (whether or not subsequently amended) that leads to the Tender Offer, (iii) in the case of a Nationalisation, the date of the first public announcement to nationalise (whether or not subsequently amended) that leads to the Nationalisation, (iv) in the case of an Insolvency, the date of the first public announcement of the institution of a proceeding or presentation of a petition or passing of a resolution (or other analogous procedure in any jurisdiction) that leads to the Insolvency and (v) in the case of a De-Listing, the date of the first public announcement by the relevant Exchange that the Shares will cease to be listed, traded or publicly quoted in the manner described in the definition of "De-Listing". If the announcement of the relevant event is made after the actual closing time for the regular trading session on the relevant Exchange, without regard to any after hours or any other trading outside of such regular trading session hours, the Announcement Date shall be deemed to be the next following Scheduled Trading Day.

Substitution Date means, in the determination of the Calculation Agent, the date falling as soon as practicable following the relevant Announcement Date.

- (d) Upon the occurrence of a Merger Event, De-listing, Nationalisation, Insolvency or, if applicable, a Tender Offer, the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 10 stating the occurrence of the Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

(3) Dividend and Rights Issue Provisions for Market Access products

(a) Cash Dividends

In the case of Cash Settled Share Certificates relating to a single Share, if Market Access Dividend and Rights Issue Provisions are specified as applying in the applicable Final Terms, the following provisions shall apply to the Certificates:

- (i) In the event that on or after the Issue Date a Cash Dividend is declared by the Share Company, notwithstanding any provisions in these Terms and Conditions to the contrary, the Calculation Agent shall calculate (A) the relevant Distributed Amount and (B) the relevant Expected Dividend Date.
- (ii) The Issuer shall give notice to Holders in accordance with Condition 10 of the Cash Dividend and the Expected Dividend Date.
- (iii) Subject as provided below, the Issuer shall pay to each Holder on the Cash Dividend Payment Date an amount equal to the Cash Dividend Amount in respect of each Certificate held by him on the Cash Dividend Payment Date, provided that if the relevant Dividend Date has not occurred prior to (i) the date that falls six months after the Expected Dividend Date or, if earlier, (ii) the Redemption Date, the Issuer shall not be obliged to pay the relevant Cash Dividend Amount and the Issuer shall have no further obligation in respect thereof.
- (iv) In order to receive the Cash Dividend Amount, in relation to Certificates represented by a Permanent Global Certificate, a Regulation S Global Certificate or a Rule 144A Global Certificate held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear, a Holder must deliver to Clearstream, Luxembourg or Euroclear (as applicable) with a copy to the Principal Certificate Agent a duly completed notice (a **Cash Dividend Notice**) in the applicable form set out in Schedule 15 of the Master Certificate Agreement on or prior to the Cash Dividend Notice Cut-off Date. A Cash Dividend Notice may only be delivered in such manner as is acceptable to Clearstream, Luxembourg or Euroclear, as the case may be.
- (v) In order to receive the Cash Dividend Amount, in relation to Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, a Holder must deliver through computerised instruction through DTC (via its DWAC function) to the New York Certificate Agent with a copy to the Principal Certificate Agent a duly completed notice (a **Cash Dividend Notice**) in the applicable form set out in Schedule 16 of the Master Certificate Agreement on or prior to the Cash Dividend Notice Cut-off Date.

- (vi) In order to receive the Cash Dividend Amount, in relation to Certificates represented by a Registered Global Certificate, a Holder must deliver to the Registrar with a copy to the Principal Certificate Agent a duly completed notice (a **Cash Dividend Notice**) in the applicable form set out in Schedule 17 of the Master Certificate Agreement on or prior to the Cash Dividend Notice Cut-off Date.
- (vii) In the case of Certificates represented by a Permanent Global Certificate, a Regulation S Global Certificate or a Rule 144A Global Certificate held by a Common Depositary on behalf of Clearstream Luxembourg and Euroclear, upon receipt of a Cash Dividend Notice, Clearstream, Luxembourg or Euroclear, as the case may be, shall verify that the person delivering the Cash Dividend Notice is the holder of the Certificates described therein according to the books of Clearstream, Luxembourg or Euroclear, as the case may be. Subject thereto, Clearstream, Luxembourg or Euroclear, as the case may be, will confirm to the Principal Certificate Agent the series number and number of Certificates the subject of such notice, the relevant account details and the details for the payment of the Cash Dividend Amount of each Certificate that is the subject of such notice. Upon receipt of such confirmation, the Principal Certificate Agent will inform the Issuer thereof and the Issuer shall pay the relevant Cash Dividend Amount to the relevant Holder's account at Euroclear or Clearstream, Luxembourg specified by such Holder in the Cash Dividend Notice.
- (viii) In the case of Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, upon receipt of a Cash Dividend Notice, the New York Certificate Agent shall verify that the person delivering the Cash Dividend Notice is the Holder according to the records of DTC. Subject thereto, the New York Certificate Agent shall notify the Issuer of the series number and the number of Certificates the subject of such notice, the account details and the details for the payment of the Cash Dividend Amount of each Certificate that is the subject of such notice and the Issuer shall pay the relevant Cash Dividend Amount to the relevant Holder's account at DTC specified by such Holder in the Cash Dividend Notice.
- (ix) In the case of Certificates represented by a Registered Global Certificate, upon receipt of a Cash Dividend Notice, the Registrar shall verify that the person delivering the Cash Dividend Notice is the Holder according to the Register. Subject thereto, the Registrar shall notify the Issuer of the series number and the number of Certificates the subject of such notice, the account details and the details for the payment of the Cash Dividend Amount of each Certificate that is the subject of such notice and the Issuer shall pay the relevant Cash Dividend Amount to the relevant Holder's account specified by such Holder in the Cash Dividend Notice.
- (x) In the event that a Holder fails to deliver a duly completed Cash Dividend Notice on or prior to the Cash Dividend Notice Cut-off Date as provided above, such Holder's right to receive the Cash Dividend Amount in respect of its Certificates shall lapse and the relevant Issuer shall have no further liability in respect thereof.
- (xi) A Cash Dividend Notice may not be withdrawn after receipt thereof by Clearstream, Luxembourg, Euroclear, the New York Certificate Agent or the Registrar, as the case may be, and after delivery of a Cash Dividend Notice the relevant Holder may not transfer the Certificates which are the subject of such Cash Dividend Notice until after the payment of the relevant Cash Dividend Amounts in respect of the relevant Certificates.

Holders should note that in the event that a duly completed Cash Dividend Notice is duly delivered as provided above, the Issuer's only obligation in respect thereof is to pay the relevant Cash Dividend Amount(s) to the account (in the case of Certificates represented by a Permanent Global Certificate, Regulation S Global Certificate or Rule 144A Global Certificate, with Euroclear, Clearstream, Luxembourg or DTC, as applicable) specified in such Cash Dividend Notice and to no other person or account.

- (xii) For the purposes of this Condition 15(B)(3)(a) the following definitions shall apply:

Cash Dividend means any cash dividend to be paid by the Share Company in respect of the Shares.

Cash Dividend Amount means, in respect of a Certificate, an amount calculated by the Calculation Agent equal to the Distributed Amount less a *pro rata* share of Expenses, such amount, if an FX Disruption Event has not occurred on or prior to the relevant Dividend Date, to be converted into the Settlement Currency at the Dividend Exchange Rate on the Dividend Date.

Cash Dividend Notice Cut-Off Date means the day falling three Business Days prior to the Expected Dividend Date.

Cash Dividend Payment Date means, in respect of a Cash Dividend, the fifth Business Day following the Dividend Date in respect of such Cash Dividend.

Distributed Amount means, in respect of a Cash Dividend, the amount of such dividend payable by the Share Company in respect of one Share, as determined by the Calculation Agent in its sole and absolute discretion.

Dividend Date means, in respect of a Cash Dividend, the date on which such Cash Dividend would be received by a foreign investor in the Shares as determined by the Calculation Agent in its sole and absolute discretion.

Expected Dividend Date means, in respect of a Cash Dividend, the date on which such Cash Dividend is expected to be paid by the Share Company, as determined by the Calculation Agent in its sole and absolute discretion.

(b) Stock Dividends

- (i) In the event that a Stock Dividend is declared by the Share Company on or after the Issue Date, notwithstanding any provision in these Terms and Conditions to the contrary, the Calculation Agent shall calculate (A) the relevant Share Number, (B) the relevant Ex-Dividend Date, and (C) the relevant Expected Stock Delivery Date.
- (ii) The Calculation Agent shall give notice to the Holders in accordance with Condition 10 of the Stock Dividend, the Ex-Dividend Date and the Expected Stock Delivery Date.
- (iii) In the event that the Stock Delivery Date falls on or prior to the Stock Dividend Cut-off Date the Issuer shall, subject as provided below, deliver to each Holder, an amount of Certificates equal to the New Certificate Amount in respect of each Certificate held by him as soon as practicable after the Stock Delivery Date.
- (iv) In the event that the Stock Delivery Date falls after the Stock Dividend Cut-off Date, the Issuer shall, subject as provided below, pay to each Holder the Cash Amount in respect of each Certificate held by him on the Cash Amount Payment Date, provided that if the relevant Stock Delivery Date has not occurred on or prior to the Redemption Date, the Issuer shall not be obliged to pay the relevant Cash Amount(s) and the Issuer shall have no further obligation in respect thereof.
- (v) In order to receive the New Certificate Amount or the Cash Amount, as the case may be, in relation to Certificates represented by a Permanent Global Certificate, a Regulation S Global Certificate or a Rule 144A Global Certificate held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear, as the case may be, a Holder must deliver to Clearstream, Luxembourg or Euroclear (as applicable) with a copy to the Principal Certificate Agent a duly completed notice (a **Stock Dividend Notice**) in the applicable form set out in Schedule 15 of the Master Certificate Agreement on or prior to the Stock Dividend Notice Cut-off Date. A Stock Dividend Notice may only be delivered in such manner as is acceptable to Clearstream, Luxembourg or Euroclear, as the case may be.
- (vi) In order to receive the New Certificate Amount or the Cash Amount, as the case may be, in relation to Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, a Holder must deliver through computerised instruction through DTC (via its DWAC function) to the New York Certificate Agent with a copy to the Principal Certificate Agent a duly completed notice (a **Stock Dividend Notice**) in the applicable form set out in Schedule 16 of the Master Certificate Agreement on or prior to the Stock Dividend Notice Cut-off Date.
- (vii) In order to receive the New Certificate Amount or the Cash Amount, as the case may be, in relation to Certificates represented by a Registered Global Certificate, a Holder must deliver to the Registrar with a copy to the Principal Certificate Agent a duly completed notice (a **Stock Dividend Notice**) in the applicable form set out in Schedule 17 of the Master Certificate Agreement on or prior to the Stock Dividend Notice Cut-off Date.
- (viii) In the case of Certificates represented by a Permanent Global Certificate, a Regulation S Global Certificate or a Rule 144A Global Certificate held by a Common Depositary on behalf of Clearstream, Luxembourg or Euroclear, upon receipt of a Stock Dividend Notice, Clearstream, Luxembourg or Euroclear, as the case may be, shall verify that the person delivering the Stock Dividend Notice is the holder of the Certificates described therein according to the books of Clearstream, Luxembourg or Euroclear, as the case may be. Subject thereto, Clearstream, Luxembourg or Euroclear, as the case may be, will confirm to the Principal Certificate Agent the series number and number of Certificates the subject of such notice, the relevant account details and the details for the delivery of the New Certificate Amount or payment of the Cash Amount, as the case may be, of each Certificate that is the subject of such notice. Upon receipt of such confirmation, the Principal Certificate Agent will inform the Issuer thereof and the Issuer shall deliver the New Certificate Amount to the relevant Holder's securities account or pay the relevant Cash Amount to the relevant Holder's cash account, as the case may be, at Euroclear or Clearstream, Luxembourg specified by such Holder in the Stock Dividend Notice.

- (ix) In the case of Certificates represented by a Rule 144A Global Certificate held by a Custodian for DTC, upon receipt of a Stock Dividend Notice, the New York Certificate Agent shall verify that the person delivering the Stock Dividend Notice is the Holder according to the records of DTC. Subject thereto, the New York Certificate Agent shall notify the Issuer of the series number and the number of Certificates the subject of such notice, the account details and the details for the delivery of the New Certificate Amount or payment of the Cash Amount, as the case may be, of each Certificate that is the subject of such notice and the Issuer shall deliver the New Certificate Amount to the relevant Holder's securities account or pay the relevant Cash Amount to the relevant Holder's cash account at DTC specified by such Holder in the Stock Dividend Notice.
- (x) In the case of Certificates represented by a Registered Global Certificate, upon receipt of a Stock Dividend Notice, the Registrar shall verify that the person delivering the Stock Dividend Notice is the Holder according to the Register. Subject thereto, the Registrar shall notify the Issuer of the series number and the number of Certificates the subject of such notice, the account details and the details for the delivery of the New Certificate Amount or payment of the Cash Amount, as the case may be, of each Certificate that is the subject of such notice and the Issuer shall deliver the New Certificate Amount to the relevant Holder or pay the relevant Cash Amount to the relevant Holder's account specified by such Holder in the Stock Dividend Notice.
- (xi) In the event that a Holder fails to deliver a Stock Dividend Notice prior to the Stock Dividend Notice Cut-off Date as provided above, such Holder's right to receive the New Certificate Amount or the Cash Amount in respect of its Certificates shall lapse and the Issuer shall have no further liability in respect thereof.
- (xii) A Stock Dividend Notice may not be withdrawn after receipt thereof by Clearstream, Luxembourg, Euroclear, the New York Certificate Agent or the Registrar, as the case may be, and after delivery of the Stock Dividend Notice the relevant Holder may not transfer the Certificates which are the subject of such Stock Dividend Notice until after the delivery of the New Certificate Amounts or payment of the Cash Amounts, as the case may be, in respect of the relevant Certificates.
- (xiii) Delivery of the New Certificate Amount in respect of each Certificate is subject to compliance with all applicable securities laws, and in the event that any such delivery of the New Certificate Amount would result in non-compliance with any applicable securities laws, in lieu of such delivery, the Issuer shall pay to the relevant Holder the Cash Amount.

