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BARCLAYS BANK PLC

(Incorporated with limited liability in England and Wales)

BARCLAYS CAPITAL (CAYMAN) LIMITED

(Incorporated with limited liability in the Cayman Islands)

(Guaranteed by Barclays Bank PLC)

STRUCTURED SECURITIES PROGRAMME

Barclays Bank PLC (the "***Bank***" or the "***Guarantor***", as the case may be) and Barclays Capital (Cayman) Limited ("***BCCL***") (each in its capacity as an issuer, an "***Issuer***" and together, the "***Issuers***") may from time to time issue notes and other similar instruments ("***Notes***"), certificates ("***Certificates***") and warrants ("***Warrants***" and, together with the Notes and Certificates, the "***Securities***") under the programme described herein (the "***Programme***") denominated in such currencies as may be agreed or as may be otherwise designated by the relevant Issuer at the time of issue and on the terms and conditions (the "***Conditions***") set out in this document applicable to the relevant Securities (hereinafter referred to as the "***Base Prospectus***") (as amended and supplemented from time to time), in the relevant final terms (each set, the "***Final Terms***") and any supplement to the Base Prospectus or other document that may be required to be issued in connection with the listing of any Securities. Securities issued by BCCL will be guaranteed by the Bank.

Each set of Final Terms relating to an issue of Securities will set out certain information with respect to the Securities of the relevant series (a "**Series**"), including, where applicable, the denomination of each Note, the aggregate principal amount of the Notes being issued, the currency of the Securities, the designation, the aggregate number and type of Securities, the date of issue, the issue price, the purchase price, the exercise price, the redemption amount, the redemption date or dates (in each case to the extent applicable to the relevant Security) and such other terms applicable to the particular Series of Securities as are specified therein (including any changes to the relevant Conditions set out in this Base Prospectus).

The Issuer may issue Securities in bearer form ("***Bearer Notes***", "***Bearer Certificates***" or "***Bearer Warrants***", as the case may be), or in registered form ("***Registered Notes***", "***Registered Certificates***" or "***Registered Warrants***", as the case may be). The Issuer may issue Notes, Certificates or Warrants of any kind including, but not limited to, Notes, Certificates or Warrants relating to one or more equity securities ("***Equity Linked Notes***", "***Equity Linked Certificates***" or "***Equity Linked Warrants***", as the case may be), one or more indices ("***Index Linked Notes***", "***Index Linked Certificates***" or "***Index Linked Warrants***", as the case may be), one or more currency pairs ("***Currency Linked Notes***", "***Currency Linked Certificates***" or "***Currency Linked Warrants***", as the case may be), the credit of of one or more reference entities or reference obligations ("***Credit Linked Notes***", "***Credit Linked Certificates***" or "***Credit Linked Warrants***", as the case may be), one or more commodities or indices comprising various commodities ("***Commodity Linked Notes***", "***Commodity Linked Certificates***" or "***Commodity Linked Warrants***", as the case may be), one or more debt instruments ("***Debt Linked Certificates***" or "***Debt Linked Warrants***", as the case may be), one or more funds ("***Fund Linked Certificates***" or "***Fund Linked Warrants***", as the case may be) or other non-standard notes ("***Non-Standard Notes***"), non-standard certificates ("***Non-Standard Certificates***"), or non-standard warrants ("***Non-Standard Warrants***"), as the case may be.

Under the terms of the Programme, each Issuer may issue Protected Equity Linked Securities ("***PELSs***") and Equity Linked Securities ("***ELSs***"). Each PELS or ELS will comprise one call Warrant of a single Series and one put Warrant of a single Series on terms specified in the applicable Final Terms.

This Base Prospectus has been approved by the United Kingdom Financial Services Authority (the "***FSA***"), which is the United Kingdom competent authority (the "***Regulatory Authority***") for the purposes of Directive 2003/71/EC (the "***Prospectus Directive***") and relevant implementing measures in the United Kingdom, as a base prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom for the purpose of giving information with regard to the issue of Securities under the Programme issued within 12 months following the date of this document. This Base Prospectus is valid for one year from the date hereof.

Applications may be made to admit such Securities to listing on the Official List of the FSA (the "***Official List***") and to trading on the London Stock Exchange plc's (the "***London Stock Exchange***") regulated market. The London Stock Exchange's Regulated Market is a regulated market for the purposes of Directive 2004/39/EC (each such regulated market a "***Regulated Market***"). Application may be made to any other stock exchange for a listing of a particular Series of Securities issued under the Programme (such other stock exchanges, together with the London Stock Exchange, the "***Relevant Stock Exchanges***"). Certain Series of Securities may not be listed on any stock exchange. If any Series of Securities is to be listed, the relevant Final Terms will specify on which exchange(s) such Securities will be listed. References in this Base Prospectus to Securities being "listed" on the London Stock Exchange shall mean that such Securities have been admitted to trading on the Regulated Market of the London Stock Exchange.

Any person (an "***Investor***") intending to acquire or acquiring any securities from any person (an "***Offeror***") should be aware that, in the context of an offer to the public as defined in section 102B of FSMA, the Issuer may be responsible to the Investor for the Base Prospectus under section 90 of FSMA, only if the Issuer has authorised that Offeror to make the offer to the Investor. Each Investor should therefore enquire whether the Offeror is so authorised by the Issuer. If the Offeror is not authorised by the Issuer, the Investor should check with the Offeror whether anyone is responsible for the Base Prospectus for the purposes of section 90 of FSMA in the context of the offer to the public, and, if so, who that person is. If the Investor is in any doubt about whether it can rely on the Base Prospectus and/or who is responsible for its contents, it should take legal advice.

An Investor intending to acquire or acquiring any Securities from an Offeror will do so, and offers and sales of the Securities to an Investor by an Offeror will be made, in accordance with any terms and other arrangements in place between such Offeror and such Investor including as to price, allocations and settlement arrangements. The Issuer will not be a party to any such arrangements with Investors (other than dealers) in

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connection with the offer or sale of the Securities and, accordingly, this Base Prospectus and any Final Terms will not contain such information and an Investor must obtain such information from the Offeror.

The Notes, the Certificates and Guarantee and, where applicable, the securities or Entitlements (if any) (as defined herein) to be delivered when Notes are redeemed, have not been, and will not be, registered under the US Securities Act of 1933, as amended (the "***Securities Act***"), and Bearer Notes are subject to US tax law requirements. Trading in the Notes has not been approved by the US Commodity Futures Trading Commission under the US Commodity Exchange Act of 1936, as amended (the "***Commodity Exchange Act***"). The Notes may not at any time be offered or sold in the United States or to US persons (as such terms are used in Regulation S under the Securities Act), nor may any US persons at any time trade or maintain a position in such Notes unless the Notes of the relevant Series are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available. Additionally, Bearer Notes may not be offered, sold or delivered within the United States or its possessions or to US persons (as such terms are used in the US Internal Revenue Code of 1986, as amended (the "***Code***"), and the regulations promulgated thereunder) except in certain transactions permitted by US tax regulations. In certain circumstances, delivery of any Entitlements or Reference Asset under the terms of the Securities will be conditional upon certification as to non-US beneficial ownership.

The Warrants have not been and will not be registered under the Securities Act. Warrants, or interests therein, may not at any time be offered, sold, resold or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, a US person and any offer, sale, resale, trade or delivery made, directly or indirectly, within the United States or to, or for the account or benefit of, a US person will not be recognised. The Warrants create options exercisable by the relevant holder. There is no obligation on the Issuer to pay any amount or deliver any asset to any holder of a Warrant unless the relevant holder duly exercises such Warrant or such Warrants are automatically exercised and an Exercise Notice is duly delivered. The Warrants will be exercisable in the manner set forth herein and in the applicable Final Terms. Upon exercise, the holder of a Warrant will be required to certify (in accordance with the provisions outlined in "***Purchase and Sale***" below) that it is not a US person or exercising such Warrant on behalf of a US person. Warrants may be issued to one or more Managers on a syndicated basis.

Registered Notes of each Series which are sold in an "offshore transaction" within the meaning of Regulation S under the Securities Act ("**Regulation S**") will be represented by interests in a global unrestricted certificate (a "***Regulation S Global Note***"), without interest coupons, which will be deposited with, and registered in the name of, a nominee for a common depositary of Euroclear Bank S.A./N.V. as operator of the Euroclear Systems ("***Euroclear***"), and Clearstream Banking, société anonyme ("***Clearstream, Luxembourg***") on its issue date. Beneficial interests in such global certificates will be shown on, and transfers thereof will be recorded solely through, records maintained by, Euroclear or Clearstream, Luxembourg.

Registered Notes of each Series sold to qualified institutional buyers within the meaning of Rule 144A under the Securities Act ("**Rule 144A**") (which will at all times be subject to the transfer restrictions set out herein), will initially be represented by a global restricted certificate (each a "***Rule 144A Global Note***") without interest coupons, which will be deposited (1) with a custodian for, and registered in the name of a nominee of, The Depository Trust Company ("***DTC***") or (2) with a common depositary on behalf of Clearstream, Luxembourg and Euroclear on its issue date. Beneficial interests in a Rule 144A Global Note will be either (1) shown on, and transfers thereof will be recorded either solely through, records maintained by DTC and its participants or (2) shown on, and transfers thereof will be recorded either solely through, records maintained by Clearstream, Luxembourg and/or Euroclear, as the case may be. Any Notes issued in the United States or to, or for the benefit or account of US persons, will be issued by the Bank.

Certificates eligible for sale in the United States ("***US Certificates***") (i) to qualified institutional buyers ("***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 The Bank of New York Mellon, as the New York Agent as custodian for, and in the name of a nominee of, DTC or (2) with a common depositary 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-US 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.

Application may be made for publication of quotations for Registered Notes in The Portal[SM] Market ("***PORTAL***"), a subsidiary of The NASDAQ Stock Market, Inc. and may be made for designation of Registered Notes as "PORTAL Securities", as specified in the relevant Final Terms.

PROSPECTIVE INVESTORS SHOULD HAVE REGARD TO THE FACTORS DESCRIBED UNDER "RISK FACTORS" IN THIS BASE PROSPECTUS.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) communicated or caused to be communicated in connection with the issue, placement or sale of the Notes may only be made in circumstances in which section 21(1) of the FSMA does not (in the case of BCCL) or would not, if the Issuer were not an authorised person (in the case of the Bank), apply to the Issuer.

Barclays Capital

27 March 2009

The Bank and BCCL accept responsibility for the information contained in this Base Prospectus. To the best of the knowledge and belief of the Bank and BCCL (which have 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.

References herein to the "***Group***" are to the Bank and its subsidiaries.

The applicable Final Terms will specify the nature of the responsibility taken by the Issuer for the information relating to any underlying equity security, index, fund, debt security, credit, currency exchange rate, commodity, commodity index or other item(s) (each a "***Reference Item***") (if applicable) to which the relevant Securities relate and which is contained in such Final Terms. However, unless otherwise expressly stated in a set of Final Terms, any information contained therein relating to a Reference Item will only consist of extracts from, or summaries of, information contained in financial and other information released publicly by the issuer, owner or sponsor, as the case may be, of such Reference Item or which is otherwise publicly available. The Issuer will, unless otherwise expressly stated in the applicable Final Terms, accept responsibility for accurately reproducing such extracts or summaries (insofar as it is applicable), but the Issuer will not accept any further or other responsibility (express or implied) in respect of such information.

Investors should conduct their own investigations into the relevant Reference Item and, in deciding whether to purchase Securities, investors should form their own views of the merits of such an investment based upon such investigations and not in reliance solely upon any information given in the Base Prospectus or any Final Terms.

If at any time after the preparation of this Base Prospectus (as amended, supplemented or modified) there is a significant change affecting any matter contained in this Base Prospectus or a significant new matter arises which would have been included if it had arisen when the Base Prospectus was prepared, the Issuers shall submit to the FSA for its approval and if approved, publish a supplementary prospectus regarding the change or new matter. In any event, this Base Prospectus may be amended, supplemented or modified at any time by the Issuers.

This Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see section entitled "*Information Incorporated by Reference*" in this Base Prospectus) (provided, however, that, unless permitted to do so by the rules of the Relevant Regulatory Authority or Relevant Stock Exchange, such incorporated documents do not form part of the particulars required by the Relevant Regulatory Authority or Relevant Stock Exchange in connection with the listing of any Securities and/or Series of Securities).

The Bank and BCCL in their capacity as Issuers or any affiliates of either of them may hold, retain, buy or sell any Reference Item and may hold, retain, buy or sell any Securities issued under the Programme and/or enter into transactions relating thereto or derived therefrom, from time to time, in such amounts, with such purchasers and/or counterparties and at such prices (including at different prices) and on such terms as any such entity may determine as part of its business and/or any hedging transactions in connection with the arrangements described in this document or otherwise. In addition the Issuers, the Guarantor (where the Securities are issued by BCCL), or any affiliate of any of them may enter into arrangements with Underlying Companies and/or Reference Entities (as defined in the terms of the relevant Securities) or in relation to any Reference Item, the effect or consequence of which may be to affect the price of Underlying Securities, Reference Items and/or the Securities or which otherwise may have an effect on the relevant Reference Item (as the case may be) and/or the Securities.

Neither the delivery of this Base Prospectus nor any sale of Securities pursuant hereto shall, in any circumstances, create any impression that the information contained herein concerning the Bank and/or BCCL 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. Investors should review, *inter alia*, the most recent consolidated financial statements, if any, and any public announcements, if any, of the relevant Issuer and the Guarantor, if applicable, when deciding whether to purchase any Securities.

The distribution of this document and the offer of the Securities in certain jurisdictions may be restricted by law. Persons into whose possession this document or any Final Terms comes are required by the Bank and BCCL to inform themselves about and to observe any such restrictions. Details of selling restrictions for

various jurisdictions are set out in "Purchase and Sale". The information contained therein may be amended from time to time by the relevant Final Terms.

[BEARER NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT AND ARE SUBJECT TO US TAX LAW REQUIREMENTS. SUBJECT TO CERTAIN EXCEPTIONS, BEARER NOTES MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS (SEE "PURCHASE AND SALE").

THE REGISTERED NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. SUBJECT TO CERTAIN EXCEPTIONS, THE NOTES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S")). THE NOTES ARE BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES TO NON-US PERSONS IN RELIANCE ON REGULATION S AND WITHIN THE UNITED STATES TO "QUALIFIED INSTITUTIONAL BUYERS" IN RELIANCE ON RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"). PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT SELLERS OF NOTES MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A. THE BASE PROSPECTUS HAS BEEN PREPARED BY THE ISSUERS FOR USE IN CONNECTION WITH THE OFFER AND SALE OF NOTES AND FOR THE LISTING OF NOTES ON THE RELEVANT STOCK EXCHANGE(S).

EACH PURCHASER OF REGISTERED NOTES WILL BE DEEMED, BY ITS ACCEPTANCE OF PURCHASE OF ANY SUCH REGISTERED NOTES, TO HAVE MADE CERTAIN REPRESENTATIONS AND AGREEMENTS INTENDED TO RESTRICT THE RESALE OR OTHER TRANSFER OF SUCH REGISTERED NOTES AS SET OUT IN "TRANSFER RESTRICTIONS FOR REGISTERED NOTES" BELOW.

THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE US SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER US REGULATORY AUTHORITY, AND NONE OF THE FOREGOING AUTHORITIES HAS PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF NOTES OR THE ACCURACY OR THE ADEQUACY OF THE BASE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

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 RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE 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.]

In connection with the issue and sale of Securities, no person has been authorised to give any information or to make any representation not contained in or consistent with this Base Prospectus, any Final Terms or any other written 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 the Bank or BCCL. Neither the Issuers nor the Guarantor accepts responsibility for any information not contained herein or in any Final Terms. This document does not constitute, and may not be used for the purposes of, an offer or

solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offering or solicitation and no action is being taken to permit an offering of the Securities or the distribution of this Base Prospectus in any jurisdiction where action is required.

In this Base Prospectus, references to "***$***", "***US$***", "***USD***" and "***US dollars***" are to United States Dollars, references to "***Sterling***", "***GBP***" and "***£***" are to Pounds Sterling and references to "***Yen***", "***YEN***" and "***¥***" are to Japanese Yen. References to "***Euro", "EUR***" and "***€***" are to the lawful currency of the member states of the European Union that have adopted or adopt the single currency in accordance with the Treaty establishing the European Community as amended from time to time.

Prospective purchasers of the Securities should ensure that they understand the nature of the Securities and the extent of their exposure to risk and that they consider the suitability of the Securities as an investment in the light of their own circumstances and financial condition. See also the section entitled "*RISK FACTORS*" starting on page 14 of this Base Prospectus.

The Securities do not constitute collective investment schemes in the meaning of the Swiss Federal Act on Collective Investment Schemes ("***CISA***"). Accordingly, holders of the Securities do not benefit from protection under the CISA or supervision by the Swiss Federal Banking Commission.

WARNING: The contents of this Base Prospectus have not been reviewed by any regulatory authority in Switzerland or Hong Kong. You are advised to exercise caution in relation to the offer of any Securities. If you are in any doubt about any of the contents of this Base Prospectus, you should obtain independent professional advice.

In connection with the issue and distribution of any Series of Notes, the dealer or dealers (if any) named as the Stabilising Manager(s) (the ''Stabilising Manager(s)'') (or persons acting on behalf of any Stabilising Manager(s)) in the relevant Final Terms may over allot Notes or effect transactions with a view to supporting the price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin at any time on or after the date on which adequate public disclosure of the Final Terms of the offer of the relevant tranche (a "Tranche") of Notes and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

US INFORMATION

This Base Prospectus is being submitted on a confidential basis in the United States to a limited number of QIBs for informational use solely in connection with the consideration of the purchase of the Notes represented by a Rule 144A Global Note or 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.

Notes represented by a DTC Registered Global Note or 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 US person purchasing US Notes represented by a Rule 144A Global Note or US Certificates represented by a Rule 144A Global Certificate is hereby notified that the offer and sale of any Notes represented by a Rule 144A Global Note or 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 Notes represented by a Rule 144A Global Note or Certificates represented by a Rule 144A Global Certificate or any Notes or Certificates issued in registered form in exchange or substitution therefore will be deemed, by its acceptance or purchase of any such Notes or Certificates, as the case may be, to have made certain representations and agreements intended to restrict the resale or other transfer of such Notes or Certificates, as applicable, as set out in "*Transfer*

Restrictions for Registered Notes" and "_Purchase and Sale_" with respect to a Rule 144A Global Notes or as set out in "_Notice to Purchasers and Holders of Certificates and Transfer Restrictions_" and "_Purchase and Sale_" with respect to a Rule 144A Global Certificate. 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 US 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 US federal income tax treatment of the Transactions.

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

BCCL is an exempted company incorporated under the laws of the Cayman Islands. The majority 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. The Issuer has been advised by Maples and Calder, its legal adviser in the Cayman Islands, that the United States and the Cayman Islands do not currently have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters. Although there is no statutory enforcement in the Cayman Islands of judgments obtained in New York or other states in the United States, the courts of the Cayman Islands will recognise and enforce a foreign judgment of a court of competent jurisdiction, based on the principle that a judgment of a competent foreign court imposes upon the judgment debtor an obligation to pay the sum for which judgment has been given, and provided such judgment is final, for a liquidated sum not in respect of taxes or a fine or penalty, and which was not obtained in a manner, and not of a kind the enforcement of which is, contrary to natural justice or the public policy of the Cayman Islands. There is doubt, however, as to whether the Grand Court of the Cayman Islands will (i) recognise or enforce judgments of U.S. courts predicated upon the civil liability provisions of the securities laws of the United States or any state of the United States, or (ii) in original actions brought in the Cayman Islands, impose liabilities predicated upon the civil liability provisions of the securities laws of the United States or any state of the United States, on the grounds that such provisions are penal in nature. The Grand Court of the Cayman Islands may stay proceedings if concurrent proceedings are being brought elsewhere.

The Bank is a company organised under the laws of England and Wales. The majority 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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SUMMARY

*This summary has been prepared in accordance with Article 5(2) of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**") and must be read as an introduction to the Base Prospectus relating to the Securities referred to below issued under the programme described herein (the "**Programme**"). This summary relates only to Notes with a denomination of less than EUR50,000. Any decision to invest in Securities should be based on a consideration of the sections of this Base Prospectus which relate to the relevant Securities as a whole, including the documents incorporated by reference.*

Following implementation of the relevant provisions of the Prospectus Directive in a Member State of the European Economic Area, no civil liability in such Member State will attach to the Issuer or the Guarantor (as applicable) solely on the basis of the summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of the relevant Base Prospectus. Where a claim relating to the information contained in the relevant 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 relevant Base Prospectus before the legal proceedings are initiated.

GENERAL DESCRIPTION OF THE ISSUERS

[THE BANK AND THE GROUP

Barclays Bank PLC (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 and head office at 1 Churchill Place, London, E14 5HP. The Bank was incorporated on 7 August 1925 under the Colonial Bank Act 1925 and on 4 October 1971 was registered as a company limited by shares under the Companies Act 1948 to 1967. Pursuant to The Barclays Bank Act 1984, on 1 January 1985, the 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 (taken together, the "***Group***") is a major global financial services provider engaged in retail and commercial banking, credit cards, investment banking, wealth management and investment management services. The whole of the issued ordinary share capital of the Bank is beneficially owned by Barclays PLC (the "***Holding Company***"), which is the ultimate holding company of the Group and is one of the largest financial services companies in the world by assets.

BARCLAYS CAPITAL (CAYMAN) LIMITED

Barclays Capital (Cayman) Limited ("***BCCL***") was incorporated in the Cayman Islands on 24 July 1989 for an unlimited duration and registered on 26 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, P.O. Box 487GT, 4th Floor, FirstCaribbean Building, 25 Main Street, Georgetown, Grand Cayman, Cayman Islands, British West Indies. Its registration number is 32968. BCCL is a wholly-owned direct subsidiary of the Bank.

BCCL was established for the purpose of *inter alia* issuing notes, certificates and 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.

SUMMARY OF THE PROGRAMME, NOTES, CERTIFICATES AND WARRANTS

THE PROGRAMME

Description:	Programme for the issue of Notes, Certificates and Warrants (each a *"**Security**"* and together the *"**Securities**"*) Under the Programme, the Bank or BCCL may, subject to compliance with all applicable laws, regulations and directives, from time to time, issue Securities pursuant to a master agency agreement (the "***Master Agency Agreement***") dated 27 March 2009 (as amended and supplemented from time to time) among the The Bank of New York Mellon, the Bank, BCCL and Barclays Capital Securities Limited. The applicable terms of any Securities are set out in the relevant Conditions, as modified and supplemented by the applicable Final Terms with respect to each Series of Securities. Each such Final Terms will be delivered to the Relevant Stock Exchange if the particular Series is listed.
Issuers:	The Bank or BCCL (under the guarantee of the Bank)
Guarantor:	The Bank in respect of issues of Securities by BCCL
Managers:	The Bank and any other Manager specified in the relevant Final Terms
Issue and Paying Agent, New York Agent, Luxembourg Agent, Registrar, New York Registrar, Luxembourg Registrar and Transfer Agent:	The Bank of New York Mellon ("***BNY***")
Determination Agent:	The Bank or Barclays Capital Securities Limited as specified in the relevant Final Terms
Distribution:	Syndicated or non-syndicated
Status of the Securities:	The Notes, Certificates and Warrants 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 the 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.
Listing:	Securities issued pursuant to the Programme may be listed on the London Stock Exchange and/or any other recognised stock exchange as specified in the Final Terms to each Series (the "***Relevant Stock Exchange***"). Certain Series of Securities may be unlisted.
Clearing Systems:	Euroclear, Clearstream, Luxembourg, DTC, and/or any other clearing system as specified in the Final Terms, as applicable.

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Expenses and Taxation:	A holder of Securities must pay all taxes, duties and/or expenses, arising from the redemption of the Securities and/or delivery or transfer of the Entitlement (if applicable) pursuant to the terms of the Securities relating to such Securities. The relevant Issuer shall not be liable for or otherwise obliged to pay any tax, duty, withholding, other than in respect of the Securities, or other payment which may arise as a result of the ownership, transfer or enforcement of any Security and all payments made by the Issuer shall be made subject to any such tax, duty, withholding or other payment which may be required.
Governing Law:	English Law and / or as specified in the Final Terms, as applicable.
THE NOTES	The Notes will be either Bearer Notes, or Registered Notes, APK Registered Notes, VPC Registered Notes, VPS Registered Notes, or Spanish Notes. The Issuer may issue Notes of any kind, including but not limited to Equity Linked Notes (in respect of one or more equity securities), Index Linked Notes (in respect of one or more indices), Currency Linked Notes (in respect of one or more currency pairs), Credit Linked Notes (in respect of the credit of one or more reference entities or reference obligations) and Commodity Linked Notes (in respect of one or more commodities or indices comprising various commodities. Other types of Notes may from time to time be issued under the Programme. Any such other non-standard Notes relating to other underlying instruments or bases of reference ("***Non-Standard Notes***") may be issued on such terms as may be determined by the relevant Issuer and specified in the applicable Final Terms.
Issue Price:	Notes may be issued on a fully paid or a partly paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Maturities:	Any maturity will be subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.
Settlement:	Settlement will be by way of cash payment ("***Cash Settlement Notes***") or by delivery of the underlying asset or assets ("***Physical Delivery Notes***"). The settlement amount for Physical Delivery Notes will be a specified amount of the underlying asset or assets, as applicable, subject to payment of any taxes or other expenses associated with the delivery of such underlying asset or assets.

THE CERTIFICATES	The Certificates will be either Bearer Certificates, or Registered Certificates, APK Registered Certificates, VPC Registered Certificates, VPS Registered Certificates, or Spanish Certificates. The Issuer may issue Certificates of any kind, including but not limited to Equity Linked Certificates (in respect of one or more equity securities), Index Linked Certificates (in respect of one or more indices), Debt Linked Certificates (in respect of one or more debt instruments), Fund Linked Certificates (in respect of one or more funds), Currency Linked Certificates (in respect of one or more currency pairs), Credit Linked Certificates (in respect of the credit of one or more reference entities or reference obligations) and Commodity Linked Certificates (in respect of one or more commodities or indices comprising various commodities). Other types of Certificates may from time to time be issued under the Programme. Any such other non-standard Certificates relating to other underlying instruments or bases of reference ("***Non-Standard Certificates***") may be issued on such terms as may be determined by the relevant Issuer and specified in the applicable Final Terms. Certificates represented by a Registered Certificate may only be issued by BCCL.
Settlement:	Settlement will be by way of cash payment ("***Cash Settlement Certificates***") or by delivery of the underlying asset or assets ("***Physical Delivery Certificates***"). The settlement amount for Physical Delivery Certificates will be a specified amount of the underlying asset or assets, as applicable, subject to payment of any taxes or other expenses associated with the delivery of such underlying asset or assets.
Redemption of Certificates:	Each Certificate will be redeemed by the relevant Issuer by payment of the settlement amount in respect of such Certificate, on the Redemption Date.
WARRANTS	The Warrants will be either Bearer Warrants, or Registered Warrants, APK Registered Warrants, VPC Registered Warrants, VPS Registered Warrants, or Spanish Warrants. The Issuer may issue Warrants of any kind, including but not limited to Equity Linked Warrants (in respect of one or more equity securities), Index Linked Warrants (in respect of one or more indices), Debt Linked Warrants (in respect of one or more debt instruments), Fund Linked Warrants (in respect of one or more funds), Currency Linked Warrants (in respect of one or more currency pairs), Credit Linked Warrants (in respect of the credit of one or more reference entities or reference obligations) and Commodity Linked Warrants (in respect of one or more commodities or indices comprising various commodities). Other types of Warrants may from time to time be issued under the Programme. Any such other non-standard Warrants relating to other underlying instruments or bases of reference ("***Non-Standard Warrants***") may be issued on such terms as may be determined by the relevant Issuer and specified in the applicable Final Terms.
Issue Price:	Warrants may be issued at such price as shall be determined by the relevant Issuer or the Manager appointed in respect of such issue.