Holders should note that in the event that a duly completed Stock Dividend Notice is duly delivered as provided above, the Issuer's only obligation in respect thereof is to deliver the relevant New Certificate Amount(s) or to pay the relevant Cash Amount(s), as the case may be, in each case as provided above and to no other person or account.

- (xiv) For the purposes of this Condition 15(B)(3)(b) the following definitions shall apply:

Cash Amount means, in respect of a Certificate and a Stock Dividend, an amount calculated by the Calculation Agent equal to the market value of the Distributed Shares determined by the Calculation Agent in its sole and absolute discretion less a *pro rata* share of Expenses, such amount, if an FX Disruption Event has not occurred on or prior to the relevant Stock Delivery Date, to be converted into the Settlement Currency at the Dividend Exchange Rate on the Stock Delivery Date.

Cash Amount Payment Date means, in respect of a Stock Dividend, the date falling ten Business Days after the relevant Stock Delivery Date.

Distributed Shares means the Share Number less one.

Ex-Dividend Date means, in respect of a Stock Dividend, the date on which the Shares are to trade on the Exchange ex-dividend, as determined by the Calculation Agent in its sole and absolute discretion.

Expected Stock Delivery Date means, in respect of a Stock Dividend, the date on which the Share Company is expected to make delivery of the Stock Dividend, as determined by the Calculation Agent in its sole and absolute discretion.

New Certificate Amount means, in respect of each Certificate, an amount of Certificates calculated by the Calculation Agent equal to (a) the Distributed Shares less (b) Shares with a market value determined by the Calculation Agent in its sole and absolute discretion on such day selected by the Calculation Agent falling on or after the relevant Stock Delivery Date equal to a *pro rata* share of Expenses, Provided That where a Holder delivers a Stock Dividend Notice in respect of more than one Certificate, the New Certificate Amount shall be aggregated in respect of such Certificates, Provided Further That the aggregate New Certificate Amounts will be rounded down to the nearest whole number and a cash adjustment (calculated by the

Calculation Agent in its sole and absolute discretion) shall be paid by the Issuer in lieu of the amount of Certificates so rounded down.

Share Number means, in respect of a Stock Dividend, the number of Shares that a holder of one Share would hold after such Stock Dividend, as determined by the Calculation Agent in its sole and absolute discretion.

Stock Delivery Date means, in respect of a Stock Dividend, the date on which the Stock Dividend would be received by a foreign investor in the Shares, as determined by the Calculation Agent in its sole and absolute discretion.

Stock Dividend means any dividend in the form of Shares to be delivered by the Share Company in respect of the Shares.

Stock Dividend Cut-Off Date means the day falling four calendar months prior to the Redemption Date.

Stock Dividend Notice Cut-Off Date means the day falling 10 Business Days prior to the Expected Stock Delivery Date.

(c) Rights Issue

- (i) In the event that the Calculation Agent determines that a Rights Issue Event has occurred on or after the Issue Date notwithstanding any provision in these Terms and Conditions to the contrary, the Calculation Agent shall determine (A) the relevant Rights Date, (B) the relevant Ex-Rights Date, (C) the relevant Rights Share Number, (D) the relevant Subscription Price and (E) the Expected Rights Delivery Date.
- (ii) The Issuer shall give notice to the Holders in accordance with Condition 10 of the occurrence of a Rights Issue Event, the Subscription Price and the Expected Rights Delivery Date.
- (iii) In the event that the Rights Delivery Date falls on or prior to the Rights Cut-off Date, the Issuer shall, subject as provided below, deliver to each Holder an amount of Certificates equal to the Rights Certificate Amount in respect of each Certificate held by him as soon as practicable after the Rights Delivery Date.
- (iv) In the event that the Rights Delivery Date falls after the Rights Cut-off Date, the Issuer shall, subject as provided below, pay to each Holder the Rights Cash Amount in respect of each Certificate held by him on the Rights Cash Amount Payment Date, provided that if the relevant Rights Delivery Date has not occurred on or prior to the Redemption Date, the Issuer shall have no obligation to pay the relevant Rights Cash Amount(s) and the Issuer shall have no further obligation in respect thereof.
- (v) In order to receive the Rights Certificate Amount or the Rights Cash Amount, as the case may be, in relation to Certificates represented by a Permanent Global Certificate, a Regulation S Global Certificate or a Rule 144A Global Certificate held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear, a Holder must (A) deliver to Clearstream, Luxembourg or Euroclear (as applicable) with a copy to the Principal Certificate Agent a duly completed notice (a **Rights Notice**) in the applicable form set out in out in Schedule 15 of the Master Certificate Agreement and (B) pay to the Issuer the relevant Rights Amount, in each case on or prior to the Rights Subscription Cut-off Date. A Rights Notice may only be delivered in such manner as is acceptable to Clearstream, Luxembourg or Euroclear, as the case may be.
- (vi) In order to receive the Rights Certificate Amount or the Rights Cash Amount, as the case may be, in relation to Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, a Holder must (A) deliver through computerised instruction through DTC (via its DWAC function) to the New York Certificate Agent with a copy to the Principal Certificate Agent a duly completed notice (a **Rights Notice**) in the applicable form set out in out in Schedule 16 of the Master Certificate Agreement and (B) pay to the Issuer the relevant Rights Amount, in each case on or prior to the Rights Subscription Cut-off Date.
- (vii) In order to receive the Rights Certificate Amount or the Rights Cash Amount, as the case may be, in relation to Certificates represented by a Registered Global Certificate, a Holder must (A) deliver to the Registrar with a copy to the Principal Certificate Agent a duly completed notice (a **Rights Notice**) in the applicable form set out in Schedule 17 of the Master Certificate Agreement and (B) pay to the Issuer the relevant Rights Amount, in each case on or prior to the Rights Subscription Cut-off Date.
- (viii) In the case of Certificates represented by a Permanent Global Certificate, a Regulation S Global Certificate or a Rule 144A Global Certificate held by a Common Depositary on behalf of Clearstream, Luxembourg or Euroclear, upon receipt of a Rights Notice, Clearstream, Luxembourg or Euroclear, as the case may be, shall verify that the person delivering the Rights

Notice is the Holder of the Certificates described therein according to the books of Clearstream, Luxembourg or Euroclear, as the case may be. Subject thereto, Clearstream, Luxembourg or Euroclear, as the case may be, will confirm to the Principal Certificate Agent the series number and number of Certificates the subject of such notice, the relevant account details and the details for the delivery of the Rights Certificate Amount or payment of the Rights Cash Amount, as the case may be, of each Certificate that is the subject of such notice. Upon receipt of such confirmation, the Principal Certificate Agent will inform the Issuer thereof and subject to the receipt of the relevant Rights Amount the Issuer shall deliver the Rights Certificate Amount to the relevant Holder's securities account or pay the relevant Rights Cash Amount to the relevant Holder's cash account, as the case may be, at Euroclear or Clearstream, Luxembourg specified by such Holder in the Rights Notice.

- (ix) In the case of Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, upon receipt of a Rights Notice, the New York Certificate Agent shall verify that the person delivering the Rights Notice is the Holder according to the records of DTC. Subject thereto, the New York Certificate Agent shall notify the Issuer of the series number and the number of Certificates the subject of such notice, the details and the account details for the delivery of the Rights Certificate Amount or payment of the Rights Cash Amount, as the case may be, of each Certificate that is the subject of such notice and subject to the receipt of the relevant Rights Amount the Issuer shall deliver the Rights Certificate Amount to the relevant Holder's securities account or pay the relevant Rights Cash Amount to the relevant Holder's cash account at DTC specified by such Holder in the Rights Notice.
- (x) In the case of Certificates represented by a Registered Global Certificate, upon receipt of a Rights Notice the Registrar shall verify that the person delivering the Rights Notice is the Holder according to the Register. Subject thereto, the Registrar shall notify the Issuer of the series number and the number of Certificates the subject of such notice, the account details and the details for the delivery of the Rights Certificate Amount or payment of the Rights Cash Amount, as the case may be, of each Certificate that is the subject of such notice and subject to the receipt of the relevant Rights Amount the Issuer shall deliver the Rights Certificate Amount to the relevant Holder or pay the relevant Rights Cash Amount to the relevant Holder's account specified by such Holder in the Rights Notice.
- (xi) In the event that a Holder fails to deliver a duly completed Rights Notice and pay the relevant Rights Amount prior to the Rights Subscription Notice Cut-off Date as provided above, such Holder's rights to receive the Rights Certificate Amount or the Rights Cash Amount, as the case may be, in respect of its Certificates shall lapse and the Issuer shall have no further liability in respect thereof.
- (xii) A Rights Notice may not be withdrawn after receipt thereof by Clearstream, Luxembourg, Euroclear, the New York Certificate Agent or the Registrar and after delivery of a Rights Notice the relevant Holder may not transfer the Certificates which are the subject of such Rights Notice until after the delivery of the Rights Certificate Amounts or payment of the Rights Cash Amounts, as the case may be, in respect of the relevant Certificates.
- (xiii) Delivery of the Rights Certificate Amount in respect of each Certificate is subject to compliance with all applicable securities laws, and in the event that any such delivery of the Rights Certificate Amount would result in non-compliance with any applicable securities laws, in lieu of such delivery, the Issuer shall pay to the relevant Holder the Rights Cash Amount.

Holders should note that in the event that a duly completed Rights Notice is duly delivered and the relevant Rights Amount(s) are paid by or on behalf of the relevant Holder in each case as provided above, the Issuer's only obligation in respect of such Rights Notice is to deliver the relevant Rights Amount(s) or pay the relevant Rights Cash Amount(s) as provided above and to no other person or account.

- (xiv) For the purposes of this Condition 15(B)(3)(c) the following definitions shall apply:

Expected Rights Delivery Date means, in respect of a Rights Issue, the date on which the Share Company is expected to make delivery of the new Shares to holders of Shares pursuant to the relevant Rights Issue, as determined by the Calculation Agent in its sole and absolute discretion.

Ex-Rights Date means, in respect of a Rights Issue Event, the date on which the Shares are to trade on the Exchange ex-rights, as determined by the Calculation Agent.

Rights Amount means, in respect of a Certificate, an amount calculated by the Calculation Agent equal to the product of (i) the Rights Share Number and (ii) the Subscription Price, Provided That where a Holder delivers a Rights Notice in respect of more than one Certificate, the Rights Amount shall be aggregated in respect of such Certificates.

Rights Cash Amount means, in respect of a Certificate and a Rights Issue Event, an amount calculated by the Calculation Agent equal to the market value of the Rights Share Number determined by the Calculation Agent in its sole and absolute discretion, less a *pro rata* share of

Expenses, such amount, if an FX Disruption Event has not occurred on or prior to the relevant Rights Delivery Date, to be converted into the Settlement Currency at the Dividend Exchange Rate on the Rights Delivery Date.

Rights Cash Amount Payment Date means, in respect of a Rights Issue Event, the date falling ten Business Days after the relevant Rights Delivery Date.

Rights Certificate Amount means, in respect of each Certificate, an amount of Certificates calculated by the Calculation Agent equal to (a) the Rights Share Number less (b) Shares with a market value determined by the Calculation Agent in its sole and absolute discretion on such day selected by the Calculation Agent falling on or after the relevant Rights Delivery Date equal to a *pro rata* share of Expenses, Provided That where a Holder delivers a Rights Notice in respect of more than one Certificate, the Rights Certificate Amount shall be aggregated in respect of such Certificates, Provided Further That the aggregate Rights Certificate Amounts will be rounded down to the nearest whole number and a cash adjustment (calculated by the Calculation Agent in its sole and absolute discretion) shall be paid by the Issuer in lieu of the amount of Certificates so rounded down.

Rights Cut-off Date means the day falling four calendar months prior to the Redemption Date.

Rights Date means, in respect of a Rights Issue Event, the date by which the relevant rights must be subscribed, as determined by the Calculation Agent in its sole and absolute discretion.

Rights Delivery Date means, in respect of a Rights Issue, the date on which the Rights Amounts would be received by a foreign investor in Shares, as determined by the Calculation Agent in its sole and absolute discretion.

Rights Issue means, in the determination of the Calculation Agent, a rights issue (howsoever described) by the Share Company.

Rights Issue Event means, in the determination of the Calculation Agent, the announcement of a Rights Issue by the Share Company.

Rights Share Number means, in respect of a Rights Issue Event, the number of new Shares that a holder of one Share may subscribe pursuant to the relevant Rights Issue, as determined by the Calculation Agent in its sole and absolute discretion.

Rights Subscription Cut-off Date means a day falling ten Business Days prior to the Rights Date.

Subscription Price means, in respect of a Rights Issue Event, an amount calculated by the Calculation Agent in its sole and absolute discretion equal to the amount that a holder of a Share would have to pay to exercise its rights in respect of such Share under the relevant Rights Issue.