Equity Linked Securities (ELS):	A Call Warrant and a Put Warrant may be purchased and held together as a unit and, when so purchased and held, for listing and trading purposes, comprise an Equity Linked Security. Each ELS comprises one Call Warrant and one Put Warrant.
Protected Equity Linked Securities (PELS):	A Call Warrant and a Put Warrant may be purchased and held together as a unit and, when so purchased and held, for listing and trading purposes, comprise a Protected Equity Linked Security. Each PELS comprises one Call Warrant and one Put Warrant.
	ELSs and PELs are together referred to as "***Linked Securities***".
Settlement:	The Warrants will be settled by cash payment ("***Cash Settlement Warrants***") or by delivery of the underlying asset or assets ("***Physical Delivery Warrants***").
	The settlement amount for Physical Delivery Warrants will be a specified amount of the underlying asset or assets, as applicable, subject to payment of the relevant Exercise Price (as defined in "Terms and Conditions of the Warrants") and any other expenses associated with the exercise of such Physical Delivery Warrant.
Separation of Linked Securities into its component Warrants:	An investor may separate a Linked Security into its component Call Warrant and Put Warrant. In order to separate a Linked Security, an investor will need to comply with the "Separation Requirements" as set out in the Terms and Conditions of the Warrants.
Exercise Rights:	European Style Warrants are only exercisable on their exercise date.
	American Style Warrants are exercisable on any exercise business day during their exercise period.
	European Style Warrants and American Style Warrants which are Cash Settled Warrants, where "Automatic Exercise" is not specified in the applicable Final Terms and with respect to which no exercise notice has been delivered in the manner set out in Condition 6 of the Terms and Conditions of the Warrants, shall become void.
	European Style Warrant which are Cash Settled Warrants and American Style Warrants which are Cash Settled Warrants, where "Automatic Exercise" is specified in the applicable Final Terms and with respect to which no exercise notice has been delivered in the manner set out in Condition 6 of the Terms and Conditions of the Warrants, shall be automatically exercised on the Actual Exercise Date.
Maturities:	Any maturity will be subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

SUMMARY OF RISK FACTORS UNDER THE PROGRAMME

There are certain factors that may affect each Issuer's ability to fulfil its obligations under the Securities issued under the Programme. These are set out under "Risk Factors" below, and any decision to invest in Securities should be based on a consideration of the relevant Risk Factors as a whole. Such factors include alterations to business conditions and the general economy, certain credit, market, capital, liquidity, operational, hedging strategy, insurance, legal and tax risks, risks relating to the financial services industry, 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 Securities, certain considerations

regarding interest rate, corporate, market, foreign exchange, time value and/or political risks, as well as other risks arising from fluctuations in the values of the relevant securities (or basket of securities), index (or basket of indices), commodity (or commodity index) or other Reference Item(s), certain risks relating to physical settlement and general risks applicable to the stock market (or markets) and capital markets.

Additional risks in relation to the Securities may include restrictions on transfer of the Securities, options to vary settlement, market disruption, settlement disruption, expenses and taxation, illegality, change of law, potential conflicts of interest of the Issuer and its affiliates which may influence the prices of any underlying equity security, index, debt security, credit, currency exchange rate, fund value, commodity, commodity index or other item(s) and could adversely affect the value of the Securities, the risk that the holders of Securities may lose the value of their entire investment or part of it, the risk that the interim value of the Securities may vary with the price and/or level of the Reference Item, the adverse effect on the holders of Securities' investment of termination of certain hedging arrangement in respect of the Securities, limited recourse under a Security to any Reference Item, restrictions or limits on the number, timing and manner in which Securities can be redeemed or exercised (if applicable), the adverse effect of any time lag after redemption, the adverse effect on the holders of Securities' investment of termination of the Securities in the event of unlawfulness or impracticability, possible illiquidity of the Securities in the secondary market and the adverse effect of exchange rate rises and exchange controls. In addition, the amount paid by the Issuer on redemption of the Notes may be less than the principal amount of the Notes and may in certain circumstances be zero.

In addition, the Bank is exposed to risks relating to (i) current market volatility and recent market developments; (ii) soundness of other financial institutions; (iii) increased regulation; (iv) proposed new power to be granted to the Bank of England in relation to UK financial institutions; (v) its obligations under the Financial Services Compensation Scheme; and (vi) requirement to raise additional Tier 1 capital.

RISK FACTORS

Prospective investors should read the entire Base Prospectus (and, where appropriate, any relevant Final Terms). Words and expressions defined elsewhere in this Base Prospectus have the same meanings in this section. Investing in securities involves certain risks.

Each of BCCL and the Bank believes that the factors described below represent the principal risks inherent in investing in Securities issued under the Programme, but 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 respective business operations or the Securities. Neither BCCL nor the Bank represents that the statements below regarding the risks of holding any Securities are exhaustive. Some of the risks set out below relate to the Securities in general and some may be applicable to or specific to only the Notes, Certificates and/or the Warrants, as the case may be, and are identified accordingly.

An investment in Securities linked to one or more Reference Items may involve a number of risks, some of which are referred to below and are not associated with investment in a conventional debt security. The Final Terms in respect of an issue of Securities may contain additional Risk Factors in respect of such Securities. The amount paid by the Issuer on redemption of the Securities may be less than the principal amount of the Securities and may in certain circumstances be zero.

The inability of BCCL or the Bank to pay Cash Settlement Amounts in respect of Cash Settlement Warrants or Cash Settlement Certificates or pay the Redemption Amount in respect of Notes or deliver the Entitlement in respect of Physical Delivery Warrants or Physical Delivery Certificates or deliver the Reference Assets or Deliverable Amount in respect of Notes may occur for other reasons than set out below.

Potential investors should ensure that they fully understand all of the risks relating to the relevant Securities prior to making any investment decision. Potential investors should seek independent financial advice prior to investing in Securities. Potential investors should also read the detailed information set out elsewhere in this Base Prospectus (and where appropriate, any relevant Final Terms) and reach their own views prior to making any investment decision.

Prospective investors should note that the risks described below are not the only risks the Bank and/or BCCL face. BCCL and the Bank each have described only those risks relating to its respective operations that it considers tobe material. There may be additional risks that BCCL or the Bank currently considers not to be material or of which it is not currently aware, and any of these risks could have the effects set forth above. Prospective investors should consider, among other things, the following:

RISKS RELATING TO THE ISSUERS

Risks relating to the Bank and the Group

Business conditions and general economy

The profitability of the Group's businesses could be adversely affected by the worsening of general economic conditions in the United Kingdom, globally or in certain individual markets such as the United States, Spain or South Africa. Factors such as interest rates, inflation, investor sentiment, the availability and cost of credit, foreign exchange risk, creditworthiness of counterparties, the liquidity of the global financial markets and the level and volatility of equity prices could significantly affect the Group's customers' activity levels and financial position. For example:

- the current economic downturn or significantly higher interest rates or continued lack of credit availability to the Group's customers could adversely affect the credit quality of the Group's on-balance sheet and off-balance sheet assets by increasing the risk that a greater number of the Group's customers and counterparties would be unable to meet their obligations;

- a market downturn or further worsening of the economy could cause the Group to incur further mark to market losses in its trading portfolios;

- a further decline in the value of Sterling relative to other currencies could increase risk weighted assets and therefore the capital requirements of the Group;

- a further market downturn could reduce the fees the Group earns for managing assets. For example, a downturn in trading markets could affect the flows of assets under management; and

- a further market downturn would be likely to lead to a decline in the volume of transactions that the Group executes for its customers and, therefore, lead to a decline in the income it receives from fees and commissions and interest.

Current market volatility and recent market developments

The global financial system has been experiencing difficulties since August 2007 and financial markets have deteriorated dramatically since the bankruptcy filing of Lehman Brothers in September 2008. Despite measures taken by the United Kingdom and United States governments and the European Central Bank and other central banks to stabilise the financial markets, the volatility and disruption of the capital and credit markets have continued. Together with the significant declines in the property markets in the United Kingdom, the United States, Spain and other countries, these events over the past two years have contributed to significant write-downs of asset values by financial institutions, including government-sponsored entities and major retail, commercial and investment banks. These write-downs have caused many financial institutions to seek additional capital, to merge with larger and stronger institutions, to be nationalised and, in some cases, to fail. Reflecting concern about the stability of the financial markets generally and the strength of counterparties, many lenders and institutional investors have substantially reduced and, in some cases, stopped their funding to borrowers, including other financial institutions.

While the capital and credit markets have been experiencing difficulties for some time, the volatility and disruption reached unprecedented levels in the final months of 2008 and economic activity started to contract in many of the economies in which the Group operates. These conditions have produced downward pressure on stock prices and credit capacity for certain issuers. The resulting lack of credit, lack of confidence in the financial sector, increased volatility in the financial markets and reduced business activity could continue to materially and adversely affect the Group's business, financial condition and results of operations.

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. The credit risk that the Group faces arises mainly from wholesale and retail loans and advances. However, 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's financial instruments to fall.

In a recessionary environment, such as that ongoing in the United Kingdom, the United States and other economies, credit risk increases. Credit risk may also be 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 assets, or where the counterparty may be the country itself.

Another form of credit risk is settlement risk, which is the possibility that the Group may pay a counterparty but fail to receive the corresponding settlement in return. The Group is exposed to many different industries and counterparties in the normal course of its business, but its exposure to counterparties in the financial services industry is particularly significant. This exposure can arise through trading, lending, deposit-taking, clearance and settlement and many other activities and relationships. These counterparties include brokers and dealers, commercial banks, investment banks, mutual and hedge funds and other institutional clients. Many of these relationships expose the Group to credit risk in the event of default of a counterparty and to systemic risk affecting its counterparties. Where the Group holds collateral against counterparty exposures, it may not be able to realise it or liquidate it at prices sufficient to cover the full exposures. Many of the hedging and other risk management strategies utilised by the Group also involve transactions with financial services counterparties. The failure of these counterparties to settle or the perceived weakness of these counterparties may impair the effectiveness of the Group's hedging and other risk management strategies.

Market risk

Market risk is the risk that the Group's earnings or capital, or its ability to meet business objectives, will be adversely affected by changes in the level or volatility of market rates or prices such as interest rates, credit spreads, commodity prices, equity prices and foreign exchange rates. Market risk has increased due to the volatility of the current financial markets. The main market risk arises from trading activities. The Group is also exposed to market risk through non-traded interest rate risk and the pension fund.

The Group's future earnings could be affected by depressed asset valuations resulting from a deterioration in market conditions. Financial markets are sometimes subject to stress conditions where steep falls in asset values can occur, as demonstrated by recent events affecting asset backed CDOs and the US sub-prime residential mortgage market and which may occur in other asset classes during an economic downturn. Severe market events are difficult to predict and, if they continue to occur, could result in the Group incurring additional losses.

In 2007 and in 2008, the Group recorded material net losses on certain credit market exposures, including ABS CDO Super Senior exposures. As market conditions change, the fair value of these exposures could fall further and result in additional losses or impairment charges, which could have a material adverse effect on the Group's earnings. Such losses or impairment charges could derive from: a decline in the value of exposures; a decline in the ability of counterparties, including monocline insurers, to meet their obligations as they fall due; or the ineffectiveness of hedging and other risk management strategies in circumstances of severe stress.

Liquidity risk

This is the risk that the Group is unable to meet its obligations when they fall due as a result of customer deposits being withdrawn, cash requirements from contractual commitments, or other cash outflows, such as debt maturities. Such outflows would deplete available cash resources for client lending, trading activities and investments. In extreme circumstances lack of liquidity could result in reductions in balance sheet and sales of assets, or potentially an inability to fulfil lending commitments. This risk is inherent in all banking operations and can be affected 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. The Group's liquidity risk management has several components:

- intra-day monitoring to maintain sufficient liquidity to meet all settlement obligations;
- mismatch limits to control expected cash flows from maturing assets and liabilities;
- monitoring of undrawn lending commitments, overdrafts and contingent liabilities; and
- diversification of liquidity sources by geography and provider.

During periods of market dislocation, such as those currently ongoing, the Group's ability to manage liquidity requirements may be impacted by a reduction in the availability of wholesale term funding as well as an increase in the cost of raising wholesale funds. Asset sales, balance sheet reductions and the increasing costs of raising funding will affect the earnings of the Group.

In illiquid markets, the Group may decide to hold assets rather than securitising, syndicating or disposing of them. This could affect the Group's ability to originate new loans or support other customer transactions as both capital and liquidity are consumed by existing or legacy assets.

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 jurisdictions such as the United States 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 credit rating. A weaker credit rating would increase the Group's cost of funds; and
- support its growth and strategic options.

During periods of market dislocation, increasing the Group's capital resources may prove more difficult or costly. Regulators have also recently increased the Group's capital targets and amended the way in which capital targets are calculated and may further do so in future. This would constrain the Group's planned activities and contribute to adverse impacts on the Group's earnings.

Operational risk

Operational risk is the risk of direct or indirect losses resulting from human factors, external events, and inadequate or failed internal processes and systems. Operational risks are inherent in the Group's operations and are typical of any large enterprise. Major sources of operational risk include operational process reliability, IT security, outsourcing of operations, dependence on key suppliers, implementation of strategic change, integration of acquisitions, fraud, human error, customer service quality, regulatory compliance, recruitment, training and retention of staff, and social and environmental impacts.

Notwithstanding anything in this risk factor, this risk factor should not be taken to imply that the Bank will be unable to comply with its obligations as a company with securities admitted to the Official List of the FSA or that any member of the Group will be unable to comply with its obligations as a supervised firm regulated by the FSA.

Financial crime risk

Financial crime risk is a category of operational risk. It arises from the risk that the Group might fail to comply with financial crime legislation and industry laws on anti-money laundering or might suffer losses as a result of internal or external fraud, or might fail to ensure the security of personnel, physical premises and the Bank's assets.

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.

Notwithstanding anything in this risk factor, this risk factor should not be taken to imply that any member of the Group will be unable to comply with its obligations as a supervised firm regulated by the FSA.

In addition, 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 United Kingdom, the European Union, the United States, South Africa and elsewhere. All these are subject to change, particularly in the current market environment where recent developments in the global markets have led to an increase in the involvement of various governmental and regulatory authorities in the financial sector and in the operations of financial institutions. In particular, governmental and regulatory authorities in the United Kingdom, the United States and elsewhere are implementing measures to increase regulatory control in their respective banking sectors, including by imposing enhanced capital requirements or by imposing conditions on direct capital injections and funding. Any future regulatory changes may potentially restrict the Group's operations, mandate certain lending activity and impose other compliance costs. It is uncertain how the more rigorous regulatory climate will impact financial institutions, including the Group.

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 and rules designed to promote financial stability and increase depositor protection;
- changes in competition and pricing environments;
- further developments in the financial reporting environment;

- differentiation amongst financial institutions by governments with respect to the extension of guarantees to customer deposits and the terms attaching to those guarantees; and

- implementation of, or costs related to, local customer or depositor compensation or reimbursement schemes.

Two specific matters that directly impact the Group are the Banking Act 2009 and the Financial Services Compensation Scheme:

Banking Act 2009

On 21st February 2009, the Banking Act 2009 came into force which provides a permanent regime to allow the FSA, the UK Treasury and the Bank of England (the 'Tripartite Authorities') to resolve failing banks in the UK. The Banking Act aims to balance the need to protect depositors and prevent systematic failure with the potentially adverse consequences that using powers to deal with those events could have on private law rights, and, as a consequence, wider markets and investor confidence.

These powers, which apply regardless of any contractual restrictions, include (a) power to issue share transfer orders pursuant to which there may be transferred to a commercial purchaser or Bank of England entity, all or some of the securities issued by a bank. The share transfer order can extend to a wide range of 'securities' including shares and bonds issued by a UK Bank (including the Bank) or its holding company, Barclays PLC, and warrants for such and (b) the power to transfer all or some of the property, rights and liabilities of the UK bank to a purchaser or Bank of England entity. In certain circumstances encumbrances and trusts can be over-reached. Power also exists to over-ride any default provisions in transactions otherwise affected by these powers. Compensation may be payable in the context of both share transfer orders and property appropriation. In the case of share transfer orders any compensation will be paid to the person who held the security immediately before the transfer, who may not be the encumbrancer.

The Banking Act also vests power in the Bank of England to over-ride, vary or impose contractual obligations between a UK bank or its holding company and its former group undertakings (as defined in the Banking Act), for reasonable consideration, in order to enable any transferee or successor bank of the UK bank to operate effectively. There is also power for the Treasury to amend the law (save for a provision made by or under the Banking Act) by order for the purpose of enabling it to use the special resolution regime powers effectively, potentially with retrospective effect.

Financial Services Compensation Scheme

The Financial Services Compensation Scheme (the "**FSCS**") was created under the Financial Services and Markets Act 2000 and is the UK's statutory fund of last resort for customers of authorised financial services firms. The FSCS can pay compensation to customers if a firm is unable, or likely to be unable, to pay claims against it.

During 2008, a number of institutions failed, including Bradford & Bingley plc, Heritable Bank plc, Kaupthing Singer & Friedlander Limited, Landsbanki 'Icesave', and London Scottish Bank plc. In order to meet its obligations to the depositors of these institutions, the FSCS has borrowed £19.7 billion from HM Treasury, which is on an interest only basis until September 2011. These borrowings are anticipated to be repaid wholly or substantially from the realisation of the assets of the above named institutions. The FSCS raises annual levies from the banking industry to meet its management expenses and compensation costs. Individual institutions make payments based on their level of market participation (in the case of deposits, the proportion that their protected deposits represent of total market protected deposits) at 31st December each year. If an institution is a market participant on this date it is obligated to pay a levy. The Bank was a market participant at 31st December 2007 and 2008. The Group has accrued £101m for its share of levies that will be raised by the FSCS including the interest on the loan from HM Treasury in respect of the levy years to 31st March 2010. The accrual includes estimates for the interest FSCS will pay on the loan and estimates of the Group's market participation in the relevant periods. Interest will continue to accrue on the HM Treasury loan to the FSCS until September 2011 and will form part of future FSCS management expenses levies. If the assets of the failed institutions are insufficient to repay the HM Treasury loan in 2011, the FSCS will agree a schedule of repayments with HM Treasury, which will be recouped from the industry in the form of additional levies.

In the event that the FSCS raises funds from the authorised firms, raises those funds more frequently or significantly increases the levies to be paid by such firms, the associated costs to the Group may have a material impact on the Group's results of operations and financial condition.

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.

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.

Business risk

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 are not delivered as anticipated, the Group's earnings could grow more slowly or decline. In addition, potential sources of business risk include revenue volatility due to factors such as macroeconomic conditions, inflexible cost structures, uncompetitive products or pricing and structural inefficiencies.

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, as well as recent consolidation among banking institutions in the United Kingdom, the United States and throughout Europe. 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.

Tax risk

The Group is subject to the tax laws in all countries in which it operates, including tax laws adopted at an EU level. A number of double taxation agreements entered between two countries also impact on the taxation of the Group. 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.

The Group takes a responsible and transparent approach to the management and control of its tax affairs and related tax risk:

- tax risks are assessed as part of the Group's formal governance processes and are reviewed by the Executive Committee, Group Finance Director and the Board Risk Committee;
- the tax charge is also reviewed by the Board Audit Committee;
- the tax risks of proposed transactions or new areas of business are fully considered before proceeding;
- the Group takes appropriate advice from reputable professional firms;
- the Group employs high-quality tax professionals and provides ongoing technical training;
- the tax professionals understand and work closely with the different areas of the business;
- the Group uses effective, well-documented and controlled processes to ensure compliance with tax disclosure and filing obligations; and
- where disputes arise with tax authorities with regard to the interpretation and application of tax law, the Group is committed to addressing the matter promptly and resolving the matter with the tax authority in an open and constructive manner.

Risks relating to BCCL

BCCL was established for the purpose of *inter alia* issuing notes, certificates and 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.]

RISKS RELATING TO THE SECURITIES

General Considerations

The Securities involve a degree of risk, which may include interest rate, corporate, market, foreign exchange, time value and/or political risks, as well as other risks arising from fluctuations in the values of the relevant securities (or basket of securities), index (or basket of indices), commodity (or commodity index), fund value (or fund index) or other Reference Item(s) which may be specified in the applicable Final Terms, and general risks applicable to the stock market (or markets) and capital markets.

In order to realise a return upon an investment in a Security, an investor must have correctly anticipated the timing and magnitude of an anticipated increase or the absence of a decrease in the value of the relevant Reference Item(s) relative to the Issue Price or purchase price, as the case may be, and must also be correct about when any change will occur. If the value of the Reference Item(s) does not increase, or decreases, as the case may be, before such Security is redeemed or exercised, as the case may be, part or all of the investor's investment in such Security may be lost on such redemption or exercise.

Fluctuations in the value of the relevant index or basket of indices (including the prices of securities included in an Index or basket of Indices) will affect the value of Index Linked Notes, Index Linked Certificates and Index Linked Warrants. Fluctuations in the price of the relevant equity security or value of the basket of equity securities will affect the value of Equity Linked Notes, Equity Linked Certificates and Equity Linked Warrants. 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 Linked Certificates and Debt Linked Warrants. In all these cases and in the case of Currency Linked Notes, Currency Linked Certificates and Currency Linked Warrants, fluctuations in the value of the currency or currencies in or to which the Securities or the Reference Item are denominated or linked will also affect the value of such Securities. Also, due to the character of the particular markets on which most equity securities or debt instruments are traded, the absence of last sale information and the limited availability of quotations for such equity securities may make it difficult for many investors to obtain timely, accurate data for the price or yield of such equity securities or debt instrument.

Fluctuations in the value of a relevant commodity, Commodity Index or basket of commodities may affect the value of Commodity Linked Notes, Commodity Linked Certificates or Commodity Linked Warrants. An investment in Commodity Linked Notes, Commodity Linked Certificates or Commodity Linked Warrants may bear similar market risks to a direct investment in the relevant commodity(ies) and investors should take advice accordingly.

The Securities may not be a suitable investment for all investors

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

(i) have sufficient knowledge and experience to evaluate the Securities the merits and risks of investing in the relevant Securities 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;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Securities and the impact the Securities will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Securities, including Securities, with a Cash Settlement Amount or Redemption Amount payable in one or more currencies, or where the settlement currency is different from the potential investor's currency;

(iv) understand thoroughly the terms of the relevant Securities, as the case may be, and be familiar with any relevant indices and financial markets; and

(v) 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 Equity Linked Notes, Index Linked Notes, Linked Notes, Currency Linked Notes, Credit Linked Notes, or Commodity Linked Notes, as the case may be, Equity Linked Certificates, Index Linked Certificates, Debt Linked Certificates, Fund Linked Certificates, Currency Linked Certificates, Credit Linked Certificates, or Commodity Linked Certificates, as the case may be, Equity Linked Warrants, Index Linked Warrants, Debt Linked Warrants, Fund Linked Warrants, Currency Linked Warrants, Credit Linked Warrants, or Commodity Linked Warrants or other Non-Standard Notes, Non-Standard Certificates or Non-Standard Warrants, as the case may be, 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 or Warrants", "Risks related to the structure of a particular issue of Certificates", and "Risks related to the structure of a particular issue of Warrants" set out below.

The Securities 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 Notes, Certificates or Warrants which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the relevant Security will perform under changing conditions, the resulting effects on the value of the relevant Security and the impact this investment will have on the potential investor's overall investment portfolio.

Settlement Risk

Where the Notes provide for physical delivery, the Determination Agent may determine that a Settlement Disruption Event is subsisting. Any such determination may affect the value of the Notes and/or may delay settlement in respect of the Notes. In the case of Physical Delivery Certificates of Physical Delivery Warrants, 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 relevant Conditions) in lieu of delivering the Entitlement. Such a determination may have an adverse effect on the value of the relevant Certificates or Warrants, as the case may be.

Certain Factors Affecting the Value and Trading Price of Securities

Generally, Securities offer investment diversification opportunities, but also pose some additional risks with regard to interim value. The interim value of the Securities varies with the price and/or level of the Reference Item and is affected by a number of other factors, including but not limited to:

(i) the value and volatility of the Reference Item(s);

(ii) where the Reference Item(s) is/are equity securities, the dividend rate on the Reference Item(s) and the financial results and prospects of the issuer of each Reference Item;

(iii) in the case of Credit Linked Securities, the creditworthiness of the specified reference entity or entities;

(iv) market interest rates;

(v) fluctuations in currency exchange rates;

(vi) fluctuations in commodities prices;

(vii) the liquidity of the Securities or any Reference Item(s) in the secondary market;

(viii) the time remaining to any redemption date or the maturity date; and

(ix) economic, financial and political events in one or more jurisdictions, including factors affecting capital markets generally and the stock exchange(s) on which any Reference Item or Securities may be traded.

There can be no assurance that a holder of a Security (a "**Securityholder**") will be able to sell any Securities prior to maturity at a price equal to or greater than the market value of the Securities on the Issue Date and such holder may only be able to sell Securities at a discount, which may be substantial, to the Issue Price or the purchase price, as the case may be. The past performance of any Reference Item should not be taken as an indication of the future performance of that Reference Item during the term of any Security.

Before selling Securities or exercising Warrants, holders of such Securities should carefully consider, among other things, (a) the trading price of the relevant Securities, (b) the value and volatility of the Reference Item as specified in the applicable Final Terms, (c) the time remaining to redemption (or expiration in the case of Warrants), (d) in the case of Cash Settled Certificates or Cash Settled Warrants, 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 Item and (h) any related transaction costs.

Each Issuer may issue several issues of Securities 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 Securities other than the Securities to which a particular Final Terms relates.

No Claim against any Reference Item

A Note will not represent a claim in respect of any Reference Item and, in the event that the amount paid by the Issuer on redemption of the Notes or Certificates is less than the Principal Amount of the Notes or the purchase price of the Certificates, a holder will not have recourse under a Note or a Certificate, as the case may be, to any Reference Item.

Exchange rate risks and exchange controls

In the case of Cash Settled Certificates or Cash Settled Warrants or the Notes, the Issuer will pay the Cash Settlement Amount in respect of the Certificates or Warrants or the Redemption Amount in respect of the Notes, as the case may be, 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 "**Securityholder'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 Securityholder's Currency) and the risk that authorities with jurisdiction over the Securityholder's Currency may impose or modify exchange controls. An appreciation in the value of the Securityholder's Currency relative to the settlement currency would decrease (i) the Securityholder's Currency-equivalent yield on the Securities, (ii) the Securityholder's Currency-equivalent value of the Cash Settlement Amount in respect of the Certificates or Warrants, as the case may be, or the Redemption Amount in respect of Notes and (iii) the Securityholder's Currency-equivalent market value of the relevant Securities,.

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 or Redemption Amount that investors may receive may be less than expected or zero.

Time Lag After Redemption

Unless otherwise specified in the relevant Final Terms, in the case of Notes or Certificates which the Issuer is required to redeem prior to the Maturity Date at the option of the Noteholder or the Certificateholder, there will be a time lag between the time a Noteholder or Certificateholder gives the instruction to redeem and the time the applicable Early Redemption Amount or Cash Settlement Amount, as the case may be, is determined by the Determination Agent. Such time lag could be significantly longer, however, particularly in the case of a delay in the redemption of Notes or Certificates due to there being a limit on the maximum number of Notes redeemable on any one day, following the imposition of any exchange controls or similar regulations affecting the ability to obtain or exchange any relevant currency (or basket of currencies), or following a determination by the Issue and Paying Agent, or the Determination Agent, as applicable, that there is any Settlement Disruption Event or that a Disrupted Day has occurred. The applicable Early Redemption Amount or Cash Settlement Amount, as the case may be, may change significantly during any such period, and such movement or movements could decrease the Early Redemption Amount or Cash Settlement Amount, and may result in a Securityholder not realising a return on an investment in the relevant Securities.

Unless otherwise specified in the Final Terms, in the case of any exercise of Warrants, there will be a time lag between the time a Warrantholder gives instructions to exercise and the time the applicable Cash Settlement Amount (in the case of Cash Settled Warrants) relating to such exercise is determined. Any such delay between the time of exercise and the determination of the Cash Settlement Amount will be specified in the applicable Final Terms or the applicable Terms and Conditions. However, such delay could be significantly longer, particularly in the case of a delay in exercise of Warrants arising from any daily maximum exercise limitation, the occurrence of a market disruption event or failure to open when scheduled of an exchange or related exchange (if applicable) or following the imposition of any exchange controls or other similar regulations affecting the ability to obtain or exchange any relevant currency (or basket of currencies) in the case of Currency Linked Warrants. The applicable Cash Settlement Amount may change significantly during any such period, and such movement or movements could decrease the Cash Settlement Amount of the Warrants being exercised and may result in such Cash Settlement Amount being zero.

Hedging

Prospective purchasers intending to purchase Securities 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 Securities in this manner. For example, the value of the Securities, 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 Securities 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 connection with the offering of the Securities, the Issuer and/or any of its affiliates may enter into one or more hedging transactions with respect to the Reference Item(s) or related derivatives. In connection with such hedging activities or with respect to proprietary or other trading activities by the Issuer and/or any of its affiliates, the Issuer and/or any of its affiliates may enter into transactions in the Reference Item(s) or related derivatives which may, but are not intended to, affect the market price, liquidity or value of the Securities and which could be deemed to be adverse to the interest of the relevant Securityholders.

Certain Considerations Associated with Securities relating to Shares (or Baskets of Shares)

In the case of Securities 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 relevant Securities 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 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 Securities.

Except as provided in the Terms and Conditions of the Notes, the Terms and Conditions of the Certificates, or the Terms and Conditions of the Warrants in relation to Physical Delivery Notes or Physical Delivery Certificates or Physical Delivery Warrants settled by delivery of the relevant Reference Asset, as the case may be, Noteholders, Certificateholders or Warrantholders 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 Securities relate.

Certain Additional Risk Factors Associated with Currency Securities

Fluctuations in exchange rates of the relevant currency (or basket of currencies) will affect the value of Currency Linked Notes, Currency Linked Certificates or Currency Linked Warrants. Furthermore, investors who intend to convert gains or losses from the redemption or sale of Currency Linked Certificates or Currency Linked Notes or the exercise of Currency Linked Warrants 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 Linked Notes, Currency Linked Certificates or Currency Linked Warrants 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-US currencies or particular currency indices are subsequently issued, the supply of certificates, warrants, securities and options relating to such non-US currencies or currency indices, as applicable, in the market will increase, which could cause the price at which the relevant Securities and such other certificates, warrants, securities and options trade in the secondary market to decline significantly.