(d) General

- (i) Any determination as to whether a Cash Dividend Notice, a Stock Dividend Notice or a Rights Notice is duly completed and in proper form shall be made, in the case of Certificates represented by a Permanent Global Certificate, a Regulation S Global Certificate or a Rule 144A Global Certificate held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear, by Clearstream, Luxembourg or Euroclear, as the case may be, in the case of Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC, the New York Certificate Agent or in the case of Certificates represented by a Registered Global Certificate, the Registrar, in each case, in consultation with the Principal Certificate Agent, and shall be conclusive and binding on the Issuer, the Certificate Agents and the relevant Holder. Subject as set out below, any Cash Dividend Notice, Stock Dividend Notice or Rights Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Certificate Agent immediately after being delivered or sent to Clearstream, Luxembourg, Euroclear, the New York Certificate Agent or the Registrar, as the case may be, as provided above, shall be null and void.
- (ii) If a Cash Dividend Notice, a Stock Dividend Notice or a Rights Notice is subsequently corrected to the satisfaction of Clearstream, Luxembourg, Euroclear, the New York Certificate Agent or the Registrar, as the case may be, in consultation with the Principal Certificate Agent, it shall be deemed to be a new Cash Dividend Notice, Stock Dividend Notice or Rights Notice, as the case may be, submitted at the time such correction was delivered to Clearstream, Luxembourg, Euroclear, the New York Certificate Agent or the Registrar, as the case may be, with a copy to the Principal Certificate Agent.
- (iii) Clearstream, Luxembourg, Euroclear, the New York Certificate Agent or the Registrar, as the case may be, shall use its best efforts promptly to notify the Holder submitting a Cash Dividend Notice, a Stock Dividend Notice or a Rights Notice if, in consultation with the Principal

Certificate Agent, it has determined that such Cash Dividend Notice, Stock Dividend Notice or Rights Notice, as the case may be, is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, (where the Issuer is BCCL) the Guarantor, the Principal Certificate Agent, Clearstream, Luxembourg, Euroclear, the New York Certificate Agent or the Registrar shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Holder.

- (iv) Copies of the Cash Dividend Notice, Stock Dividend Notice and Rights Notice may be obtained during normal business hours from the specified offices of the Certificate Agents.

(C) *Debt Certificates*

Market Disruption

Market Disruption Event shall mean the suspension of or limitation imposed on trading either on any exchange on which the Debt Securities or any of them (in the case of a Basket of Debt Securities) are traded or on any exchange on which options contracts or futures contracts with respect to the Debt Securities or any of them (in the case of a Basket of Debt Securities) are traded if, in the determination of the Calculation Agent, such suspension or limitation is material.

The Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 10 that a Market Disruption Event has occurred.

(D) *Fund Certificates*

Any market disruption, general disruption, adjustment and/or termination provisions relating to Fund Certificates will be set out in the applicable Final Terms.

(E) *Commodity Certificates*

Any market description provisions relating to Commodity Certificates will be set out in the applicable Final Terms.

(F) *Additional Disruption Events*

- (a) **Additional Disruption Event** means any of Change of Law, Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow, Insolvency Filing and/or Loss of Stock Borrow, in each case if specified in the applicable Final Terms.

Affected Jurisdiction means the jurisdiction of the Hedge Positions.

Asian Additional Disruption Event means any of an Asian Change in Law, an Asian Hedging Disruption and/or an Asian Increased Cost of Hedging, in each case if specified in the applicable Final Terms.

Asian Change in Law means that, on or after the Trade Date (as specified in the applicable Final Terms) (A) due to the adoption 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 the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines in its sole and absolute discretion that (X) it has become illegal for the Issuer and/or any of its Affiliates to hold, acquire or dispose of Hedge Positions relating to the Certificates or (Y) the Issuer or any of its Affiliates will incur a materially increased (as compared with the circumstances existing on the Trade Date) cost in relation to the performance of the Issuer's obligations under the Certificates (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer and/or any of its Affiliates).

Asian Hedging Disruption means that the Issuer or any of its Affiliates is unable, after using commercially reasonable efforts, to either (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk (or any other relevant price risk including, but not limited to, the currency risk) of entering into and performing its obligations with respect to the Certificates or (ii) freely realise, recover, receive, repatriate, remit or transfer the proceeds of Hedge Positions or the Certificates between accounts within the Affected Jurisdiction or from accounts within the Affected Jurisdiction to accounts outside of the Affected Jurisdiction.

Asian 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 equity price risk (or any other relevant price risk including, but not limited to, the currency risk) of entering into and performing its obligations with respect to the Certificates, or (B) realise, recover or remit the proceeds of Hedge Positions or the Certificates between accounts within the Affected Jurisdiction or from accounts within the Affected Jurisdiction to accounts outside the Affected Jurisdiction.

Change in Law means that, on or after the Trade Date (as specified in the applicable Final Terms) (A) due to the adoption 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 the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines in its sole and absolute discretion that (X) it has become illegal to hold, acquire or dispose of any relevant Share (in the case of Share Certificates) or any relevant security/commodity comprised in an Index (in the case of Index Certificates) or (Y) it will incur a materially increased cost in

performing its obligations in relation to the Certificates (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer and/or any of its Affiliates).

Hedge Positions means any purchase, sale, entry into or maintenance of one or more (i) positions or contracts in securities, options, futures, derivatives or foreign exchange, (ii) stock loan transactions or (iii) other instruments or arrangements (howsoever described) by the Issuer or any of its Affiliates in order to hedge individually or on a portfolio basis, the Issuer's obligations in respect of the Certificates.

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 equity or other price risk of the Issuer issuing and performing its obligations with respect to the Certificates, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

Hedging Shares means the number of Shares (in the case of Share Certificates) or securities/commodities comprised in an Index (in the case of Index Certificates) that the Issuer deems necessary to hedge the equity or other price risk of entering into and performing its obligations with respect to the Certificates.

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 equity or other price risk of the Issuer issuing and performing its obligations with respect to the Certificates, 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 deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging.

Increased Cost of Stock Borrow means that the Issuer and/or any of its Affiliates would incur a rate to borrow any Share (in the case of Share Certificates) or any security/commodity comprised in an Index (in the case of Index Certificates) that is greater than the Initial Stock Loan Rate.

Initial Stock Loan Rate means, in respect of a Share (in the case of Share Certificates) or a security/commodity comprised in an Index (in the case of Index Certificates), the initial stock loan rate specified in relation to such Share, security or commodity in the applicable Final Terms.

Insolvency Filing means that a Share Company or Basket Company institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to 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 a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Share Company or Basket Company shall not be deemed an Insolvency Filing.

Loss of Stock Borrow means that the Issuer and/or any Affiliate is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any Share (in the case of Share Certificates) or any securities/commodities comprised in an Index (in the case of Index Certificates) in an amount equal to the Hedging Shares at a rate equal to or less than the Maximum Stock Loan Rate.

Maximum Stock Loan Rate means, in respect of a Share (in the case of Share Certificates) or a security/commodity comprised in an Index (in the case of Index Certificates), the Maximum Stock Loan Rate specified in the applicable Final Terms.

- (b) If an Additional Disruption Event or the Asian Additional Disruption Event occurs, the Issuer in its sole and absolute discretion may take the action described in (i) or (ii) below:
- (i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of any Relevant Asset and/or the Entitlement and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms to account for the Additional Disruption Event or the Asian Additional Disruption Event, as the case may be, and determine the effective date of that adjustment; or
 - (ii) on giving notice to Holders in accordance with Condition 10, redeem all but not some only of the Certificates, each Certificate being redeemed by payment of an amount equal to the fair market value of a Certificate taking into account the Additional Disruption Event or an Asian Additional Disruption Event, as the case may be, less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders in accordance with Condition 10.
- (c) Upon the occurrence of an Additional Disruption Event or an Asian Additional Disruption Event the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 10 stating the occurrence of the relevant Additional Disruption Event or Asian Additional Disruption Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

(G) *FX Disruption Event*

(a) **FX Disruption Event** means:

(A) the determination by the Calculation Agent of the occurrence of any event on or prior to the Redemption Date that has or would have the effect of preventing or delaying the Issuer and/or any of its Affiliates directly or indirectly from:

- (i) converting the Specified Currency into the Settlement Currency through customary legal channels;
- (ii) converting the Specified Currency into the Settlement Currency at a rate at least as favourable as the rate for domestic institutions located in the Specified Jurisdiction;
- (iii) delivering the Settlement Currency from accounts inside the Specified Jurisdiction to accounts outside the Specified Jurisdiction; or
- (iv) delivering the Specified Currency between accounts inside the Specified Jurisdiction or to a party that is a non-resident of the Specified Jurisdiction; or

(B) the Calculation Agent determines that the government of the Specified Jurisdiction has given public notice of its intention to impose any capital controls which the Calculation Agent determines in good faith are likely to materially affect the Issuer's ability to hedge its obligations with respect to the Certificates or to unwind such hedge.

(b) If FX Disruption Event is specified as applying in the applicable Final Terms, upon the occurrence of an FX Disruption Event, the Issuer may in its sole and absolute discretion take any one or more of the actions described below:

- (i) make payment of the Cash Settlement Amount and/or any Disruption Cash Settlement Amount and/or any Failure to Deliver Settlement Price and/or any other amount payable by the Issuer pursuant to the Conditions in the Specified Currency instead of the Settlement Currency the amount payable in the Specified Currency being determined by the Calculation Agent in its sole and absolute discretion; or
- (ii) deduct an amount calculated by the Calculation Agent in its sole and absolute discretion as representing the applicable charge or deduction arising in connection with the FX Disruption Event from the Cash Settlement Amount and/or any Disruption Cash Settlement Amount and/or any Failure to Deliver Settlement Price and/or any other amount payable by the Issuer pursuant to the Conditions; or
- (iii) postpone the Redemption Date and/or the Delivery Date and/or payment of the Disruption Cash Settlement Price and/or payment of the Failure to Deliver Settlement Price and/or payment of any other amount payable by the Issuer pursuant to the Conditions until in the determination of the Calculation Agent an FX Disruption Event is no longer subsisting.

(c) Upon the occurrence of an FX Disruption Event, the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 10 stating the occurrence of the FX Disruption Event, giving details thereof and the action proposed to be taken in relation thereto.

16. Adjustments for European Monetary Union

The Issuer may, without the consent of the Holders, on giving notice to the Holders in accordance with Condition 10:

- (i) elect that, with effect from the Adjustment Date specified in the notice, certain terms of the Certificates shall be redenominated in euro;

The election will have effect as follows:

- (A) where the Settlement Currency of the Certificates is the National Currency Unit of a country which is participating in the third stage of European Economic and Monetary Union, such Settlement Currency shall be deemed to be an amount of euro converted from the original Settlement Currency into euro at the Established Rate, subject to such provisions (if any) as to rounding as the Issuer may decide, after consultation with the Calculation Agent, and as may be specified in the notice, and after the Adjustment Date, all payments of the Cash Settlement Amount in respect of the Certificates will be made solely in euro as though references in the Certificates to the Settlement Currency were to euro;
- (B) where the Exchange Rate and/or any other terms of these Terms and Conditions are expressed in or, in the case of the Exchange Rate, contemplate the exchange from or into, the currency (the **Original Currency**) of a country which is participating in the third stage of European Economic and Monetary Union, such Exchange Rate and/or any other terms of these Terms and Conditions shall be deemed to be expressed in or, in the case of the Exchange Rate, converted from or, as the case may be into, euro at the Established Rate; and
- (C) such other changes shall be made to these Terms and Conditions as the Issuer may decide, after consultation with the Calculation Agent to conform them to conventions then applicable to instruments expressed in euro; and/or

- (ii) require that the Calculation Agent make such adjustments to the Multiplier and/or the Settlement Price and/or any other terms of these Terms and Conditions and/or the Final Terms as the Calculation Agent, in its sole discretion, may determine to be appropriate to account for the effect of the third stage of European Economic and Monetary Union on the Multiplier and/or the Settlement Price and/or such other terms of these Terms and Conditions.

Notwithstanding the foregoing, none of the Issuer, the Calculation Agent and the Agent shall be liable to any Holder or other person for any commissions, costs, losses or expenses in relation to or resulting from the transfer of euro or any currency conversion or rounding effected in connection therewith;

In this Condition, the following expressions have the following meanings:

Adjustment Date means a date specified by the Issuer in the notice given to the Holders pursuant to this Condition which falls on or after the date on which the country of the Original Currency first participates in the third stage of European Economic and Monetary Union pursuant to the Treaty;

Established Rate means the rate for the conversion of the Original Currency (including compliance with rules relating to rounding in accordance with applicable European Community regulations) into euro established by the Council of the European Union pursuant to the first sentence of Article 1091(4) of the Treaty;

euro means the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty;

National Currency Unit means the unit of the currency of a country, as those units are defined on the day before the date on which the country of the Original Currency first participates in the third stage of European Economic and Monetary Union; and

Treaty means the treaty establishing the European Community, as amended.

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

The Certificates do not confer on a third party any right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Certificates but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

USE OF PROCEEDS

The Issuers intend to apply the net proceeds from each issue of Certificates for general corporate purposes. A substantial portion of the proceeds may be used to hedge market risks with respect to Certificates. If, in respect of any particular issue of Certificates, there is a particular identified use of proceeds this will be stated in the applicable Final Terms.

FORM OF THE DEED OF GUARANTEE

THIS GUARANTEE is **EXECUTED** as a **DEED POLL** on 29th March, 2007 by BARCLAYS BANK PLC (registered in England no. 1026167) whose registered office is at 1 Churchill Place, London E14 5HP (the **Guarantor**) for the benefit of the holders for the time being of the Certificates (each a **Holder**).