Certain Additional Risk Factors Associated with Physical Settlement of Securities

The relevant Final Terms may provide that the Issuer may, at its election or otherwise as provided in the relevant Final Terms, physically settle its payment obligations under the Securities. When such Securities are physically settled, the Issuer will not pay the investor cash in discharge of its payment obligations, whether in respect of principal, interest or otherwise, under the Securities but will deliver to the investor the underlying assets, which may, for example, be shares (or any other form of securities), bonds (or any other form of debt securities), commodities or other non-cash assets specified in the relevant Final Terms. There is no guarantee that there will be any market or liquidity in relation to such assets or that the investor will be able to dispose of or realise such underlying assets for an amount equivalent to the payment obligations of the Issuer under such Securities. Therefore, if the Issuer physically settles any of its payment obligations under such Securities, the investor may upon realisation of such underlying assets receive less cash than if the Issuer had settled its payment obligations under such Securities in cash. Prospective investors should note that they may be required to take delivery of such underlying assets and should ensure that they have the capacity to receive such obligations on purchasing the Securities. Adverse tax consequences and regulatory implications could also ensue when the Securities are physically settled which may not have arisen had the Securities been cash settled. Each prospective investor should consult its own tax and legal advisor concerning the relevant tax and legal implications of physical settlement under the Securities and the tax and regulatory treatment thereof.

Certain Additional Risk Factors Associated with Commodities

Prices for commodities are affected by a variety of factors, including changes in supply and demand relationships, governmental programmes and policies, national and international political and economic events, wars and acts of terror, changes in interest and exchange rates, trading activities in commodities and related contracts, weather, and agricultural, trade, fiscal, monetary and exchange control policies. The price volatility of each commodity also affects the value of futures and forward contracts related to that commodity. These factors may affect the prices of the commodities and the value of the Securities in varying ways and may cause the closing levels of the commodities to move in inconsistent directions and at inconsistent rates.

Certain Additional Risk Factors Associated with the Relevant Underlying Assets

An investment in the Securities should only be made after assessing the direction, timing and magnitude of potential future changes in the value of the relevant underlying assets, and/or the composition, method of calculation or settlement of the underlying assets, as the return of any such investment will be dependent, inter alia, upon such changes. More than one risk factor may have simultaneous effect with regard to the Securities such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect which may not be predictable. No assurance can be given as to the effect that any combination of risk factors may have on the value of the Securities.

Additional Disclaimers and Considerations Associated with Certain Securities

Each type of Security may be issued subject to additional disclaimers and considerations in respect of risk and tax consequences involved in investing in such Securities. The text of these additional disclaimers and considerations (if any) will be set out in full in the applicable Final Terms. Prospective purchasers should understand the risks, regulatory and tax implications associated with an investment in the Securities and should only reach an investment decision after careful consideration with their legal, tax, accounting and

other advisers, of the suitability of an investment in the Securities in the light of all the information set out in this Base Prospectus, any supplement thereof and the applicable Final Terms.

Certain Considerations Associated with the Commodity Futures Markets

Contracts on physical commodities are traded on regulated futures exchanges, in the over-the-counter market and on various types of physical and electronic trading facilities and markets. Futures contracts are traded on organised exchanges known as "contract markets" in the United States, through the facilities of a centralised clearing house and a brokerage firm which is a member of the clearing house. The clearing house guarantees the performance of each clearing member which is a party to the futures contract by, in effect, taking the opposite side of the transaction. At any time prior to the expiration of a futures contract, subject to the availability of a liquid secondary market, a trader may elect to close out its position by taking an opposite position on the exchange on which the trader obtained the position. This operates to terminate the position and fix the trader's profit or loss.

U.S. contract markets, as well as brokers and market participants, are subject to regulation by the Commodity Futures Trading Commission (CFTC). Futures markets outside the United States are generally subject to regulation by comparable regulatory authorities (such as the Financial Services Authority (FSA) in the United Kingdom). Because the Securities may not constitute futures contracts or commodity options, Securityholders will not benefit from the aforementioned clearing house guarantees and may not benefit from the regulatory protections of the CFTC, the FSA or any other non-U.S. regulatory authority.

Certain Additional Risk Factors Associated with Exchange Limits on Price Movements

Certain futures exchanges have regulations that limit the amount of fluctuation in some futures contract prices that may occur during a single business day. These limits are generally referred to as ''daily price fluctuation limits'' and the maximum or minimum price of a contract on any given day as a result of these limits is referred to as a ''limit price''. Once the limit price has been reached in a particular contract, no trades may be made at a price beyond the limit, or trading may be limited for a set time period. Limit prices have the effect of precluding trading in a particular contract or forcing the liquidation of contracts at potentially disadvantageous times or prices. These circumstances could adversely affect the value of the commodity, commodity index or basket of commodities (as applicable) and therefore the market value of the commodity linked Securities and could disrupt applications for, and redemptions of, commodity linked Securities and the pricing thereof.

Certain Additional Tax Considerations Associated with Physical Settlement of Securities

The summaries set out under the heading "Taxation" do not describe the tax consequences for a holder of Securities that are redeemable in exchange for, or convertible into, shares, bonds, commodities or other non-cash assets on the exercise, settlement or redemption of such Securities and/or any tax consequences after the moment of exercise, settlement or redemption. It also does not describe the stamp duties and the indirect taxes (including, inter alia, transfer taxes, stock exchange taxes and taxes on the physical delivery of bearer securities) that may be due following the acquisition, transfer or disposal of the Securities.

Potential purchasers of physically settled Securities should note that the tax treatment of such Securities may be different (and in some cases significantly different) from that set out in those summaries.

Possible Illiquidity of the Secondary Market

There can be no assurance as to how Securities will trade in the secondary market or whether such market will be liquid or illiquid. The number of Securities of any Series may be relatively small, further adversely affecting the liquidity of such Securities. The relevant Issuer may list Securities on the London Stock Exchange or any other exchange as is specified in the applicable Final Terms or may issue Securities which are not listed on any exchange. However, no assurance can be given that any secondary trading market will develop for the Securities. If Securities are not listed or traded on any exchange, pricing information for such Securities may be more difficult to obtain and the liquidity of such Securities may be adversely affected. The fact that Securities are listed will not necessarily lead to greater liquidity.

Certain Notes are also subject to transfer restrictions. See "Terms and Conditions of the Notes — Form, Denomination, Transfer and Title" below.

Termination of the Notes in the Event of Unlawfulness or Impracticability

If the Determination Agent determines that the Issuer's or the Guarantor's (where BCCL is the Issuer) performance under the relevant Securities, or any arrangements made to hedge the Issuer's obligations under the relevant Securities, have or shall become unlawful or impracticable in whole or in part for any reason, the relevant Issuer may terminate the Notes or cancel the Certificates or Warrants by paying each holder of such Securities an amount determined by the Determination Agent. Such termination or cancellation may result in an investor not realising a return on an investment in the relevant Securities.

Potential Conflicts of Interest

The relevant Issuer and its affiliates may engage in trading and market-making activities and may hold long or short positions in the relevant Reference Item(s) and other instruments or derivative products based on or related to the relevant Reference Item(s) for their proprietary accounts or for other accounts under their management. The Issuers and their respective affiliates may also issue Securities in respect of the relevant Reference Item(s) which are securities, or issue derivative instruments in respect thereof. To the extent that either of the Issuers, directly or through its affiliates, serves as issuer, agent, manager or underwriter of such securities or other instruments, its interests with respect to such products may be adverse to those of the Securityholders. The Issuers or their affiliates may also act as underwriter in connection with future offerings of securities which comprise the Reference Items or may act as financial advisors to certain Underlying Companies or Reference Entities. Such activities could present certain conflicts of interest, could influence the prices of such Reference Items and could adversely affect the value of the Securities.

Status of the Securities

The Securities are unconditional, unsubordinated and unsecured obligations of the relevant Issuer and will rank equally among themselves and, with the exception of certain obligations given priority by applicable law, will rank *pari passu* with all other present and future outstanding unsecured and unsubordinated obligations of the relevant Issuer. Each issue of Securities 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.

RISKS APPLICABLE TO THE NOTES

General

Where the relevant Issuer is required to redeem the Notes prior to the Maturity Date at the option of the Noteholders an investor should understand the consequences of liquidating any investment in the Notes by redeeming such investment as opposed to selling it. This includes knowing when the Notes are redeemable and how to redeem them.

The relevant Issuer may vary the manner in which a particular Series of Notes are redeemed. At its sole and unfettered discretion, it may elect not to pay the relevant Noteholders the Redemption Amount or the Early Redemption Amount, as the case may be, or to deliver or procure delivery of the relevant Underlying Securities or Deliverable Obligations to the relevant Noteholders, as the case may be, and in lieu thereof, deliver or procure the delivery of the relevant Underlying Securities or Deliverable Obligations or make payment of the Redemption Amount or the Early Redemption Amount on the Maturity Date or the Early Redemption Payment Date, as the case may be, to the relevant Noteholders. See "Terms and Conditions of the Notes — Redemption" below.

Some Notes are not principal protected and Noteholders may lose some or a significant part of their principal. Noteholders may lose the value of their entire investment or part of it, as the case may be.

Credit Linked Notes

The occurrence of certain events or circumstances, in each case as specified in the applicable Final Terms, will affect the value of Credit Linked Notes and the Issuer's obligation to pay principal may be replaced by an obligation to pay other amounts calculated by reference to the value of the Reference Obligation(s) and/or to deliver the Reference Obligation(s). The Issuer's obligations in respect of Credit Linked Notes are not dependent on the existence of credit exposure of the relevant Issuer to a Reference Entity and the relevant Issuer need not itself suffer any loss nor provide evidence of any loss as a result of the occurrence of a Credit Event.

Disrupted Days and Disruption Events

Where the Notes are Equity Linked Notes or Index Linked Notes, and Disrupted Day is specified as applying in the applicable Final Terms, the Determination Agent may determine that an event giving rise to a Disrupted Day has occurred at any relevant time. Where the Notes are Currency Linked Notes, the Determination Agent may determine that a Disruption Event has occurred at any relevant time. Where the Notes are Commodity Linked Notes, the Determination Agent may determine that a Commodity Market Disruption Event has occurred at any relevant time. Any such determination may have an effect on the timing of valuation and consequently the value of the Notes and/or may delay settlement in respect of the Notes. Prospective purchasers should review the Conditions of the Notes and the applicable Final Terms to ascertain whether and how such provisions apply to the Notes. See "Time Lag After Redemption" above and "Terms and Conditions of the Notes — Rights of the Issuer on a Disrupted Day or Disruption Event" below.

Limitations on Redemption

Other than in respect of Notes which are redeemable prior to the Maturity Date at the option of the Noteholder, the only means by which a Noteholder can realise value from its Notes prior to their Maturity Date is to sell such Notes at their then market price in the secondary market (if available) (see "— Possible Illiquidity of the Secondary Market" above).

If so indicated in the applicable Final Terms, the Issuer will have the option to limit the number of Notes which Noteholders (whether or not acting in concert) may require the Issuer to redeem at any one time to the maximum number specified in those Final Terms (see Condition 9 of the Terms and Conditions of the Notes). In the event that the total number of Notes which Noteholders have requested the Issuer to redeem on any date exceeds such maximum number and the Issuer elects to limit the number of Notes redeemable on such date, a Noteholder may not be able to redeem all the Notes that such holder desires to redeem on such date. Notes to be redeemed on such date will be selected on a *pro rata* basis (unless otherwise specified in the applicable Final Terms). Unless otherwise specified in the applicable Final Terms, the Notes in respect of which the Issuer has received requests for redemption from Noteholders but which are not redeemed on such date will be redeemed on the next date on which Notes may be redeemed, subject to the same daily maximum limitation and delayed redemption provisions.

If so indicated in the applicable Final Terms, the number of Notes which a Noteholder may request the Issuer to redeem on any day may be subject to a specified minimum number of Notes and thereafter to specified integral multiples of Notes. Thus, Noteholders with fewer than the specified minimum number of Notes or specified multiples thereof will either have to sell their Notes or purchase additional Notes, incurring transaction costs in each case, in order to realise their investment. Furthermore, holders of such Notes incur the risk that there may be differences between the trading price of such Notes and the Redemption Amount or Early Redemption Amount, as the case may be, or the value of any Reference Item which the Issuer elects to deliver on redemption of such Notes.

Subject to the immediately following paragraph, when the Issuer elects to deliver Underlying Securities, Notes may only be redeemed in such amounts as will ensure that the number of Underlying Securities to be delivered is equal to an integral multiple of the minimum board lot for the trading of the Underlying Securities on the relevant Exchange as from time to time specified by such Exchange (a "***Board Lot***") (see Condition 9.4 of the Terms and Conditions of the Notes). Noteholders who request that the Issuer redeem a holding of Notes which would not result in the purchase of a number of Underlying Securities equal to an integral multiple of the relevant Board Lot, will receive the maximum number of Underlying Securities equivalent to the maximum permissible integral multiple of a Board Lot and may be entitled to a payment in lieu thereof at the option of the Issuer in respect of the remaining Underlying Securities unless any such

payment is of a *de minimis* amount, in which case Noteholders shall not receive anything in respect of the remaining Notes. Noteholders will, therefore, either have to sell their Notes or purchase additional Notes, incurring transaction costs in either case, in order to realise their investment.

Restrictions on Transfer

The Notes have not been and will not be registered under the Securities Act and are being offered and sold in the United States only to QIBs in reliance on Rule 144A under the Securities Act. None of the Issuers, the Managers and their respective affiliates, or any other person or entity, has any obligation to register the Notes under the Securities Act or to register or qualify the Notes under any applicable law relating to the offering or sale of securities. Each purchaser of Restricted Notes (as defined herein) within the United States pursuant to Rule 144A, by accepting delivery of this Base Prospectus, will be deemed to have represented, agreed and acknowledged that it is (a) a qualified institutional buyer within the meaning of Rule 144A, (b) acquiring such Restricted Notes for its own account or for the account of a QIB and (c) aware, and each beneficial owner of such Restricted Notes has been advised, that the sale of such Restricted Notes to it is being made in reliance on Rule 144A. Each such purchaser understands that such Restricted Notes have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred except (a) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believes is a QIB purchasing for its own account or for the account of a QIB, (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S or (c) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available), in each case in accordance with any applicable securities laws of any State of the United States. No representation can be made as to the availability of the exemption provided by Rule 144 under the Securities Act for resales of the Notes. Each purchaser of Notes sold outside the United States in reliance on Regulation S will be deemed to have represented that (a) it is not a US person and it is located outside the United States (within the meaning of Regulation S) and (b) it is not an affiliate of the Issuer or a person acting on behalf of such an affiliate.

In relation to any issue of Notes which have a Specified Denomination consisting of a minimum denomination plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of such minimum denomination that are not integral multiples of such minimum denomination. In such a case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than such minimum denomination may not receive a definitive Note in respect of such holding (should definitive notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to such minimum denomination.

For so long as the Notes are represented by a Global Note, such Notes may, if specified in the applicable Final Terms, be subject to a Minimum Transfer Amount, in which case such Notes will, so long as they are held through a Clearing System, be transferable only in amounts of not less than such Minimum Transfer Amount. It is possible that the Notes may be traded in amounts in excess of such Minimum Transfer Amount that are not integral multiples of such Minimum Transfer Amount. In such a case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than such Minimum Transfer Amount through a Clearing System may not be permitted to transfer such holding and in order to do so will need to purchase a principal amount of Notes such that its holding through such Clearing System amounts to such Minimum Transfer Amount.

Taxation

Potential purchasers of Notes should be aware that duties and other taxes and/or expenses, including any applicable depositary charges, transaction charges, stamp duty and other charges may be levied in accordance with the laws and practices in the countries where the Notes are transferred and/or where Reference Items are delivered.

The summaries set out under the heading "Taxation" in this document do not consider the tax treatment of payments in respect of variable rate and Notes, the payments on which are determined by reference to the value of any index, stock or other Reference Items ("***Relevant Notes***"). Potential purchasers of Relevant Notes should note that the tax treatment of payments in respect of Relevant Notes may be different (and in some cases significantly different) from that set out in those summaries.

Potential purchasers of Notes should consult their own independent tax advisers. In addition, potential purchasers should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time.

Nominee Arrangements

Where a distributor and/or a nominee service provider is used by an investor to invest in the Notes, such investor will only receive payments and/or deliveries of Reference Assets on the basis of arrangements entered into by the investors with the distributor or nominee service provider as the case may be. Such investors must look exclusively to the distributor or nominee service provider for all payments and/or deliveries attributable to the Notes. None of the Issuer, Guarantor, Manager, Determination Agent or any other person will be responsible for the acts or omissions of the distributor or nominee service provider, nor make any representation or warranty, express or implied, as to the services provided by the distributor or nominee service provider.

RISKS RELATING TO CERTIFICATES

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 such features. Potential investors should also have regard to "Risks related to the structure of a particular issue of Certificates or Warrants" for additional risks which are relevant to Certificates

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.

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 Linked 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.

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

An investment in Fund Linked 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

Expenses and Taxation

A holder of Certificates must pay all Expenses relating to such Certificates. As used in the Terms and Conditions of the Certificates, 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 of the Terms and Conditions of the 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 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.

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 Determination 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.

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 Determination 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 RELATING TO WARRANTS

Risks related to the structure of a particular issue of Warrants

A wide range of Warrants may be issued under the Programme. A number of these Warrants may have features which contain particular risks for potential investors. Set out below is a description of the most common such features. Potential investors should also have regard to "Risks related to the structure of a particular issue of Certificates or Warrants" for additional risks which are relevant to Warrants.

General risks relating to underlying asset or basis of reference

The Warrants involve a high degree of risk, which may include, among others, interest rate, foreign exchange, time value and political risks. Prospective purchasers of Warrants should recognise that their Warrants, other than any Warrants having a minimum expiration value, may expire worthless. Purchasers should be prepared to sustain a total loss of the purchase price of their Warrants, except, if so indicated in the Final Terms, to the extent of any minimum expiration value attributable to such Warrants. This risk reflects the nature of a Warrant as an asset which, other factors held constant, tends to decline in value over time and which may become worthless when it expires (except to the extent of any minimum expiration value). See "Certain Factors Affecting the Value and Trading Price of Warrants" below. Prospective purchasers of Warrants should be experienced with respect to options and option transactions, should understand the risks of transactions involving the relevant Warrants and should reach an investment decision only after careful consideration, with their advisers, of the suitability of such Warrants in light of their particular financial circumstances, the information set forth herein and the information regarding the relevant Warrants and the particular index (or basket of indices), 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 Warrants may relate, as specified in the applicable Final Terms.

The risk of the loss of some or all of the purchase price of a Warrant upon expiration means that, in order to recover and realise a return upon his or her investment, a purchaser of a Warrant 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), 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. Assuming all other factors are held constant, the more a Warrant is "out-of-the-money" and the shorter its remaining term to expiration, the greater the risk that purchasers of such Warrants will lose all or part of their investment. With respect to European-style Warrants, the only means through which a holder can realise value from the Warrant prior to the Exercise Date in relation to such Warrant is to sell it at its then market price in an available secondary market. See "Possible Illiquidity of the Warrants in the Secondary Market" below.

Each Issuer may issue several issues of Warrants relating to various reference securities, 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 Warrants other than the Warrants to which a particular Final Terms relates. At any given time, the number of Warrants outstanding may be substantial. Warrants provide opportunities for investment and pose risks to investors as a result of fluctuations in the value of the underlying investment. In general, certain of the risks associated with the Warrants are similar to those generally applicable to other options or warrants of private corporate issuers. Options or warrants on equities or debt securities are priced primarily on the basis of the value of underlying securities whilst Currency and Commodity Linked Warrants 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.

Certain Factors Affecting the Value and Trading Price of Warrants

The Cash Settlement Amount (in the case of Cash Settled Warrants) or the difference in the value of the Entitlement and the Exercise Price (the Physical Settlement Value) (in the case of Physical Delivery

Warrants) at any time prior to expiration is typically expected to be less than the trading price of such Warrants 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 Warrants. The "time value" of the Warrants will depend partly upon the length of the period remaining to expiration and expectations concerning the value of the reference index (or basket of indices), 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. Warrants offer hedging and investment diversification opportunities but also pose some additional risks with regard to interim value. The interim value of the Warrants varies with the price level of the index (or basket of indices), 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.

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

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

Protected Equity Linked Securities and Equity Linked Securities

Investors who exercise Warrants comprising a PELS on a Lock-In Date or the Final Exercise Date will receive a minimum return equal to either (i) the Issue Price paid on the Issue Date or, (ii) if the value of the PELS on a Lock-In Date or the Final Exercise Date, as applicable, is higher than the Issue Price, such higher amount. This capital protection in respect of the original investment only covers investors who purchase PELSs on the Issue Date and hold and exercise them on a Lock-In Date or the Final Exercise Date.

Investors who sell their Linked Securities prior to a Lock-In Date or the Final Exercise Date will get the market price at the time of sale, which may be more or less than the Issue Price.

The information on taxation contained in this Base Prospectus is based on the law and practice currently in force in the UK and is subject to any changes therein. The effect of the current taxation regimes in the UK may vary depending upon the individual circumstances of an investor. The levels and bases of, and reliefs from, taxation can change. The Issuer cannot give any assurance as to the actual tax treatment of the Linked Securities, and the component Warrant, or of a particular investor as a result of the purchase, holding, sale or exercise of a Linked Security or a component Warrant. All payments by the Issuer in respect of a linked Security or a component Warrant will be made subject to any withholding taxes and the Issuer will not be obliged to pay any additional amount as a result.

It is anticipated that an affiliate of the Issuer will be the only market maker for Linked Securities or their component Warrants. Investors should note that there may be no market for the Linked Securities or their component Warrants, if such entity ceases to be a market maker in respect of the Linked Securities or their component Warrants. This may seriously affect an investor’s ability to sell and/or the price obtained.

Risks related to Warrants generally

Exercise Expenses and Taxation

A holder of Warrants must pay all Exercise Expenses relating to the Warrants. As used in the Terms and Conditions of the Warrants, "Exercise Expenses" includes all taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising from the exercise of the Warrants and/or the delivery or transfer of the Entitlement as more fully set out in Condition 6 of the Terms and Conditions of the Warrants.

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

Market Disruption Event and Disrupted Day

If an issue of Warrants 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 Determination 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 Warrants may have an adverse effect on the value of such Warrants..

Limitations on Exercise

If so indicated in the Final Terms, the relevant Issuer will have the option to limit the number of Warrants exercisable on any date (other than the final exercise date) to the maximum number specified in the Final Terms and, in conjunction with such limitation, to limit the number of Warrants exercisable by any person or group of persons (whether or not acting in concert) on such date. In the event that the total number of Warrants being exercised on any date (other than the final exercise date) exceeds such maximum number and the Issuer elects to limit the number of Warrants exercisable on such date, a Warrantholder may not be able to exercise on such date all Warrants that such holder desires to exercise. In any such case, the number of Warrants to be exercised on such date will be reduced until the total number of Warrants exercised on such date no longer exceeds such maximum, such Warrants being selected at the discretion of the Issuer or in any other manner specified in the applicable Final Terms. Unless otherwise specified in the Final Terms, the Warrants tendered for exercise but not exercised on such date will be automatically exercised on the next date on which Warrants may be exercised, subject to the same daily maximum limitation and delayed exercise provisions.

Minimum Exercise Amount and Units

If so indicated in the Final Terms, a Warrantholder must tender a specified number of Warrants at any one time in order to exercise or exercise Warrants in Units. Thus, Warrantholders with fewer than the specified minimum number of Warrants or the number of Warrants constituting a Unit will either have to sell their Warrants or purchase additional Warrants, incurring transaction costs in each case, in order to realise their investment. Furthermore, holders of such Warrants incur the risk that there may be differences between the trading price of such Warrants and the Cash Settlement Amount (in the case of Cash Settled Warrants) or the Physical Settlement Value (in the case of Physical Delivery Warrants) of such Warrants.

Option to Vary Settlement

If the applicable Final Terms in respect of any Warrants indicates that the relevant Issuer has an option to vary settlement in respect of such Warrants, the Issuer may, at its sole and unfettered discretion, elect (i) not to pay the relevant Warrantholders the Cash Settlement Amount, but to deliver or procure delivery of the Entitlement or (ii) not to deliver or procure delivery of the Entitlement, but to make payment of the Cash Settlement Amount on the Settlement Date to the relevant Warrantholders.

INFORMATION INCORPORATED BY REFERENCE

The following information has been filed with the United Kingdom Financial Services Authority and shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

In respect of information relating to the Securities

- The Offering Circular dated 19 December 2003 as supplemented, and the Offering Circular dated 20 December 2004 as supplemented, and the Base Prospectus dated 16 December 2005 as supplemented, and the Base Prospectus dated 14 December 2006 as supplemented, and the Base Prospectus dated 14 December 2007 as supplemented, each of which produced in relation to Barclays programme (the "***Structured Note Programme***") for the issuance of notes and other similar instruments (***"Notes***"); and

- the Offering Circular dated 20 January 2005 as supplemented, and the Offering Circular dated 24 March 2006 as supplemented, and the Base Prospectus dated 29 March 2007 as supplemented, each of which produced in relation to Barclays programme (the "***Certificate Programme***") for the issuance of certificate and other similar instruments (***"Certificates***"); and

- the Offering Circular dated 30 January 2004 as supplemented, and the Offering Circular dated 12 May 2005 as supplemented, and the Offering Circular dated 2 June 2006 as supplemented, and the Base Prospectus dated 11 June 2007 as supplemented, each of which produced in relation to Barclays programme (the "***Warrant Programme***") for the issuance of warrants and other similar instruments (***"Warrants***"); and

- the Base Prospectus dated 28 March 2008 as supplemented, produced in relation to Barclays programme (the "***Structured Securities Programme***") for the issuance of structured notes, certificates and warrants and other similar instruments (***"Structured Securities***").

In respect of information relating to the Bank, the Group and the Holding Company:

- the joint Annual Report of Barclays Bank PLC (the "**Bank**") and Barclays PLC, as filed with the U.S. Securities and Exchange Commission ("**SEC**") on Form 20-F in respect of the years ended 31 December 2007 and 31 December 2008 (the "**Joint Annual Report**"), with the exception of the information incorporated by reference in the Joint Annual Report referred to in the Exhibit Index of the Joint Annual Report, which shall not be deemed to be incorporated in this [Prospectus]; and
- the Annual Reports of the Bank containing the audited consolidated accounts of the Bank in respect of the years ended 31 December 2007 (the "**2007 Bank Annual Report**") and 31 December 2008 (the "**2008 Bank Annual Report**"), respectively.

In respect of information relating to BCCL:

- the Annual Reports of BCCL containing the audited accounts of BCCL in respect of the years ended 31 December 2006 (the "**2006 BCCL Annual Report**") and 31 December 2007 (the "**2007 BCCL Annual Report**"), respectively.

The above documents may be inspected as described in the section entitled "*GENERAL INFORMATION*" of this Base Prospectus.

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

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Each of the Bank and Barclays PLC has applied International Financial Reporting Standards as issued by the International Accounting Standards Board and as adopted by the European Union ("**IFRS**") in the financial statements incorporated by reference above. A summary of the significant accounting policies for each of the Bank and Barclays PLC is included in each of the Joint Annual Report, the 2007 Bank Annual Report and the 2008 Bank Annual Report.

DESCRIPTION OF THE ISSUERS

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 and head office at 1 Churchill Place, London, E14 5HP, telephone number +44 (0)20 7116 1000. The Bank was incorporated on 7 August 1925 under the Colonial Bank Act 1925 and on 4 October 1971 was registered as a company limited by shares under the Companies Act 1948 to 1967. Pursuant to The Barclays Bank Act 1984, on 1 January 1985, the 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 (taken together, the "**Group**") is a major global financial services provider engaged in retail and commercial banking, credit cards, investment banking, wealth management and investment management services with an extensive international presence in Europe, United States, Africa and Asia. The whole of the issued ordinary share capital of the Bank is beneficially owned by Barclays PLC, which is the ultimate holding company of the Group.

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, Aa3 by Moody's and AA- by Fitch Ratings Limited.

Based on the Group's audited financial information for the year ended 31 December 2008, the Group had total assets of £2,053,029 million (2007: £1,227,583 million), total net loans and advances[1] of £509,522 million (2007: £385,518 million), total deposits[2] of £450,443 million (2007: £386,395 million), and total shareholders' equity of £43,574 million (2007: £31,821 million) (including minority interests of £2,372 million (2007: £1,949 million)). The profit before tax of the Group for the year ended 31 December 2008 was £6,035 million (2007: £7,107 million) after impairment charges on loans and advances and other credit provisions of £5,419 million (2007: £2,795 million). The financial information in this paragraph is extracted from the 2008 Bank Annual Report.

Acquisitions, Disposals and Recent Developments

Acquisitions

2009

On 2 February 2009, the Bank completed the acquisition of PT Bank Akita, which was announced initially on 17 September 2008, following the approval of the Central Bank of Indonesia. As at 31 December 2008, PT Bank Akita had total assets of £53.7 million.

2008

On 6 November 2008, the Bank purchased the Italian residential mortgage business of Macquarie Bank Limited. The acquired business includes a mortgage portfolio with a total outstanding balance of approximately £813 million as well as Macquarie's operational support functions, including staff. The total consideration paid was £765 million.

On 22 September 2008, the Bank completed the acquisition of Lehman Brothers North American business. The Lehman Brothers North American businesses include Lehman Brothers North American fixed income and equities sales, trading and research and investment banking businesses, Lehman Brothers New York Head Office at 745 Seventh Avenue and two data centres in New Jersey. The total consideration paid was £874 million.