WHEREAS:

- (A) Barclays Capital (Cayman) Limited (**BCCL**) and the Guarantor have entered into an Amended and Restated Master Certificate Agreement (the **Certificate Agreement**, which expression includes the same as it may be amended, supplemented or restated from time to time) dated 29th March, 2007 with JPMorgan Chase Bank N.A., London Branch as principal certificate agent (the **Principal Certificate Agent**) and the other agents named therein under which, *inter alia*, BCCL proposes to issue from time to time certificates (the **Certificates**) of any kind including, but not limited to, Certificates relating to a specified index or a basket of indices, a specified share or a basket of shares, a specified debt security or basket of debt securities, a specified currency or basket of currencies, a specified commodity or basket of commodities or a specified fund or basket of funds.
- (B) BCCL whose registered office is at the offices of Barclays Private Bank & Trust (Cayman) Limited, 4th Floor, First Caribbean House, P.O. Box 487, Grand Cayman, Cayman Islands, KY1 1106 has requested the Guarantor and the Guarantor has agreed to guarantee the obligations of BCCL in respect of each Certificate for the benefit of the relevant Holder in accordance with, and as limited by, the terms and conditions of this Guarantee.
- (C) Terms defined in the Terms and Conditions of the Certificates as amended and/or supplemented by the Final Terms (the **Final Terms**) issued by BCCL in respect of the relevant Certificates (the **Conditions**), and/or the Certificate Agreement and not otherwise defined in this Deed of Guarantee shall have the same meanings when used in this Deed of Guarantee.

NOW THIS DEED WITNESSES as follows:

- 1.1 Subject as provided below, the Guarantor unconditionally and irrevocably, as a continuing obligation, guarantees, for the benefit of each relevant Holder, in accordance with the terms and conditions of this Guarantee, all obligations of BCCL to such Holder under the Certificates and, in the event that BCCL shall default in satisfying such obligations as and when the same become due, undertakes to satisfy or procure the satisfaction of such obligations upon written demand being made under this Guarantee by the relevant Holder, Provided That (A) in the case of Physical Delivery Certificates, notwithstanding that BCCL had the right to vary settlement in respect of such Physical Delivery Certificates in accordance with Condition 6(C) and exercised such right or failed to exercise such right, the Guarantor will have the right at its sole and unfettered discretion to elect not to deliver or procure delivery of the Entitlement to the holders of such Physical Delivery Certificates, but in lieu thereof, to make payment in respect of each such Physical Delivery Certificate of an amount equal to the Guaranteed Cash Settlement Amount calculated pursuant to the terms of the relevant Final Terms (the **Guaranteed Cash Settlement Amount**) and (B) in the case of Certificates where the obligations of BCCL which fall to be satisfied by the Guarantor constitute the delivery of the Entitlement to the holders of such Certificates the Guarantor will as soon as practicable following BCCL's failure to satisfy its obligations under such Certificates deliver or procure delivery of such Entitlement using the method of delivery specified in the relevant Final Terms, Provided That, if in the opinion of the Guarantor, delivery of the Entitlement using such method is impossible or impracticable by reason of (i) a Settlement Disruption Event (as defined in Condition 6(B)(7)) or (ii) if "Failure to Deliver due to Illiquidity" is specified as applying in the relevant Final Terms, a Failure to Deliver due to Illiquidity (as defined in Condition 6(B)(8)), in lieu of such delivery the Guarantor will make payment in respect of each such Certificate of, in the case of (i) above, the Guaranteed Cash Settlement Amount or, in the case of (ii) above, the Failure to Deliver Settlement Price (as defined in Condition 6(B)(8)). Any payment of the Guaranteed Cash Settlement Amount or the Failure to Deliver Settlement Price, as the case may be, in respect of a Certificate shall constitute a complete discharge of the Guarantor's obligations in respect of such Certificate.
- 1.2 The Guarantor waives any right it may have of first requiring any Holder to make demand, proceed or enforce any rights or security against BCCL or any other person before making a claim against the Guarantor under this Guarantee.
- 2. A Holder shall only be entitled to take or obtain the benefit of this Guarantee upon the condition that, after receipt by the Guarantor of a written demand from the Holder, the Guarantor shall be entitled to deal with the Holder, and the Holder shall be obliged to deal with the Guarantor, with respect to any obligation to the Holder under the Certificates and this Guarantee without the necessity or duty to rely on, act through or otherwise involve or deal with BCCL to the intent that the Guarantor and the

Holder shall deal with one another as principals in relation to the same provided that the rights, powers, privileges and remedies of the Holder under this Guarantee shall not thereby be in any way limited or otherwise affected.

3. No delay or omission on the part of a Holder in exercising any right or remedy in respect of this Guarantee shall impair any such right or remedy or be construed as a waiver of any thereof nor shall any single or partial exercise of any such right or remedy preclude any further exercise thereof or the exercise of any other right or remedy. The rights and remedies provided in this Guarantee are cumulative and not exclusive of any rights or remedies provided by law. Nothing in this Guarantee shall be construed as voiding, negating or restricting any right of set off or any other right whatsoever existing in favour of a Holder or arising at common law, by statute or otherwise howsoever.
4. This Guarantee is a continuing guarantee and shall not be satisfied, discharged or affected by any intermediate payment, performance or settlement of account.
5. The Guarantor will not exercise any rights of subrogation or any other rights or remedy (including, without limiting the generality of the foregoing, the benefit of any security or right of set off) which it may acquire due to its satisfaction of any obligations in respect of any Certificate pursuant to the terms of this Guarantee and will not prove in the liquidation or winding up of BCCL in competition with any Holder unless and until all obligations in respect of the relevant Holder guaranteed by this Guarantee have been satisfied in full by the Guarantor. In the event that the Guarantor shall receive any payment or delivery of assets on account of such rights while any obligations remain to be satisfied, the Guarantor shall pay all amounts or deliver all assets so received to the relevant Holders.
6. Payments under this Guarantee shall be made free and clear of any deduction or withholdings other than those required by law.
7. Any demand or notice under this Guarantee shall be given in writing or by cable, telex or facsimile transmission addressed to the Guarantor at the registered or principal office of the Guarantor. A demand so made shall be deemed to have been duly made if left at such address on the day it was so left or, if sent by post, two weekdays after the time when the same was put in the post and in proving delivery it shall be sufficient to prove that the same was properly addressed and put in the post. Any such demand sent by cable, telex or facsimile transmission shall be deemed to have been duly made at the time of despatch.
8. The liability of the Guarantor under this Guarantee shall not be affected by the liquidation, winding up or other incapacity of BCCL. In the event that any obligation of BCCL to a Holder is avoided or reduced by virtue of any enactments for the time being in force relating to liquidation or insolvency, the Holder shall be entitled to recover the value or amount of the relevant payment or seek delivery of the relevant assets, as applicable, from the Guarantor as if such payment or delivery by BCCL had not been made.
9. This Guarantee shall remain in full force and effect irrespective of the validity, regularity, legality or enforceability against BCCL of, or of any defence or counter claim whatsoever available in relation to, any obligation of BCCL under the relevant Certificates whether or not any action has been taken to enforce the same or any judgment obtained against BCCL or any other person, whether or not any time or indulgence has been granted to BCCL or any other person by or on behalf of any Holder, whether or not there have been any dealings or transactions between BCCL or any other person and any of the Holders, whether or not BCCL or any other person has been dissolved, liquidated, merged, consolidated, became bankrupt or has changed its status, functions, control or ownership, whether or not BCCL or any other person has been prevented from making payment by foreign exchange provisions applicable at its place of registration or incorporation and whether or not any circumstances have occurred which might otherwise constitute a legal or equitable discharge of or defence to a guarantor.
10. In the event that any of the terms or provisions of this Guarantee are or shall become invalid, illegal or unenforceable, the remaining terms and provisions of this Guarantee shall survive unaffected.
11. The Guarantor shall be entitled at any time, without the consent of any Holder, to substitute any other entity the identity of which shall be in the absolute discretion of the Guarantor (the **New Guarantor**) in place of the Guarantor to act as guarantor in respect of any Certificates then outstanding and any Certificates issued thereafter provided that (i) the New Guarantor's long term unsecured, unsubordinated and unguaranteed debt obligations are rated at least the same as the Guarantor's long term unsecured, unsubordinated and unguaranteed debt obligations at the date on which the substitution is to take effect or the New Guarantor has an equivalent long term rating from another internationally recognised rating agency and (ii) the New Guarantor enters into a guarantee on substantially the same terms as this Guarantee. In the event of any such substitution, any reference to this

Guarantee shall be construed as a reference to the new guarantee. Such substitution shall be promptly notified to the Holders by the Guarantor in the same way as notices are given by BCCL to the Holders in accordance with Condition 10. In connection with such right of substitution, the Guarantor 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 Guarantor or New Guarantor any indemnification or payment in respect of any tax or other consequence of any such substitution upon such Holder.

12. This Guarantee shall be deposited with and held by JPMorgan Chase Bank N.A., London branch until all the obligations of the Guarantor have been discharged in full. The Guarantor acknowledges the right of every Holder to the production of, and the right of every Holder to obtain a copy of, this Guarantee.
13. Subject to applicable law, the Guarantor, at its sole option, shall be entitled to purchase any Certificates from any Holder, in whole or in part, to the extent that BCCL may purchase the Certificates *pro rata* in accordance with the amounts then owing under this Guarantee to such Holders.
14. This Guarantee is solely for the benefit of Holders and is not separately transferable from the relevant Certificates.
15. No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Guarantee, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.
16. This Guarantee is governed by and shall be construed in accordance with English law.

IN WITNESS whereof this Guarantee has been executed as a deed poll by the Guarantor on the day and year first written above.

THE COMMON SEAL of)
BARCLAYS BANK PLC)
was in execution of this DEED)
hereunto affixed in the presence of:)
)
)
Authorised Sealing Officer)

DESCRIPTION OF THE BANK AND THE GROUP

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

The Bank and its subsidiary undertakings (together, the **Group**) is a major global financial services provider engaged in retail and commercial banking, credit cards, investment banking, wealth management and investment management services. The whole of the issued ordinary share capital of the Bank is beneficially owned by 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.

The short term unsecured obligations of the Bank are rated A-1+ by Standard & Poor's, P-1 by Moody's and F1+ by Fitch Ratings Limited and the long-term obligations of the Bank are rated AA by Standard & Poor's, Aa1 by Moody's and AA+ by Fitch Ratings Limited.

Based on the Group's audited financial information for the year ended 31st December, 2006, the Group had total assets of £996,503 million (2005: £924,170 million), total net loans and advances³ of £313,226 million (2005: £300,001 million), total deposits⁴ of £336,316 million (2005: £313,811 million), and total shareholders' equity of £27,106 million (2005: £24,243 million) (including minority interests of £1,685 million (2005: £1,578 million)). The profit before tax of the Group for the year ended 31st December, 2006 was £7,197 million (2005: £5,311 million) after impairment charges on loans and advances and other credit provisions of £2,154 million (2005: £1,571 million). The financial information in this paragraph is extracted from the audited Annual Report of the Group for the year ended 31st December, 2006.

Other Developments, Competition and Regulatory Matters

Acquisitions

On 1st November, 2006, Barclays acquired the US mortgage servicing business of HomEq servicing Corporation from Wachovia Corporation.

Disposals

On 1st January, 2006, Barclays completed the sale of the Barclays South African branch business to Absa Group Limited. This consists of the Barclays Capital South African operations and Corporate and Business Banking activities previously carried out by the South African branch of International Retail and Commercial Banking excluding Absa together with the associated assets and liabilities.

On 25th July, 2006, Barclays Asset & Sales Finance (**BA&SF**) disposed of its interest in its vehicle leasing business, Appleyard Finance Holdings Limited.

On 22nd December, 2006, Barclays disposed of its interest in FirstCaribbean International Bank to Canadian Imperial Bank of Commerce.

On 31st December, 2006, BA&SF disposed of its European Vendor Finance business, including Barclays Industrie Bank GmbH and Barclays Technology Finance Ltd, to CIT Group.

Recent Developments

On 19th January, 2007, Barclays announced that it had entered into an agreement to purchase EquiFirst Corporation, the non-prime mortgage origination business of Regions Financial Corporation. Completion is expected in the first half of 2007, subject to the receipt of the required licences and applicable regulatory approval.

On 8th February, 2007, Barclays completed the acquisition of Indexchange Investment AG, Germany's leading provider of exchange traded funds, from Bayerische Hypo-und Vereinsbank. The transaction was announced in November 2006.

Competition and regulatory matters

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

Concurrently, there is continuing political and regulatory scrutiny of the operation of the retail banking and consumer credit industries in the UK and elsewhere. The nature and impact of future changes in policies and regulatory action are not predictable and beyond the Group's control but could have an impact on the Group's businesses and earning.

³ Total net loans and advances include balances relating to both banks and customer accounts.

⁴ Total deposits include deposits from banks and customer accounts.

In the EU as a whole, there was an inquiry into retail banking in all of the then 25 Member States by the European Commission's Directorate General for Competition. The inquiry looked at retail banking in Europe generally and the Group has fully co-operated with the inquiry. On 31st January, 2007 the European Commission announced that the inquiry had identified barriers to competition in certain areas of retail banking, payment cards and payment systems in the EU. The European Commission indicated it will use its powers to address these barriers, and will encourage national competition authorities to enforce European and national competition laws where appropriate. Any action taken by the European Commission and national competition authorities could have an impact on the payment cards and payment systems businesses of the Group and on its retail banking activities in the EU countries in which it operates.

In the UK, in September 2005 the Office of Fair Trading (**OFT**) received a super-complaint from the Citizens Advice Bureau relating to payment protection insurance (**PPI**). As a result, the OFT commenced a market study on PPI in April 2006. In October 2006, the OFT announced the outcome of the market study and, following a period of consultation, the OFT referred the PPI market to the UK Competition Commission for an in-depth inquiry on 7th February, 2007. This inquiry could last for up to two years. Also in October 2006, the Financial Services Authority (**FSA**) published the outcome of its broad industry thematic review of PPI sales practices in which it concluded that some firms fail to treat customers fairly. The Group has cooperated fully with these investigations and will continue to do so.

In April 2006, the OFT commenced a review of the undertakings given following the conclusion of the Competition Commission inquiry in 2002 into the supply of banking services to small and medium enterprises (**SMEs**). The Group is cooperating fully with that review.

The OFT has carried out investigations into Visa and MasterCard credit card interchange rates. The decision by the OFT in the MasterCard interchange case was set aside by the Competition Appeals Tribunal in June 2006. The OFT's investigation in the Visa interchange case is at an earlier stage and a second MasterCard interchange case is ongoing. The outcome is not known but these investigations may have an impact on the consumer credit industry in general and therefore on the Group's business in this sector. On 9th February 2007 the OFT announced that it was expanding its investigation into interchange rates to include debit cards.

The OFT announced the findings of its investigation into the level of late and over-limit fees on credit cards on 5th April, 2006, requiring a response from credit card companies by 31st May, 2006. Barclaycard responded by confirming that it would reduce its late and over-limit fees on credit cards.

On 7th September, 2006, the OFT announced that it had decided to undertake a fact find on the application of its statement on credit card fees to current account unauthorised overdraft fees. The OFT expects this work to take up to six months, at which stage the OFT will consider whether a further detailed investigation into unauthorised overdraft fees is needed.

On 26th January, 2007, the FSA issued a statement of good practice relating to mortgage exit administration fees. Barclays will charge the fee applicable at the time the customer took out the mortgage, which is one of the options recommended by the FSA.

Directors

The Directors of the Bank, 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 activity
Marcus Agius	Group Chairman	Senior Non-Executive Director, British Broadcasting Corporation
John Varley	Group Chief Executive	Non-Executive Director, AstraZeneca plc
Naguib Kheraj	Group Finance Director ⁵	—
Robert E. Diamond Jr.	President, Barclays PLC Chief Executive, Investment Banking and Investment Management	—
Ferderik (Frits) Seegers	Chief Executive, Global Retail and Commercial Banking	—
Gary Hoffman	Group Vice-Chairman	—
Sir Nigel Rudd DL	Deputy Chairman, Non-Executive Director	Chairman, Pendragon PLC, Chairman, Alliance Boots PLC, Non-Executive Director BAe Systems PLC
Sir Richard Broadbent	Senior Independent Director and Non-Executive Director	Chairman, Arriva plc

⁵ Chris Loucas is appointed Group Finance Director with effect from 1st April, 2007. Naguib Kheraj will be responsible for the 2006 financial statements and will continue to be available after publication of the Annual Report in March 2007 to ensure a smooth handover to Chris Loucas. Naguib Kheraj will leave the Board on 31st March, 2007.

Leigh Clifford	Non-Executive Director	Chief Executive, Rio Tinto PLC
Fulvio Conti	Non-Executive Director	Chief Executive Officer, Enel SpA
Dr. Danie Cronjé	Non-executive Director and Chairman of Absa Group Limited	—
Professor Dame Sandra Dawson	Non-Executive Director	KPMG Professor of Management Studies at the University of Cambridge
Sir Andrew Likierman	Non-Executive Director	Professor of Management Practice in Accounting, London Business School, Non-Executive Director, Bank of England
Stephen Russell	Non-Executive Director	—
Sir John Sunderland	Non-Executive Director	Chairman, Cadbury Schweppes PLC, Deputy President, Confederation of British Industry, Director, Financial Reporting Council.

Employees

The average number of persons employed by the Group worldwide during 2006, excluding agency staff, was 118,600 (2005: 92,800).

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

DESCRIPTION OF BCCL

BCCL was incorporated in the Cayman Islands on 24th July, 1989 for an unlimited duration and registered on 26th July, 1989. BCCL operates under Cayman Islands law with limited liability. BCCL's registered office is at the offices of Barclays Private Bank & Trust (Cayman) Limited, 4th Floor, First Caribbean House, PO Box 487, Grand Cayman, Cayman Islands, KY1 1106. Its registration number is 32968. BCCL is a wholly-owned direct subsidiary of the Bank.

BCCL was established for the purpose of issuing notes, warrants and buying and selling options. It is the policy of the Directors to hedge fully the liabilities of BCCL arising under notes and warrants issued by BCCL.

BCCL is resident for tax purposes in the United Kingdom.

Share Capital

The following table sets out the capitalisation of BCCL as at the date of this Base Prospectus:

Authorised:	1,000 Ordinary shares of \$10 each
	100,000,000,000 Preference Shares of £0.01 each

Allotted and fully paid:	10 Ordinary shares of \$10 each
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As at the date hereof, BCCL does not have any loan capital outstanding or created but unissued term loans, any other borrowings or indebtedness in the nature of borrowing, bank overdrafts or liabilities under acceptances, acceptance credits, hire purchase commitments, obligations under finance leases, guarantees or other contingent liabilities.

Directors

The Board of Directors of BCCL consists of:

<i>Name</i>	<i>Function within BCCL</i>	<i>Principal Activities outside BCCL</i>
Eric Didier Bommensath	Director	Investment Banker, Barclays Bank PLC
Jerry Del Missier	Director	Investment Banker, Barclays Bank PLC
Dixit Joshi	Director	Investment Banker, Barclays Bank PLC
Richard Ho	Director	Investment Banker, Barclays Bank PLC
Kate Craven	Director	Investment Banker, Barclays Bank PLC
Giles Rothwell	Director	Investment Banker, Barclays Bank PLC

The business address of all the above Directors is 5 The North Colonnade, Canary Wharf, London E14 4BB.

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

Ultimate Parent Company

The parent undertaking of the smallest group that presents group accounts within which BCCL's accounts are consolidated is the Bank. The ultimate holding company and the parent company of the largest group that presents group accounts within which BCCL's accounts are consolidated is Barclays PLC. Both companies are incorporated in England and Wales. The statutory accounts of both the Bank and Barclays PLC are available from the Company Secretary, One Churchill Place, London E14 5HP.

Related Parties

In the ordinary course of business, BCCL participates in transactions with parent and fellow subsidiary companies. In accordance with the exemption offered by Financial Reporting Standard No. 8 "Related Party Disclosures", such transactions are not disclosed, as the consolidated audited financial statements of the Group are publicly available.

The Guarantee of the Bank

The Bank has entered into a Guarantee dated on or about 29 March 2007 under which the Bank undertakes unconditionally and irrevocably to guarantee the proper, punctual and complete performance by BCCL of its obligations under all Certificates issued by BCCL.

BOOK-ENTRY CLEARANCE SYSTEMS

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Clearstream, Luxembourg or Euroclear (together, the **Clearing Systems**) currently in effect and subject as provided in the applicable Final Terms. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuers, the Guarantor nor any agent party to the Certificate Agreement will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Certificates held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.*

Book-entry Systems

DTC

DTC has advised the Bank 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 "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to Section 17A of the Exchange Act. DTC holds securities that its participants (**Direct Participants**) deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerised book-entry changes in Direct Participants accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (**Indirect Participants**).

Under the rules, regulations and procedures creating and affecting DTC and its operations (the **Rules**), DTC makes book-entry transfers of Rule 144A Global Certificates held by a custodian (the **Custodian**) on behalf of DTC among Direct Participants on whose behalf it acts with respect to Certificates accepted into DTC's book-entry settlement system (**DTC Certificates**) as described below and receives and transmits payments on DTC Certificates. The Rules are on file with the Securities and Exchange Commission. Direct Participants and Indirect Participants with which beneficial owners of DTC Certificates (**Beneficial Owners**) have accounts with respect to the DTC Certificates similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Beneficial Owners. Accordingly, although Beneficial Owners who hold DTC Certificates through Direct Participants or Indirect Participants will not possess definitive Certificates, the Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interest in respect to the DTC Certificates.

Purchases of DTC Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Certificates on DTC's records. The ownership interest of each Beneficial Owner is in turn to be recorded on the Direct and Indirect Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Certificates are to be accomplished by entries made on the books of Direct Participants or Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Certificates, except in the event that use of the book-entry system for the DTC Certificates is discontinued.

To facilitate subsequent transfers, all DTC Certificates deposited by Direct Participants with DTC are registered in the name of DTC's nominee, Cede & Co or any other nominee as may be requested by an authorised representative of DTC. The deposit of DTC Certificates with DTC and their registration in the name of Cede & Co. or any other nominee effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such DTC Certificates are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Under certain circumstances DTC will exchange the DTC Certificates for definitive Certificates, which it will distribute to its Direct Participants in accordance with their proportionate entitlements. Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Beneficial Owner desiring to pledge DTC Certificates to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Certificates, will be required to withdraw its Rule 144A Global Certificate from DTC.

Clearstream, Luxembourg and Euroclear

Clearstream, Luxembourg and Euroclear each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Clearstream, Luxembourg and Euroclear provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream, Luxembourg and Euroclear also deal with domestic securities markets in several countries through established depositary and custodial relationships. Clearstream, Luxembourg and Euroclear have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Clearstream, Luxembourg and Euroclear customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Clearstream, Luxembourg and Euroclear is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

Book-entry Ownership of and Payments in respect of DTC Certificates

If a Rule 144A Global Certificate is to be registered in the name of a nominee of DTC, the Issuer will apply to DTC in order to have the Certificates represented by such Rule 144A Global Certificate accepted in its book-entry settlement system. Upon the issue of any Rule 144A Global Certificate to be held by a Custodian on behalf of DTC, DTC or the Custodian will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Rule 144A Global Certificate to the accounts of the relevant Direct Participants. Ownership of beneficial interests in any such Rule 144A Global Certificate will be limited to Direct Participants or Indirect Participants, including the respective depositories of Clearstream, Luxembourg and Euroclear. Ownership of beneficial interests in any such Rule 144A Global Certificate held by a Custodian on behalf of DTC will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars in respect of a Rule 144A Global Certificate registered in the name of DTC's nominee will be made to the New York Certificate Agent to the order of such nominee as the registered Holder. In the case of any payment in a currency other than U.S. dollars, payment will be made to the New York Certificate Agent on behalf of DTC's nominee and the New York Certificate Agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Rule 144A Global Certificate held by a Custodian on behalf of DTC in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Direct Participants' account.

The Issuer expects that payments by Direct Participants to Beneficial Owners of Certificates will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Direct Participant and not the responsibility of DTC, the Principal Certificate Agent, the New York Certificate Agent or the Issuer. Payments on Certificates to DTC is the responsibility of the Issuer.

Transfers of Certificates Represented by Global Certificates

Transfers of any interests in Certificates represented by a Global Certificate within DTC, Clearstream, Luxembourg and Euroclear will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Certificates represented by a Global Certificate to such persons may depend upon the ability to exchange such Certificates for Certificates in definitive form. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC to pledge such Certificates to persons or entities that do not participate in the DTC system or to otherwise take action in respect of such Certificates may depend upon the ability to exchange such Certificates for Certificates in definitive form. The ability of any person having a beneficial interest in Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC to resell, pledge or otherwise transfer such Certificates may be impaired if the proposed transferee of such Certificates is not eligible to hold such Certificates through a Direct Participant or Indirect Participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the Rule 144A Global Certificates described under "*Notice to Purchasers and Holders of Certificates and Transfer Restrictions*", cross-market transfers between DTC, on the one hand, and direct or indirect accountholders of Clearstream, Luxembourg or Euroclear, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Principal Certificate Agent, the New York Certificate Agent and any custodian with whom the relevant Global Certificates have been deposited.

On or after the Issue Date for any Certificates, transfers of such Certificates between accountholders in Clearstream, Luxembourg and Euroclear and transfers of such Certificates between Direct 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 may apply to such transfers.

Cross-market transfers between accountholders in Clearstream, Luxembourg or Euroclear 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 Clearstream, Luxembourg or Euroclear, on the other, transfers of interests in the relevant Global Certificates will be effected through the Principal Certificate Agent and the New York Certificate 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. In the case of cross-market transfers, settlement between Clearstream, Luxembourg or Euroclear accountholders and Direct 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.

DTC, Clearstream, Luxembourg and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Global Certificates among participants and accountholders of DTC, Clearstream, Luxembourg and Euroclear. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuer, (where the Issuer is BCCL) the Guarantor, the Principal Certificate Agent, the New York Certificate Agent and Barclays Capital Inc. will be responsible for any performance by DTC, Clearstream, Luxembourg or Euroclear or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Certificates represented by Global Certificates or for maintaining, supervising or reviewing any records relating to such beneficial interests.

NOTICE TO PURCHASERS AND HOLDERS OF CERTIFICATES AND TRANSFER RESTRICTIONS

As a result of the following restrictions, purchasers of Certificates in the United States are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Certificates.