On 1 July 2008, the Group acquired 100 per cent. of the ordinary shares of Expobank. Expobank is based in Moscow and its main products and services are issuance and servicing of debt and credit cards,

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[1] Total net loans and advances include balances relating to both banks and customers.

[2] Total deposits include deposits from banks and customer accounts

mortgages and loans, currency transactions, internet banking, retail discount cards and other services. The total consideration paid was £393 million.

On 31 March 2008, the Group completed the acquisition of Discover Financial Services' UK credit card business, Goldfish. The total consideration paid was £38 million.

Disposals

2008

On 31 October 2008, the Group completed the sale of Barclays Life Assurance Company Limited to Swiss Reinsurance Company for a net consideration of £726 million.

Recent developments

Response to press comment and update on trading

On 16 March 2009, Barclays PLC issued a statement:

- confirming that it had held discussions with a number of potentially interested parties regarding the potential disposal of iShares (part of the Barclays Global Investor business);
- that its businesses continue to perform well and have had a strong start to 2009; and
- confirming that it is in dialogue with HM Treasury and the FSA regarding its potential participation in the UK Government's asset protection scheme.

UK Government measures concerning its financial support to the banking sector

On 8 October 2008 and 13 October 2008 the UK Government announced a package of measures and schemes designed to provide financial support to the banking industry. The Group has participated and continues to participate in certain of these schemes, including the credit guarantee scheme. Following these UK Government announcements, Barclays PLC and the Group conducted the Capital Raising described in more detail below.

On 19 January 2009 the UK Government announced a further package of measures and schemes designed to inject liquidity in the UK economy and restore confidence in the financial system. These include, among others, the extension of the credit guarantee scheme and the implementation of an asset protection scheme to protect participating banks from credit losses, beyond and up to an agreed point, on eligible assets placed within the scheme. The FSA also published considerations relating to appropriate long-term changes to the bank capital regulatory framework, including a programme of work to reduce the requirement for additional capital resulting from the pro-cyclical effects of the International Basel Accord and a preference for the capital regime to incorporate counter-cyclical measures which would lead to banks building up capital buffers in good years which can be drawn down during economic downturns. However, this continues to be a supervisory framework and not a new set of rules.

The Capital Raising

On 31 October 2008, the Board made an announcement of a proposal to raise more than £7 billion of additional capital (the "**Capital Raising**") from existing and new strategic and institutional investors. The Capital Raising satisfied the target capital levels agreed with the FSA.

The Capital Raising includes:

- An issue of £3 billion of Reserve Capital Instruments (the "**RCIs**") by the Bank to Qatar Holding LLC and entities representing the beneficial interests of HH Sheikh Mansour Bin Zayed Al Nahyan, a member of the Royal Family of Abu Dhabi ("**HH Sheikh Mansour Bin Zayed Al Nahyan**"). The RCIs will pay an annual coupon of 14 per cent. until June 2019. In conjunction with this issue, Qatar Holding LLC and HH Sheikh Mansour Bin Zayed Al Nahyan have also subscribed (for a nominal consideration) for warrants (the "**Warrants**") to subscribe at their option for up to 1,516,875,236 new ordinary shares of Barclays PLC with an exercise price of 197.775 pence per share or £3 billion in aggregate, representing 18.1 per cent. of the existing issued

ordinary share capital. The Warrants are exercisable at any time for a five-year term from the date of issue of the RCIs until 31 October 2013.

- An issue of £2.8 billion of Mandatorily Convertible Notes (the "**MCNs**") by the Bank to Qatar Holding LLC, Challenger Universal Limited (a company representing the beneficial interests of His Excellency Sheikh Hamad Bin Jassim Bin Jabr Al-Thani, the chairman of Qatar Holding LLC, and his family) ("**Challenger**") and HH Sheikh Mansour Bin Zayed Al Nahyan, and a further issue of £1.25 billion of MCNs to existing institutional shareholders and other institutional investors by way of an accelerated non-underwritten bookbuild placing implemented on 31 October 2008. The MCNs will pay an annual coupon of 9.75 per cent. until conversion into Barclays PLC ordinary shares, which will occur on or before 30 June 2009. Assuming no adjustment of the conversion ratio, conversion will result in the issue of 2,642,292,334 new Barclays PLC ordinary shares, representing 31.6 per cent. of the issued ordinary share capital as at 31 October 2008. The conversion price for the MCNs is 153.276 pence, a discount of 22.5 per cent. of the average closing middle market quotations of a Barclays PLC ordinary share as derived from the Daily Official List on 29 and 30 October 2008.

- Ordinary shares to be issued upon conversion of the MCNs and, as the case may be, exercise of the Warrants will increase Barclays PLC's equity Tier 1 ratio. The equity component of the proceeds from the RCIs and Warrants, representing the fair value of the Warrants, will be included in equity Tier 1 capital and the debt component of the proceeds of the RCIs and the Warrants will be included as innovative Tier 1 capital to the extent it is within the innovative Tier 1 allowance as defined by the FSA.

Qatar Holding LLC agreed to invest £500 million in MCNs and £1.5 billion in RCIs, and subscribed for Warrants to purchase up to £1.5 billion of Barclays PLC ordinary shares. Challenger agreed to invest £300 million in MCNs. Assuming the conversion of their MCNs and the full exercise of their Warrants, Qatar Holding LLC would hold approximately 1,607 million ordinary shares, representing 12.8 per cent. of the fully diluted share capital of Barclays PLC and Challenger would hold approximately 354 million ordinary shares, representing 2.8 per cent. of the fully diluted share capital of Barclays PLC. In addition to any other fees and commissions payable in connection with the issue of the securities, Qatar Holding LLC will receive a fee of £66 million for having arranged certain of the subscriptions in the Capital Raising.

HH Sheikh Mansour Bin Zayed Al Nahyan agreed to invest £2 billion in MCNs and £1.5 billion in RCIs, and subscribed for Warrants to purchase up to £1.5 billion of Barclays PLC ordinary shares. Assuming the conversion of his MCNs and the full exercise of his Warrants, HH Sheikh Mansour Bin Zayed Al Nahyan would be beneficially entitled to approximately 2,063 million ordinary shares, representing 16.5 per cent. of the fully diluted share capital of Barclays PLC. HH Sheikh Mansour Bin Zayed Al Nahyan has arranged for his investment in the Warrants, the MCNs and the RCIs to be funded by an Abu Dhabi governmental investment vehicle, which will become the indirect shareholder of the entities which are subscribing for the Warrants, the MCNs and the RCIs.

On 18 November 2008, the Board announced that Qatar Holding LLC and HH Sheikh Mansour Bin Zayed Al Nahyan had each offered to make available up to £250 million of RCIs for clawback by existing Barclays PLC institutional investors at par. By consequence £500 million of RCIs (excluding Warrants) were placed with Barclays PLC institutional investors by way of a bookbuild placing on 18 November 2008.

In addition, the Board also announced that:

- all members of the Board will exceptionally offer themselves for re-election at the Annual General Meeting to be held in April 2009; and

- no annual bonuses will be paid to executive directors of Barclays PLC for 2008, following the offer by the executive directors to waive any annual bonus for 2008.

The necessary shareholder resolutions required in order to effect the Capital Raising were passed by the shareholders of Barclays PLC on 24 November 2008.

Dividend Policy

On 13 October 2008 Barclays PLC announced that its Board would not be recommending the payment of a final dividend on Barclays PLC's ordinary shares for 2008. This dividend, amounting to c.£2 billion, would otherwise have been payable in April 2009. Barclays PLC intends to resume dividend payments on its ordinary shares in the second half of 2009.

The Placing

On 18 September 2008, the Board announced the completion of a placing. A total of 226 million new Barclays PLC ordinary shares of 25 pence each (the "**Placing Shares**") issued by Barclays PLC were placed with certain institutions at a price of 310 pence per Placing Share. Based on the placing price, the gross proceeds were £701 million.

The Firm Placing and Placing and Open Offer

On 25 June 2008, Barclays PLC announced a share issue to raise approximately £4.5 billion through the issue of 1,576 million new Barclays PLC ordinary shares (the "**Firm Placing and Placing and Open Offer**"). The Firm Placing and Placing and Open Offer includes:

- approximately £500 million raised through a firm placing of 169 million new Barclays PLC ordinary shares at 296 pence per new Barclays PLC ordinary share to Sumitomo Mitsui Banking Corporation;

- approximately £4.0 billion raised through a placing of 1,407 million new Barclays PLC ordinary shares at 282 pence per new Barclays PLC ordinary share to Qatar Investment Authority, Challenger, China Development Bank, Temasek Holdings (Private) Limited and certain leading institutional shareholders and other investors, which shares were available for clawback in full by means of an open offer to existing shareholders. Pursuant to such open offer, existing shareholders were offered the opportunity to subscribe for up to a maximum of their pro rata entitlement on the basis of three open offer shares for every 14 existing ordinary shares they held.

The firm placing of 169 million new Barclays PLC ordinary shares was completed on 4 July 2008 and the placing and open offer was completed on 22 July 2008. Valid applications under the open offer were received from qualifying shareholders in respect of approximately 267 million Barclays PLC shares in aggregate, representing 19.0 per cent. of the Barclays PLC shares offered pursuant to the open offer. Accordingly, the remaining 1,140,310,966 Barclays PLC shares were allocated to the various investors with whom they had been conditionally placed.

Other

On 17 February 2009 the Group announced that Barclays Capital will discontinue operations at its Equifirst subsidiary.

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 earnings.

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 the OFT referred the PPI market to the UK Competition Commission ("**CC**") for an in-depth inquiry in February 2007. In June 2008, the CC published its provisional findings. The CC published its final report into the PPI market on 29 January 2009. The CC's conclusion is that the businesses which offer PPI alongside credit face little or no competition when selling PPI to their credit customers. The CC has set out a package of measures which it considers will introduce competition into the market (the "**Remedies**"). The Remedies, which are expected to be implemented (following consultation) in 2010, are: a ban on sale of PPI at the point of sale; a prohibition on the sale of single premium PPI; mandatory personal PPI quotes

to customers; annual statements for all regular premium policies, including the back book (for example credit card and mortgage protection policies); measures to ensure that improved information is available to customers; obliging providers to give information to the OFT to monitor the Remedies and to provide claims ratios to any person on request. The Group is reviewing the report and considering the next steps, including how this might affect the Group's different products.

In October 2006, the 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 and that the FSA would strengthen its actions against such firms. Tackling poor PPI sales practices remains a priority for the FSA, with their most recent update on their thematic work published in September 2008. The Group voluntarily complied with the FSA's request to cease selling single premium PPI by the end of January 2009. There has been no enforcement action against the Group in respect of its PPI products. The Group has cooperated fully with these investigations into PPI and will continue to do so.

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 is progressing its investigations in the Visa interchange case and a second MasterCard interchange case in parallel and both are 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. In February 2007, the OFT announced that it was expanding its investigation into interchange rates to include debit cards.

In 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 fact find was completed in March 2007. On 29 March 2007, the OFT announced its decision to conduct a formal investigation into the fairness of bank current account charges. The OFT initiated a market study into personal current accounts ("**PCAs**") in the UK on 26 April 2007. The study's focus was PCAs but it also included an examination of other retail banking products, in particular savings accounts, credit cards, personal loans and mortgages in order to take into account the competitive dynamics of UK retail banking. On 16 July 2008, the OFT published its market study report, in which it concluded that certain features of the UK PCA market were not working well for consumers. The OFT reached the provisional view that some form of regulatory intervention is necessary in the UK PCA market. On 16 July 2008, the OFT also announced a consultation to seek views on the findings and possible measures to address the issues raised in its report. The consultation period closed on 31 October 2008. The Group has participated fully in the market study process and will continue to do so.

US laws and regulations require compliance with US economic sanctions, administered by the Office of Foreign Assets Control, against designated foreign countries, nationals and others. HM Treasury regulations similarly require compliance with sanctions adopted by the UK government. The Group has been conducting an internal review of its conduct with respect to US Dollar payments involving countries, persons and entities subject to these sanctions and has been reporting to governmental authorities about the results of that review. The Group received inquiries relating to these sanctions and certain US Dollar payments processed by its New York branch from the New York County District Attorney's Office and the US Department of Justice, which along with other authorities, has been reported to be conducting investigations of sanctions compliance by non-US financial institutions. The Group has responded to those inquiries and is cooperating with the regulators, the Department of Justice and the District Attorney's Office in connection with their investigations of the Group's conduct with respect to sanctions compliance. Barclays has also received a formal notice of investigation from the FSA, and has been keeping the FSA informed of the progress of the US investigations and the Group's internal review. The Group's review is ongoing. It is currently not possible to predict the ultimate resolution of the issues covered by the Group's review and the investigations, including the timing and potential financial impact of any resolution, which could be substantial.

The Financial Services Compensation Scheme (the "**FSCS**") provides compensation to customers of financial institutions in the event that an institution is unable, or is likely to be unable, to pay claims against it. During 2008, a number of institutions failed, including Bradford & Bingley plc, Heritable Bank plc, Kaupthing Singer & Friedlander Limited, Landsbanki 'Icesave', and London Scottish Bank plc. In order to meet its obligations to the depositors of these institutions, the FSCS has borrowed £19.7 billion from HM Treasury, which is on an interest only basis until September 2011. These borrowings are anticipated to be repaid wholly or substantially from the realisation of the assets of the above named institutions. The FSCS raises annual levies from the banking industry to meet its management expenses and compensation costs.

Individual institutions make payments based on their level of market participation (in the case of deposits, the proportion that their protected deposits represent of total market protected deposits) at 31st December each year. If an institution is a market participant on this date it is obligated to pay a levy. The Bank was a market participant at 31st December 2007 and 2008. The Group has accrued £101m for its share of levies that will be raised by the FSCS including the interest on the loan from HM Treasury in respect of the levy years to 31st March 2010. The accrual includes estimates for the interest FSCS will pay on the loan and estimates of the Group's market participation in the relevant periods. Interest will continue to accrue on the HM Treasury loan to the FSCS until September 2011 and will form part of future FSCS management expenses levies. If the assets of the failed institutions are insufficient to repay the HM Treasury loan in 2011, the FSCS will agree a schedule of repayments with HM Treasury, which will be recouped from the industry in the form of additional levies. It is not currently possible to estimate whether there will ultimately be additional levies on the industry, the level of the Group's market participation or other factors that may affect the amounts or timing of amounts that may ultimately become payable, nor the effect that such levies may have upon operating results in any particular financial period.