Each purchaser of Certificates or an interest therein will, by its purchase of such Certificates, be deemed to acknowledge, represent and agree as follows (terms used in this paragraph that are defined in Rule 144A, Regulation S or the Terms and Conditions are used herein as defined therein):

- (i) that either: (a) in the case of the issue or transfer of a Certificate to or for a person who takes delivery in the form of Certificates represented by a Rule 144A Global Certificate, it is a QIB, purchasing (or holding) the Certificates for its own account or for the account of one or more QIBs and it is aware, and each beneficial owner of such Certificates has been advised, that any sale to it is being made in reliance on Rule 144A or (b) it is outside the United States and is not a U.S. person;
- (ii) that in issuing a Certificate linked to any Relevant Asset, the Issuer is not making, and has not made any representations whatsoever as to the Relevant Asset or any information contained in any document filed by the issuer of such Relevant Asset with any exchange or with any governmental entity regulating the purchase and sale of securities or a Certificate linked to any Relevant Asset;
- (iii) that the Issuer and any affiliate of the Issuer may, whether by virtue of the types of relationships described above or otherwise, at the date hereof or at any time hereafter be in possession of information in relation to the issuer of a Relevant Asset which is or may be material in the context of an issue of Certificates linked to such Relevant Asset and which is not or may not be known to the general public or any Holder. Certificates linked to any Relevant Asset do not create any obligation on the part of the Issuer or any affiliate of the Issuer to disclose to any Holder any such relationship or information (whether or not confidential) and neither the Issuer nor any other affiliate of the Issuer shall be liable to any Holder by reason of such non-disclosure. No such information had been used in the selection of any issuer of a Relevant Asset for any Certificates linked to any Relevant Asset;
- (iv) that the Issuer and any affiliate of the Issuer may have existing or future business relationships with the issuer of a Relevant Asset (including, but not limited to, lending, depository, risk management, advisory or banking relationships), and will pursue actions and take steps that it deems or they deem necessary or appropriate to protect its or their interests arising therefrom without regard to the consequences for a Holder of a Certificate linked to the issuer of a Relevant Asset;
- (v) that the market value of Certificates linked to the issuer of a Relevant Asset may be adversely affected by movements in the value of the issuer of the Relevant Asset or in currency exchange rates;
- (vi) that the Cash Settlement Amount or the value of the Entitlement in respect of any Certificate may be less than its issue price;
- (vii) that no Certificates or any Entitlements deliverable thereunder are being offered and sold in a transaction involving a public offering in the United States within the meaning of the Securities Act, and that no Certificates have been or will be registered under the Securities Act or any applicable U.S. State securities laws and no Certificates may be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;
- (viii) that, unless it holds an interest in a Permanent Global Certificate or a Registered Global Certificate (in which event the Certificates represented by such Permanent Global Certificate or Registered Global Certificate, as the case may be, may only be transferred outside the United States to a non-U.S. person), if in the future it decides to resell, pledge or otherwise transfer the Certificates or any beneficial interests in the Certificates, it will do so, only (a) inside the United States to a person whom the seller reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A or (b) outside the United States to a non-U.S. person in compliance with Regulation S;
- (ix) it will, and will require each subsequent Holder to, notify any purchaser of Certificates from it of the resale restrictions referred to in paragraph (viii) above;
- (x) that Certificates initially offered in the United States to QIBs will be represented by a Rule 144A Global Certificate and that Certificates offered outside the United States in reliance on Regulation S will be represented by a Regulation S Global Certificate, a Permanent Global Certificate or a Registered Global Certificate;
- (xi) that Rule 144A Global Certificates will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THE CERTIFICATES REPRESENTED BY THIS RULE 144A GLOBAL CERTIFICATE AND ANY ENTITLEMENT DELIVERABLE THEREUNDER HAVE NOT BEEN REGISTERED AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**). CERTIFICATES REPRESENTED BY THIS RULE 144A GLOBAL CERTIFICATE MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED WITHOUT REGISTRATION UNDER THE SECURITIES ACT UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE. BARCLAYS BANK PLC, THE ISSUER OF THIS RULE 144A GLOBAL CERTIFICATE, HAS NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED. THE PURCHASER OF ANY CERTIFICATE REPRESENTED BY THIS RULE 144A GLOBAL CERTIFICATE ACKNOWLEDGES THE RESTRICTIONS ON THE TRANSFER OF THE CERTIFICATES SET FORTH BELOW AND AGREES THAT IT SHALL TRANSFER ANY CERTIFICATE ONLY AS PROVIDED IN THE MASTER CERTIFICATE AGREEMENT REFERRED TO HEREIN OR IN THE FINAL TERMS ATTACHED HERETO.

THE CERTIFICATES REPRESENTED BY THIS RULE 144A GLOBAL CERTIFICATE MAY NOT BE RESOLD OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE CERTIFICATE AGREEMENT AND FINAL

TERMS REFERRED TO HEREIN AND OTHER THAN PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT PROVIDED BY RULE 144A OR REGULATION S THEREUNDER AND A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND SHALL BE DELIVERED TO EACH PERSON TO WHOM CERTIFICATES REPRESENTED BY THIS RULE 144A GLOBAL CERTIFICATE ARE TRANSFERRED.

EACH HOLDER OF A BENEFICIAL INTEREST IN THE CERTIFICATES REPRESENTED BY THIS RULE 144A GLOBAL CERTIFICATE SHALL BE DEEMED TO HAVE REPRESENTED WITH RESPECT TO ITSELF AND EACH ACCOUNT FOR WHICH IT IS PURCHASING THAT IT AND EACH HOLDER OF SUCH ACCOUNT IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A AND ACQUIRED SUCH INTEREST IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A. ANY RESALE OR OTHER TRANSFER OF INTEREST IN THE CERTIFICATES REPRESENTED BY THIS RULE 144A GLOBAL CERTIFICATE MAY, IF APPLICABLE, REQUIRE THE TRANSFEROR TO SUBMIT TO THE RELEVANT CERTIFICATE AGENT A CERTIFICATE OF TRANSFER, IN THE APPROPRIATE FORM SET FORTH IN SCHEDULE 10 OR 11 TO THE MASTER CERTIFICATE AGREEMENT REFERRED TO HEREIN. IF AT ANY TIME THE [PRINCIPAL/NEW YORK] CERTIFICATE AGENT SUBSEQUENTLY DETERMINES OR IS SUBSEQUENTLY NOTIFIED BY THE ISSUER THAT THE HOLDER OF ANY INTEREST IN THE CERTIFICATES REPRESENTED BY THIS RULE 144A GLOBAL CERTIFICATE WAS IN BREACH, AT THE TIME GIVEN, OF ANY REPRESENTATION OR AGREEMENT GIVEN BY SUCH HOLDER, THE PURPORTED TRANSFER SHALL BE ABSOLUTELY NULL AND VOID AB INITIO AND SHALL VEST NO RIGHTS IN THE PURPORTED TRANSFEREE (SUCH PURPORTED TRANSFEREE, A **DISQUALIFIED TRANSFEREE**) AND THE LAST PRECEDING HOLDER OF SUCH INTEREST THAT WAS NOT A DISQUALIFIED TRANSFEREE SHALL BE RESTORED TO ALL RIGHTS AS A HOLDER THEREOF RETROACTIVELY TO THE DATE OF TRANSFER OF SUCH INTEREST BY SUCH HOLDER.

IF REQUESTED BY THE ISSUER OR BY A CERTIFICATE AGENT, THE PURCHASER AGREES TO PROVIDE THE INFORMATION NECESSARY TO DETERMINE WHETHER THE TRANSFER OF CERTIFICATES REPRESENTED BY THIS RULE 144A GLOBAL CERTIFICATE IS PERMISSIBLE UNDER THE SECURITIES ACT.

THE CERTIFICATES AND RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR REALES AND OTHER TRANSFERS OF THE CERTIFICATES TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO THE RESALE OR TRANSFER OF RESTRICTED SECURITIES GENERALLY. BY THE ACCEPTANCE OF A CERTIFICATE REPRESENTED BY THIS RULE 144A GLOBAL CERTIFICATE, THE PURCHASER THEREOF SHALL BE DEEMED TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT.

A Rule 144A Certificate held by a Custodian on behalf of DTC shall also bear the following legend:

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORISED REPRESENTATIVE OF THE DEPOSITARY TRUST COMPANY, A NEW YORK CORPORATION (**DTC**), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN THE SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORISED 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.";

(xii) that Regulation S Global Certificates will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THE CERTIFICATES REPRESENTED BY THIS REGULATION S GLOBAL CERTIFICATE AND ANY ENTITLEMENT DELIVERABLE THEREUNDER HAVE NOT BEEN REGISTERED AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**). CERTIFICATES REPRESENTED BY THIS REGULATION S GLOBAL CERTIFICATE MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED WITHOUT REGISTRATION UNDER THE SECURITIES ACT UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE. BARCLAYS BANK PLC, THE ISSUER OF THIS REGULATION S GLOBAL CERTIFICATE, HAS NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED. THE PURCHASER OF ANY CERTIFICATE REPRESENTED BY THIS REGULATION S GLOBAL CERTIFICATE ACKNOWLEDGES THE RESTRICTIONS ON THE TRANSFER OF THE CERTIFICATES SET FORTH BELOW AND AGREES THAT IT SHALL TRANSFER ANY CERTIFICATE ONLY AS PROVIDED IN THE CERTIFICATE AGREEMENT REFERRED TO HEREIN OR IN THE FINAL TERMS ATTACHED HERETO.

THE CERTIFICATES REPRESENTED BY THIS REGULATION S GLOBAL CERTIFICATE MAY NOT BE RESOLD OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE CERTIFICATE AGREEMENT AND FINAL TERMS REFERRED TO HEREIN AND OTHER THAN PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT PROVIDED BY RULE 144A OR REGULATION S THEREUNDER AND A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND SHALL BE DELIVERED TO EACH PERSON TO WHOM CERTIFICATES REPRESENTED BY THIS REGULATION S GLOBAL CERTIFICATE ARE TRANSFERRED.

EACH HOLDER OF A BENEFICIAL INTEREST IN THE CERTIFICATES REPRESENTED BY THIS REGULATION S GLOBAL CERTIFICATE SHALL BE DEEMED TO HAVE REPRESENTED WITH RESPECT TO ITSELF AND EACH ACCOUNT FOR WHICH IT IS PURCHASING THAT IT AND EACH HOLDER OF SUCH ACCOUNT IS NOT A U.S. PERSON AS DEFINED IN THE SECURITIES ACT AND THAT IT AND EACH SUCH HOLDER HAS ACQUIRED SUCH INTEREST IN A TRANSACTION MEETING THE REQUIREMENTS OF REGULATION S. ANY RESALE OR OTHER TRANSFER OF INTEREST IN THE CERTIFICATES REPRESENTED BY THIS REGULATION S GLOBAL CERTIFICATE SHALL, DURING THE APPLICABLE DISTRIBUTION COMPLIANCE PERIOD (AS DEFINED IN REGULATION S), REQUIRE THE TRANSFEROR TO SUBMIT TO THE PRINCIPAL CERTIFICATE AGENT A CERTIFICATE OF TRANSFER, IN THE APPROPRIATE FORM SET FORTH IN SCHEDULE 10 OR 11 OF THE MASTER CERTIFICATE AGREEMENT REFERRED TO HEREIN. IF AT ANY TIME THE PRINCIPAL CERTIFICATE AGENT

SUBSEQUENTLY DETERMINES OR IS SUBSEQUENTLY NOTIFIED BY THE ISSUER THAT THE HOLDER OF ANY INTEREST IN THE CERTIFICATES REPRESENTED BY THIS REGULATION S GLOBAL CERTIFICATE WAS IN BREACH, AT THE TIME GIVEN, OF ANY REPRESENTATION OR AGREEMENT GIVEN BY SUCH HOLDER, THE PURPORTED TRANSFER SHALL BE ABSOLUTELY NULL AND VOID AB INITIO AND SHALL VEST NO RIGHTS IN THE PURPORTED TRANSFEREE (SUCH PURPORTED TRANSFEREE, A **DISQUALIFIED TRANSFEREE**) AND THE LAST PRECEDING HOLDER OF SUCH INTEREST THAT WAS NOT A DISQUALIFIED TRANSFEREE SHALL BE RESTORED TO ALL RIGHTS AS A HOLDER THEREOF RETROACTIVELY TO THE DATE OF TRANSFER OF SUCH INTEREST BY SUCH HOLDER. ENTITLEMENTS REPRESENTED BY THIS REGULATION S GLOBAL CERTIFICATE MAY NOT BE DELIVERED TO OR ON BEHALF OF ANY U.S. PERSON UNLESS REGISTERED UNDER THE SECURITIES ACT OR PURSUANT TO AN EXEMPTION FROM THE SECURITIES ACT.

IF REQUESTED BY THE ISSUER OR BY A CERTIFICATE AGENT, THE PURCHASER AGREES TO PROVIDE THE INFORMATION NECESSARY TO DETERMINE WHETHER THE TRANSFER OF CERTIFICATES REPRESENTED BY THIS REGULATION S GLOBAL CERTIFICATE IS PERMISSIBLE UNDER THE SECURITIES ACT.

THE CERTIFICATES AND RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR REALES AND OTHER TRANSFERS OF THE CERTIFICATES TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO THE RESALE OR TRANSFER OF RESTRICTED SECURITIES GENERALLY. THE PURCHASER OF CERTIFICATES REPRESENTED BY THIS REGULATION S GLOBAL CERTIFICATE SHALL BE DEEMED TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT.";

- (xiii) that Permanent Global Certificates and the Registered Global Certificates will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THE CERTIFICATES REPRESENTED BY THIS [PERMANENT/REGISTERED] GLOBAL CERTIFICATE AND ANY ENTITLEMENT DELIVERABLE THEREUNDER HAVE NOT BEEN REGISTERED AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**). CERTIFICATES REPRESENTED BY THIS [PERMANENT/REGISTERED] GLOBAL CERTIFICATE MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED EXCEPT AS SET FORTH BELOW. [NEITHER BARCLAYS CAPITAL (CAYMAN) LIMITED/BARCLAYS BANK PLC], THE ISSUER [NOR BARCLAYS BANK PLC, THE GUARANTOR] OF THIS [PERMANENT/REGISTERED] GLOBAL CERTIFICATE, HAS [NOT] BEEN REGISTERED UNDER THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED. THE PURCHASER OF ANY CERTIFICATE REPRESENTED BY THIS [PERMANENT/REGISTERED] GLOBAL CERTIFICATE ACKNOWLEDGES THE RESTRICTIONS ON THE TRANSFER OF THE CERTIFICATES REPRESENTED BY THIS [PERMANENT/REGISTERED] GLOBAL CERTIFICATE SET FORTH BELOW AND AGREES THAT IT SHALL TRANSFER ANY CERTIFICATE REPRESENTED BY THIS [PERMANENT/REGISTERED] GLOBAL CERTIFICATE ONLY AS PROVIDED IN THE MASTER CERTIFICATE AGREEMENT REFERRED TO HEREIN OR IN THE FINAL TERMS ATTACHED HERETO. THE CERTIFICATES REPRESENTED BY THIS [PERMANENT/REGISTERED] GLOBAL CERTIFICATE, OR INTERESTS THEREIN, MAY NOT AT ANY TIME BE OFFERED, SOLD, RESOLD, TRADED OR DELIVERED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OF AMERICA (INCLUDING THE STATES AND THE DISTRICT OF COLUMBIA), ITS TERRITORIES, ITS POSSESSIONS AND OTHER AREAS SUBJECT TO ITS JURISDICTION OR DIRECTLY OR INDIRECTLY OFFERED, SOLD, RESOLD, TRADED OR DELIVERED TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON, AS SUCH TERM IS DEFINED IN REGULATION S UNDER THE SECURITIES ACT. THE CERTIFICATES REPRESENTED BY THIS [PERMANENT/REGISTERED] GLOBAL CERTIFICATE MAY NOT BE EXERCISED BY OR ON BEHALF OF ANY U.S. PERSON.

THE CERTIFICATES AND RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR REALES AND OTHER TRANSFERS OF THE CERTIFICATES REPRESENTED BY THIS [PERMANENT/REGISTERED] GLOBAL CERTIFICATE TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO THE RESALE OR TRANSFER OF RESTRICTED SECURITIES GENERALLY. THE PURCHASER OF CERTIFICATES REPRESENTED BY THIS [PERMANENT/REGISTERED] GLOBAL CERTIFICATE SHALL BE DEEMED TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT."; and

- (xiv) that the Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the Issuer; and if it is acquiring any Certificates as a fiduciary or agent for one or more accounts 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.

TAXATION

Purchasers of Certificates may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the issue price of each Certificate.

TRANSACTIONS INVOLVING CERTIFICATES MAY HAVE TAX CONSEQUENCES FOR POTENTIAL PURCHASERS WHICH MAY DEPEND, AMONGST OTHER THINGS, UPON THE STATUS OF THE POTENTIAL PURCHASER AND LAWS RELATING TO TRANSFER AND REGISTRATION TAXES. POTENTIAL PURCHASERS WHO ARE IN ANY DOUBT ABOUT THE TAX POSITION OF ANY ASPECT OF TRANSACTIONS INVOLVING CERTIFICATES SHOULD CONSULT THEIR OWN TAX ADVISERS.

Transactions involving Certificates may have tax consequences for potential purchasers which may depend, amongst other things, upon the status of the potential purchaser and may relate to transfer and registration taxes.

Condition 11 ("Expenses and Taxation") on page 44 should be considered carefully by all potential purchasers of any Certificates.

United States Federal Income Tax Considerations

General

To ensure compliance with U.S. Internal Revenue Service Circular 230, prospective investors are hereby notified that: (a) any discussion of federal tax issues contained or referred to in this Base Prospectus is not intended or written to be used, and cannot be used by prospective investors for the purpose of avoiding penalties that may be imposed on them under the Internal Revenue Code; (b) such discussion is written in connection with the promotion or marketing by the Issuers and the Guarantor, as applicable, of the transactions or matters addressed herein; and (c) prospective investors should seek advice based on their particular circumstances from an independent tax advisor.

The following is a general summary of certain U.S. federal income tax consequences that may be relevant with respect to the acquisition, ownership and disposition of Certificates. Except where otherwise indicated, this summary addresses only the U.S. federal income tax considerations of U.S. Holders (as defined below) that acquire Certificates at their original issuance and that will hold the Certificates as capital assets.

This discussion is a summary for general information only and does not purport to address all U.S. federal income tax matters that may be relevant to the purchase, ownership, and disposition of Certificates to a particular holder. This summary does not address tax considerations applicable to holders that may be subject to special tax rules including, without limitation, the following: (i) financial institutions; (ii) insurance companies; (iii) dealers or traders in securities (including options) or currencies; (iv) tax-exempt entities; (v) regulated investment companies; (vi) persons that will hold Certificates as part of a "hedging" or "conversion" transaction or as a position in a "straddle" or as part of a "synthetic security" or other integrated transaction for U.S. federal income tax purposes; (vii) persons who hold Certificates through partnerships or other pass-through entities; (viii) persons that have a "functional currency" other than the U.S. dollar; (ix) real estate investment trusts; (x) S corporations; and (xi) persons who have ceased to be taxed as U.S. citizens or resident aliens. Further, this summary does not address tax consequences applicable to holders of equity interests in a holder of Certificates, or alternative minimum tax consequences.

This summary is based on the U.S. Internal Revenue Code of 1986, as amended (the **Code**), U.S. Treasury Regulations and judicial and administrative interpretations thereof, in each case as in effect and available on the date of this Base Prospectus. All of the foregoing are subject to change, which change could apply retroactively and could affect the tax consequences described below.

Additional U.S. federal income tax consequences, if any, applicable to particular Certificates will be set forth in the applicable Final Terms.

Prospective purchasers are urged to consult their own tax advisors concerning the U.S. federal, state, local and foreign tax consequences of owning Certificates in light of their own particular circumstances. U.S. Holders should also review the discussion under the section headed "United Kingdom Taxation" for the UK tax consequences to a U.S. Holder of Certificates.

For the purposes of this summary, a **U.S. Holder** is a beneficial owner of a Certificate that is, for U.S. federal income tax purposes: (i) a citizen or resident of the United States; (ii) a corporation or other entity treated as a corporation, created or organized in or under the laws of the United States or any state thereof (including the District of Columbia); (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) a trust if (x) a court within the United States is able to exercise primary supervision over its administration and (y) one or more U.S. persons have the authority to control all of the substantial decisions of such trust. If a partnership holds Certificates, the consequences to a partner will generally depend upon the status of the partner and upon the activities of the partnership. A partner of a partnership holding Certificates should consult its own tax advisor. A **Non-U.S. Holder** is a beneficial owner of a Certificate that is not a United States person for U.S. federal income tax purposes.

The relevant Issuer and Guarantor, if applicable, will not investigate and will not have access to information that would permit them to ascertain whether any company that has issued equity instruments to which any Certificates relate is a passive foreign investment company for U.S. federal income tax purposes. **Prospective investors should consult their own tax advisors concerning the U.S. tax consequences to them of investing in Certificates that relate to the equity of a passive foreign investment company.**

Backup Withholding and Information Reporting

Backup withholding and information reporting requirements may apply to certain proceeds received from a sale, exchange, or other disposition of a Certificate. The relevant Issuer, its agent, a broker, or any paying agent, as the case may be, may be required to withhold tax from any payment that is subject to backup withholding if the U.S. Holder fails to furnish the U.S. Holder's taxpayer identification number, to certify that such U.S. Holder is not subject to backup withholding, or otherwise to comply with the applicable requirements of the backup

withholding rules. Certain U.S. Holders (including, among others, corporations) are not subject to the backup withholding and information reporting requirements. Non-U.S. Holders may be required to comply with applicable certification procedures to establish that they are not U.S. Holders in order to avoid the application of such information reporting requirements and backup withholding. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be refunded or credited against the holder's U.S. federal income tax liability, provided that certain required information is furnished to the U.S. Internal Revenue Service. **Holders of Certificates should consult their own tax advisors as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption.**

THE U.S. FEDERAL INCOME TAX DISCUSSION SET FORTH ABOVE IS INCLUDED FOR GENERAL INFORMATION ONLY AND MAY NOT BE APPLICABLE DEPENDING UPON AN OWNER'S PARTICULAR SITUATION. HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE TAX CONSEQUENCES TO THEM OF THE OWNERSHIP AND DISPOSITION OF THE CERTIFICATES, INCLUDING THE TAX CONSEQUENCES UNDER STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND THE POSSIBLE EFFECTS OF CHANGES IN FEDERAL OR OTHER TAX LAWS.

United Kingdom Taxation

UK Tax Considerations

The following applies only to persons who are the beneficial owners of Certificates and is a summary of the Issuer's understanding of current law and practice in the United Kingdom relating to certain aspects of United Kingdom taxation. Prospective Holders who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the United Kingdom should seek their own professional advice.

Payments under the Certificates

Payments under Certificates issued by the Bank may be made without deduction of United Kingdom income tax where the payments are made in the ordinary course of the Bank's business and otherwise where the payments are not regarded as interest for tax purposes.

Payments under Certificates issued by BCCL may be made without deduction of United Kingdom income tax where the Certificates are listed on a recognised stock exchange (which includes the London Stock Exchange) and otherwise where such payments are not regarded as interest for tax purposes.

Reporting requirements

Holders of Certificates who are individuals may wish to note that HM Revenue & Customs (**HMRC**) has power to obtain information (including the name and address of the beneficial owner) from any person in the United Kingdom who either pays amounts payable on the redemption of Certificates to or receives such amounts for the benefits of an individual although HMRC published practice indicates that HMRC will not exercise its power to require this information where such amounts are paid on or before 5th April, 2006. Information so obtained may, in certain circumstances, be exchanged by HMRC with the tax authorities of the jurisdiction in which the Holder of Certificates is resident for tax purposes.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland) with effect from the same date.

Cayman Islands Taxation

The following is a discussion on certain Cayman Islands income tax consequences of an investment in the Certificates. The discussion is a general summary of present law, which is subject to prospective and retroactive change. It is not intended as tax advice, does not consider any investor's particular circumstances, and does not consider tax consequences other than those arising under Cayman Islands law.

1. Under Existing Cayman Islands laws:

- 1.1 Payments on the Certificates will not be subject to taxation in the Cayman Islands and no withholding will be required on the payments to any holder of the Certificates, nor will gains derived from the disposal of the Certificates be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax.
- 1.2 No stamp duty is payable in respect of the issue of the Certificates in bearer form. The Certificates in bearer form themselves will be stampable if they are executed in or brought into the Cayman Islands.
- 1.3 No stamp duty is payable in respect of the issue of the Certificates in registered form. An instrument of transfer in respect of a Certificate in registered form is stampable if executed in or brought into the Cayman Islands.

BCCL has been incorporated under the laws of the Cayman Islands as an exempted company and, as such, has obtained an undertaking from the Governor in Cabinet (formerly known as the Governor in Council) of the Cayman Islands in the following form:

"The Tax Concessions Law

(Revised)

Undertaking as to Tax Concessions

In accordance with the provision of Section 6 of The Tax Concession Law (Revised), the following undertaking is hereby given to Barclays Capital (Cayman) Limited being a company certified by the Registrar of Companies to be a company registered as an exempted company under section 180 of the Companies Law (Cap. 22):

1. That no law which is hereafter enacted in the Islands imposing any tax to be levied on profits or income or gains or appreciations shall apply to the aforesaid company or its operations; and
2. That the aforesaid tax or any tax in the nature of estate duty or inheritance tax shall not be payable on the shares, debentures or other obligations of the aforesaid exempted company.

This undertaking shall be for a period of twenty years from the 29th day of August, 1989."

ERISA MATTERS

BCCL and certain affiliates of BCCL may each be considered a "party in interest" within the meaning of the Employee Retirement Income Security Act of 1974, as amended (**ERISA**), or a "disqualified person" within the meaning of the Code with respect to many employee benefit plans and individual retirement accounts, tax qualified plans for the self-employed and other plans subject to Section 4975 of the Code. Certain transactions between an employee benefit plan and a party in interest or disqualified person may result in "prohibited transactions" within the meaning of ERISA and the Code, unless such transactions are affected pursuant to an applicable exemption. Any employee benefit plan or other entity whose assets may be subject to such provisions of ERISA or the Code proposing to invest in any Certificates should consult with its legal counsel.

OFFERING AND SALE

No action has been or will be taken by BCCL, the Bank or the Managers that would permit a public offering of any Certificates or possession or distribution of any offering material in relation to any Certificates in any jurisdiction where action for that purpose is required. No offers, sales, re-sales or deliveries of any Certificates, or distribution of any offering material relating to any Certificate, may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and which will not impose any obligation on BCCL, the Bank and/or the Managers.

United States

The Certificates, the Guarantee and in certain cases, the Entitlements have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States or to, or for the account or benefit of, a U.S. person except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. In addition, neither Issuer has registered as an investment company pursuant to the Investment Company Act. US Certificates represented by Regulation S Global Certificates are being offered and sold only outside the United States to persons who are not U.S. persons in offshore transactions in reliance on, and in compliance with, Regulation S. US Certificates represented by Rule 144A Global Certificates are being offered and sold in the United States only to a limited number of QIBs in reliance on, and in compliance with, Rule 144A. Certificates represented by a Permanent Global Certificate or a Registered Global Certificate may not be offered, sold or delivered in the United States, or to, or for the account or benefit of, U.S. persons. As used herein, **United States** means the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction; and **U.S. person** has the meaning given in Regulation S under the Securities Act. In addition, until 40 days after the commencement of the offering, an offer or sale of Certificates within the United States by any dealer (whether or not participating in the offering of the Securities) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

Each Manager will be required to agree that it has offered and sold, and will offer and sell, the Certificates (a) as part of its distribution at any time and (b) otherwise until 40 days after the later of the commencement of the offering and completion of the distribution of the Certificates (as certified by the Manager (in the case of a non-syndicated issue) or the lead Manager (in the case of a syndicated issue)), only in accordance with Rule 903 of Regulation S or Rule 144A. Accordingly, 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. Each Manager will be required to agree that, at or prior to confirmation of sale of the Certificates (other than a sale pursuant to Rule 144A), it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases the Certificates from it during the Distribution Compliance Period a confirmation or notice to substantially the foregoing effect.

Any sale or transfer restrictions or certification requirements applicable to Rule 144A Global Certificates or Regulation S Global Certificates in addition to those set out in the "Terms and Conditions of the Global Certificates" and the "Notice to Purchasers and Holders of Certificates and Transfer Restrictions" will be set out in the applicable Final Terms.

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**), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) the Certificates may not be offered to the public in that Relevant Member State, except that, with effect from and including the Relevant Implementation Date, the Certificates may be offered to the public in that Relevant Member State:

- (a) in (or in Germany, where the offer starts within) the period beginning on the date of publication of a prospectus in relation to those Certificates which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive and ending on the date which is 12 months after the date of such publication;
- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or
- (d) at any time in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Certificates to the public" in relation to any Certificates 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 Certificates to be offered so as to enable an investor to decide to purchase or subscribe the Certificates, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

An invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the **FSMA**)) may only be communicated or caused to be communicated in connection with the issue or sale of any Certificates in

circumstances in which Section 21(1) of the FSMA does not or, in the case of the Bank, would not, if it was not an authorised person, apply to the BCCL or the Bank.

Certificates issued by BCCL which have a maturity of less than one year will not be offered or sold other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Certificates would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer.

All applicable provisions of the FSMA must be complied with in respect to anything done in relation to any Certificates in, from or otherwise involving the United Kingdom.

Japan

The Certificates have not been and will not be registered under the Securities and Exchange Law of Japan (the **Securities and Exchange Law**) and Certificates may not be offered or sold directly or indirectly in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and any other applicable laws, regulations and guidelines of Japan.

Cayman Islands

Certificates may not be offered to the public in the Cayman Islands unless at the time of such offer the Issuer is listed on the Cayman Islands Stock Exchange.

France

- (i) Certificates may only be offered to the public (*appel public à l'épargne*) in France in the period beginning (i) when a prospectus in relation to those Certificates has been approved by the Autorité des marchés financiers (AMF), on the date of such publication or, (ii) when a prospectus has been approved in another Member State of the European Economic Area which has implemented the EU Prospectus Directive 2003/71/EC, on the date of notification of such approval to the AMF, all in accordance with articles L.412-1 and L.621-8 of the French Code monétaire et financier and the Règlement général of the AMF, and ending at the latest on the date which is 12 months after the date of such publication; or
- (ii) Certificates may only be offered to the public in France (*appel public à l'épargne*) and/or Certificates may only be required to be admitted to trading on Euronext Paris S.A. in circumstances which do not require the publication by the offeror of a prospectus pursuant to articles L.411-2 and L.412-1 of the French Code monétaire et financier; and
- (iii) otherwise, Certificates may not be offered or sold directly or indirectly to the public in France, nor may the Base Prospectus or any other offering material relating to the Certificates be distributed or caused to be distributed to the public in France, and such offers, sales and distributions may only be made in France to (i) providers of investment services relating to portfolio management for the account of third parties, and/or (ii) qualified investors (*investisseurs qualifiés*) other than individuals, all as defined in, and in accordance with, articles L.411-1, L.411-2, D.411-1 of the French Code monétaire et financier.

Hong Kong

No person, other than a person permitted to do so under the securities laws of Hong Kong, has issued or had in its possession for the purposes of issue, or will issue, or have in its possession for the purposes of issue any advertisement, invitation or document relating to the Certificates, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong other than with respect to Certificates which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) and any rules made thereunder.

Republic of Italy

The offering of the Certificates has not been registered pursuant to Italian securities legislation and, accordingly, no Certificates may be offered, sold or delivered, nor may copies of the Base Prospectus or of any other document relating to the Certificates be distributed in the Republic of Italy, except:

- (i) to professional investors (*operatori qualificati*) (the **Professional Investors**), as defined in Article 31, second paragraph, of CONSOB (the Italian Securities Exchange Commission) Regulation No. 11522 of 1 July 1998, as amended (**Regulation No. 11522**); or
- (ii) in circumstances which are exempted from the rules on solicitation of investments pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and Article 33, first paragraph, of CONSOB Regulation No. 11971 of 14 May 1999, as amended (**Regulation No. 11971**).

Any offer, sale or delivery of the Certificates or distribution of copies of the Base Prospectus or any other document relating to the Certificates in the Republic of Italy under (i) or (ii) above must be:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, Regulation No. 11522 and Legislative Decree No. 385 of 1 September 1993, as amended (the **Banking Act**); and

- (b) in compliance with Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and
- (c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB.

Singapore

This Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore (the **Securities and Futures Act**). Accordingly, the Certificates may not be offered or sold or made the subject of an invitation for subscription or purchase nor may this Base Prospectus or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Certificates be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor pursuant to Section 274 of the Securities and Futures Act, (b) to a relevant person, or any person pursuant to Section 275(1A) of the Securities and Futures Act, and in accordance with the conditions specified in Section 275 of the Securities and Futures Act, or (c) otherwise than pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Each of the following relevant persons specified in Section 275 of the Securities and Futures Act which has subscribed or purchased Certificates, namely a person who is:

- (a) a corporation (which is not an accredited investor) 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 is an accredited investor,

should note that shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the Certificates under Section 275 of the Securities and Futures Act except:

- (1) to an institutional investor under Section 274 of the Securities and Futures Act or to a relevant person, or any person pursuant to Section 275(1A) of the Securities and Futures Act, and in accordance with the conditions, specified in Section 275 of the Securities and Futures Act;
- (2) where no consideration is given for the transfer; or
- (3) by operation of law.

General

With regard to each issue of Certificates, the relevant Manager(s) will be required to comply with such other additional restrictions as shall be set out in the applicable Final Terms.

GENERAL INFORMATION

(1) Authorisation

The establishment of the Programme and the issue of the Certificates under the Programme were duly authorised by the Barclays Capital Issues Committee of the Board of Directors of Barclays Bank PLC (the **Committee**) dated 20th January, 2005 and the giving of the Guarantee and the update of the Programme have been duly authorised by the Committee on 29th March, 2007. The Committee is duly empowered to authorise such by virtue of a resolution of the Board of Directors of Barclays Bank PLC dated 10th December, 1998. The establishment of the Programme and the issue of the Certificates under the Programme was duly authorised by a resolution of the Board of Directors of BCCL dated 18th January, 2005 and the update of the Programme was duly authorised by a resolution of the Board of Directors of BCCL dated 29th March, 2007.

(2) Listing

Application has been made to the UK Listing Authority for Certificates issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such Certificates to be admitted to trading on the London Stock Exchange's Domestic Market. The listing of the Programme in respect of Certificates is expected to be granted on or around 27th March, 2007.

(3) Documents Available

For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be available from the registered office of the Bank and from the specified office of the Principal Certificate Agent for the time being in London and from the specified office of the Registrar for the time being in Luxembourg:

- (a) the Memorandum and Articles of Association of the Bank and the constitutional documents of BCCL;
- (b) the 2006 Joint Annual Report and the Annual Reports of the Bank containing the audited consolidated accounts of the Bank in respect of the years ended 31st December, 2005 and 31st December, 2006;
- (c) the most recently published annual report and audited annual consolidated financial statements of BCCL;
- (d) the Master Certificate Agreement and the Guarantee;
- (e) a copy of this Base Prospectus; and
- (f) any future Base Prospectus, prospectuses, information memoranda and supplements including Final Terms (save that a Final Terms relating to a Certificate which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Certificates and such holder must produce evidence satisfactory to the Bank and the Paying Agent as to its holding of Certificates and identity) to this Base Prospectus and any other documents incorporated herein or therein by reference.

This Base Prospectus will be published on the website of the Regulatory News Service operated by the London Stock Exchange at www.londonstockexchange.com.

(4) Clearing Systems

The Certificates represented by a Permanent Global Certificate, a Regulation S Global Certificate or a Rule 144A Global Certificate held by a Common Depositary on behalf of Clearstream, Luxembourg and Euroclear have been accepted for clearance through Clearstream, Luxembourg and Euroclear. Application shall be made for clearance through DTC in relation to Certificates represented by a Rule 144A Global Certificate held by a Custodian on behalf of DTC. The appropriate common code and ISIN for each issue of Certificates allocated by Clearstream, Luxembourg and Euroclear and the CUSIP number allocated by DTC, if any, will be specified in the applicable Final Terms. If the Certificates of any series are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

(5) Conditions for determining price

The price and amount of Certificates to be issued under the Programme will be determined by the relevant Issuer and any Manager at the time of the issue in accordance with prevailing market conditions.

(6) Significant or Material Change

There has been no significant change in the financial position of the Bank or the Group taken as a whole since 31st December, 2006 and there has been no material adverse change in the prospects of the Bank or the Group taken as a whole since 31st December, 2006.

There has been no significant change in the financial position of BCCL since 31st December, 2005, and no material adverse change in the financial position or prospects of BCCL since 31st December, 2005 (the date at which its most recent annual audited financial statements were prepared).

(7) Litigation

The Bank has for some time been party to proceedings, including a class action, in the United States against a number of defendants following the collapse of Enron; the class action claim is commonly known as the Newby litigation. On 20th July, 2006, the Bank received an Order from the United States District Court for the Southern District of Texas Houston Division which dismissed the claims against Barclays PLC, the Bank and Barclays Capital Inc. in the Newby litigation. On 4th December, 2006, in response to the plaintiffs' procedural objections, the District Court stayed the Bank's dismissal from the proceedings and allowed the plaintiffs to file a supplemental complaint. On 19th March 2007, the United States Court of Appeals for the Fifth Circuit issued its decision on an appeal by the Bank and two other financial institutions contesting a ruling by the District Court allowing the Newby litigation to proceed as a class action. The Court of Appeals held that because no proper claim against Barclays and the other financial institutions had been alleged by the plaintiffs, the case could not proceed against them. The plaintiffs have said they will seek review of this decision by the United States Supreme Court. Pending the outcome of further appellate proceedings, the District Court has stayed the Newby litigation.

The Bank considers that the Enron related claims against it are without merit and is defending them vigorously. It is not possible to estimate the Bank's possible loss in relation to these matters, nor the effect that they might have upon operating results in any particular financial period.

The Bank has been in negotiations with the staff of the SEC with respect to a settlement of the SEC's investigations of transactions between the Bank and Enron. The Bank does not expect that the amount of any settlement with the SEC would have a significant adverse effect on its financial position or operating results.

On 3rd November, 2006 the Bank announced that it had reached a settlement in principle with Enron in the Enron bankruptcy proceedings. A settlement agreement was signed on 30th November, 2006 and became effective on 3rd January, 2007. The settlement has had no negative impact on the Bank's earnings as an adequate provision had already been made for the likely cost in prior periods. In reaching the settlement the Bank has denied any wrongdoing or liability.

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

Save as disclosed in the first four paragraphs above of this section "Litigation", no member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Bank is aware) which may have, or have had during the 12 months preceding the date of this Base Prospectus, a significant effect on the Bank's and/or the Group's financial position or profitability.

(8) Auditors

The auditors of the Bank and BCCL are PricewaterhouseCoopers, Chartered Accountants and registered auditors (authorised and regulated by the Financial Services Authority for designated investment business), who have audited the Bank's and BCCL's accounts, without qualification, in accordance with generally accepted auditing standards in the United Kingdom for each of the two financial years ended on 31st December, 2006. The auditors of the Bank and BCCL have no material interest in the Bank or BCCL.

The financial information contained or incorporated by reference in this Base Prospectus in relation to the Bank does not constitute its statutory accounts for the two financial years ended 31st December, 2006. The Bank's annual report and accounts (containing its consolidated and unconsolidated audited financial statements), which constitute the Bank's statutory accounts within the meaning of Section 240 of the Companies Act 1985 relating to each complete financial year to which such information relates, have been delivered to the Registrar of Companies in England. PricewaterhouseCoopers has reported on the Bank's statutory accounts, and such reports were unqualified and did not contain a statement under Section 237 of the Companies Act 1985.

(9) Post-issuance information

The Bank does not intend to provide any post-issuance information in relation to any issue of Certificates.

THE ISSUER

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