Directors

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

Name	*Function(s) within the Group*	*Principal outside activities*
Marcus Agius	Group Chairman	Non-Executive Director, British Broadcasting Corporation
John Varley	Group Chief Executive	Non-Executive Director, AstraZeneca PLC
Chris Lucas	Group Finance Director	—
Robert E Diamond Jr	President, Barclays PLC, Chief Executive, Investment Banking and Investment Management	Chairman, Old Vic Productions PLC
Frederik (Frits) Seegers	Chief Executive, Global Retail and Commercial Banking	—
Sir Nigel Rudd DL[3]	Deputy Chairman, Non-Executive Director	Chairman, Pendragon PLC, Non-Executive Director, BAE Systems plc, Chairman, BAA Limited, Deputy Chairman, Invensys plc
Sir Richard Broadbent	Senior Independent Director and Non-Executive Director	Chairman, Arriva plc
David Booth	Non-Executive Director	—
Leigh Clifford	Non-Executive Director	Chairman, Qantas Airways Limited
Fulvio Conti	Non-Executive Director	Chief Executive Officer, Enel SpA, Director, AON Corporation
Professor Dame Sandra Dawson[4]	Non-Executive Director	KPMG Professor of Management Studies at the University of Cambridge

[3] Sir Nigel Rudd will retire from the Board at the Bank's AGM in April 2009.

[4] Professor Dame Sandra Dawson will retire from the Board at the Bank's AGM in April 2009.

Name	*Function(s) within the Group*	*Principal outside activities*
Simon Fraser	Non-Executive Director	Non-Executive Director, Fidelity Japanese Values Plc and Fidelity European Values Plc
Sir Andrew Likierman	Non-Executive Director	Professor of Management Practice in Accounting, London Business School, Chairman, National Audit Office
Sir Michael Rake	Non-Executive Director	Chairman, BT Group PLC, Director, McGraw-Hill Companies, Director, Financial Reporting Council, Chairman, UK Commission for Employment and Skills
Stephen Russell	Non-Executive Director	Non-Executive Director, Network Rail Limited
Sir John Sunderland	Non-Executive Director	Director, Financial Reporting Council
Patience Wheatcroft	Non-Executive Director	Non-Executive Director, Shaftesbury PLC

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.

Employees

The average number of persons employed by the Group worldwide during 2008, excluding agency staff, was 151,500 (2007: 128,900).

Litigation

The Group has for some time been party to proceedings, including a putative class action, in the United States against a number of defendants following the collapse of Enron; the putative class action claim is commonly known as the Newby litigation. On 19 March 2007 the United States Court of Appeals for the Fifth Circuit issued a decision that the case could not proceed against the Group as a class action because the plaintiffs had not alleged a proper claim against the Group. On 22 January 2008, the United States Supreme Court denied the plaintiffs' request for review of the Fifth Circuit's 19 March 2007 decision. On 5 March 2009, the District Court granted summary judgment in the Group's favour on the plaintiffs' claims against the Group. The District Court also denied the plaintiffs' request to amend the complaint to assert revised claims against the Group on behalf of the putative class. The plaintiffs' time in which to file an appeal regarding the District Court's 5 March 2009 decision has not yet expired. The Group considers that the Enron related claims against it are without merit and is defending them vigorously. It is not possible to estimate the Group's possible loss in relation to these matters, nor the effect that they might have upon operating results in any particular financial period.

Like other UK financial services institutions, the Group faces numerous County Court claims and complaints by customers who allege that its unauthorised overdraft charges either contravene the Unfair Terms in Consumer Contracts Regulations 1999 ("**UTCCR**") or are unenforceable penalties or both. In July 2007, by agreement with all parties, the OFT commenced proceedings against seven banks and one building society, including the Bank, to resolve the matter by way of a "test case" process. Preliminary issues hearings took place in January, July and December 2008 with judgments handed down in April and October 2008 and January 2009 (a further judgment not concerning the Bank's terms). As to current terms, in April 2008 the Court held in favour of the banks on the issue of the penalty doctrine. The OFT did not appeal that decision. In the same judgment the Court held in favour of the OFT on the issue of the applicability of the UTCCR. The banks appealed that decision. As to past terms, in a judgment on 8 October 2008, the Court held that the Bank's historic terms, including those of Woolwich, were not capable of being penalties. The OFT indicated at the January 2009 hearing that it was not seeking permission to appeal the Court's findings in relation to the applicability of the penalty doctrine to historic terms. Accordingly, it is now clear that no declarations have or will be made against the Bank that any of its unauthorised overdraft terms assessed in the test case constitute unenforceable penalties and that the OFT will not pursue this aspect of the test case further. The proceedings will now concentrate exclusively on UTCCR issues. The banks' appeal against the decision in relation to the applicability of the UTCCR (to current and historic terms) took place at a hearing in late October 2008. On 26 February 2009, the Court of Appeal dismissed the banks' appeal, holding, in a judgment of broad application, that the relevant charges were not exempt from the UTCCR. The banks will petition the House of Lords for leave to appeal the decision. It is likely that the proceedings will still take a significant period of time to conclude. Pending resolution of the test case process, existing and new claims in the County Courts remain stayed, and there is an FSA waiver of the complaints handling process (which is reviewable in July 2009) and a standstill of Financial Ombudsman Service decisions. The Group is defending the test case vigorously. It is not practicable to estimate the Group's possible loss in relation to these matters, nor the effect that they may have upon operating results in any particular financial period. Barclays PLC will comply with its obligations as a listed company admitted to the Official List in connection with further disclosures in relation to this litigation, including its potential impact on the Group.

Barclays PLC and the Group 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 Group 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 paragraphs 1 and 2 of this section entitled "*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 financial position or profitability of the Bank and/or the Group.

Significant Change Statement

There has been no significant change in the financial or trading position of the Bank or the Group since 31 December 2008.

Material Adverse Change Statement

There has been no material adverse change in the prospects of the Bank or the Group since 31 December 2008.

Auditors

The annual consolidated and unconsolidated financial statements of the Bank for the two years ended 31 December 2007 and 31 December 2008 have been audited without qualification by PricewaterhouseCoopers of Southwark Towers, 32 London Bridge Street, London SE1 9SY, chartered accountants and registered auditors (authorised and regulated by the Financial Services Authority for designated investment business). The financial information contained in this Base Prospectus in relation to the Bank does not constitute its statutory accounts for the two years ended 31 December 2008. 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.

BARCLAYS CAPITAL CAYMAN LIMITED

Barclays Capital (Cayman) Limited ("***BCCL***") was incorporated in the Cayman Islands on 24 July 1989 for an unlimited duration and registered on 26 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, P.O. Box 487GT, 4th Floor, FirstCaribbean Building, 25 Main Street, Georgetown, Grand Cayman, Cayman Islands, British West Indies. Its registration number is 32968. BCCL is a wholly-owned direct subsidiary of the Bank.

BCCL was established for the purpose of *inter alia* issuing notes, certificates and 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 U$10 each 100,000,000,000 Preference Shares of £0.01 each
Allotted and fully paid:	10 Ordinary shares of U$10 each

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:

Name	*Function within BCCL*	*Principal Occupation*
Eric Didier Bommensath	Director	Investment Banker
Benoit de Vitry	Director	Investment Banker
Dixit Aswin Joshi	Director	Investment Banker
Kate Elizabeth Pothalingam	Director	Investment Banker

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

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

Related Parties

In the ordinary course of business, the Issuers participate in transactions with parent and fellow subsidiary companies. Such transactions are disclosed in the consolidated audited financial statements of the Barclays PLC which are publicly available and hereby incorporated by reference.

Litigation Statement

BCCL is not and/or has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which BCCL is aware), which may have or have had during the 12 months preceding the date of this Base Prospectus, a significant effect on the financial position or profitability of BCCL.

Ultimate Parent Company

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. Barclays PLC is incorporated in Great Britain. The statutory accounts of both the Bank and Barclays PLC are available from the Company Secretary, One Churchill Place, London E14 5HP.

Auditors

The annual financial statements of BCCL for the two years ended 31 December 2006 and 31 December 2007 have been audited without qualification by PricewaterhouseCoopers of Southwark Towers, 32 London Bridge Street, London SE1 9SY, chartered accountants and registered auditors (authorised and regulated by the Financial Services Authority for designated investment business).

The Guarantee of the Bank

The Bank has entered into a Guarantee dated 27 March 2009 under which the Bank undertakes unconditionally and irrevocably to guarantee the proper, punctual and complete performance by BCCL of its obligations under all Securities issued by BCCL under the Programme. The Bank undertakes to pay or procure the making of any payment in cash in the currency in which the particular Securities are expressed to be payable in accordance with the terms and conditions thereof upon demand being made under the Guarantee by the relevant holder of the Securities. Information about the Bank is set out elsewhere in this document.

Recent Developments

BCCL issued US$120,000,000 2007-CDX-2 Credit Range Accrual Notes due 2008, Series 9751 with Rule 144A ISIN US06739LAA61 and with Reg S ISIN USG06567AA28 on 29 June 2007. These notes were redeemed and cancelled at maturity on 20 March 2008.

Material and Significant Change Statement

There has been no significant change in the financial or trading position of BCCL since 31 December 2007 and there has been no material adverse change in the prospects of since 31 December 2007 (the date at which the most recent annual audited consolidated financial statements of BCCL were prepared).

NOTES

The information in the following section of the Base Prospectus on pages 48 to 141 relates only to Notes and does not relate to Certificates or Warrants issued under the Programme.

FORM OF THE NOTES

The Notes of each Series will be in either bearer form, with or without interest coupons attached ("***Bearer Notes***"), or registered form, without interest coupons attached ("***Registered Notes***").

Bearer Notes

Each Series of Bearer Notes will be initially issued in the form of a temporary bearer global note (a "***Temporary Bearer Global Note***") which will be delivered on or prior to the original issue date of the Series either;

(a) if the Temporary Global Note is intended to be issued in New Global Note ("***NGN***") form, as stated in the applicable Final Terms, with a common safekeeper (the "***Common Safekeeper***") for Euroclear Bank S.A./N.V. as operator of the Euroclear System ("***Euroclear***") and Clearstream Banking, société anonyme ("***Clearstream, Luxembourg***");

(b) if the Temporary Global Note is not intended to be issued in NGN form, to a common depositary (the "***Common Depositary***")(and together with the Common Safekeeper, a "***Bearer Note Depositary***") for Euroclear and Clearstream, Luxembourg.

Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation outside the United States of the Temporary Bearer Global Note where not issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Bearer Note are not United States persons or persons who have purchased for resale directly or indirectly to any United States person or to a person within the United States, as required by US Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Issue and Paying Agent.

On and after the date (the "***Exchange Date***") which is 40 days after a Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein for interests in a permanent bearer global note (a "***Permanent Bearer Global Note***") of the same Series against certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream, Luxembourg without any requirement for certification. Payments in the case of Permanent Global Notes not in NGN form will be made against presentation or surrender (as the case may be) outside the United States of the Permanent Bearer Global Note.

A Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, receipts, interest coupons and talons attached only upon the occurrence of an Exchange Event. For these purposes, "***Exchange Event***" means that (i) an Event of Default (as set out in Condition 24) has occurred and is continuing, or (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available. The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 16 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg, as applicable, (acting on the instructions of any holder of an interest in such Permanent Bearer Global Notes) may give notice to the Issue and Paying Agent requesting

exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Issue and Paying Agent.

The following legend will appear on each Bearer Note (other than each Temporary Bearer Global Note) that has an original maturity of more than 182 days and on all interest coupons and talons relating to such Note:

> "ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE. "

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes or interest coupons.

Notes that are represented by a Bearer Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Registered Notes

Registered Notes of each Series which are sold in an "offshore transaction" within the meaning of Regulation S under the Securities Act ("***Unrestricted Notes***") will be represented by interests in a Regulation S Global Note, without interest coupons, deposited with, and registered in the name of, a nominee for a Common Depositary of Euroclear and Clearstream, Luxembourg on its issue date.

Registered Notes of such Series resold pursuant to Rule 144A ("***Restricted Notes***") will be represented by a Rule 144A Global Note, without interest coupons, deposited with either (i) a custodian for, and registered in the name of a nominee of, The Depository Trust Company ("***DTC***") or (ii) a common depositary on behalf of Euroclear or Clearstream, Luxembourg on its issue date.

Payments of principal, interest and any other amount in respect of a Regulation S Global Note or DTC Restricted Note (together, the "***Registered Global Notes***") will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 25) as the registered holder of the Registered Global Notes. None of the Issuer, any Paying Agent or the Registrar 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 Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

A Registered Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes only upon the occurrence of an Exchange Event. The relevant Issuer will give notice promptly to Noteholders in accordance with Condition 16 if an Exchange Event occurs.

General

Pursuant to the Master Agency Agreement (as defined under "Terms and Conditions of the Notes" below), the Issue and Paying Agent shall arrange that, where a further Tranche of Notes is issued in accordance with Condition 21 that is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a common code, ISIN and CUSIP that are different from the common code, ISIN and CUSIP assigned to Notes of any other Tranche of the same Series until at least the expiry of the Distribution Compliance Period (defined in "Terms and Conditions of the Notes") applicable to the Notes of such Tranche.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg and/or DTC each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding, for all purposes save in the case of manifest error) or, as the case may be, DTC or its nominee (in which regard any certificate or other documented issued by DTC as to the nominal amount of such Notes standing to the account of any person shall be

conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and its agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer and its agents as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions "***Noteholder***" and "***holder of Notes***" and related expressions shall be construed accordingly.

Any reference herein to Euroclear and/or Clearstream, Luxembourg and/or DTC shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing specified in the applicable Final Terms.

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 24. In such circumstances, where any Note is represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the terms and conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note, then holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear, Clearstream, Luxembourg and DTC on and subject to the terms of a deed of covenant (the "***Deed of Covenant***") dated 27 March 2009 and executed by the Issuer.

PRO FORMA FINAL TERMS FOR NOTES

The Final Terms for each Series of Notes will include such of the following information as is applicable with respect to such Notes and such other information as may be required from time to time by the Relevant Stock Exchange.

Final Terms



BARCLAYS BANK PLC

(Incorporated with limited liability in England and Wales)

BARCLAYS CAPITAL (CAYMAN) LIMITED

(Incorporated with limited liability in the Cayman Islands)

STRUCTURED SECURITIES PROGRAMME

for the issue of Notes, Certificates and Warrants

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

[Title of Notes]

Under the Structured Securities Programme

[Guaranteed by Barclays Bank PLC]

Issue Price: [issue price] of par

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

This document has been prepared for the purposes of giving information about the issue by [Barclays Bank PLC] [Barclays Capital (Cayman) Limited] of the [title of the Notes], Series [series number] (the "***Notes***"). This document constitutes the Final Terms of the Notes described herein and is prepared in connection with the Structured Securities Programme established by Barclays Bank PLC (the "***Bank***") and Barclays Capital (Cayman) Limited ("***BCCL***") and is supplemental to and should be read in conjunction with the Base Prospectus dated 27 March 2009, as supplemented and amended from time to time, which constitutes a base prospectus for the purpose of the Directive 2003/71/EC (the "***Base Prospectus***"). Full information on the Issuer and the offer of the Notes 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 office of the Issue and Paying Agent for the time being in London and copies may be obtained from such office. Words and expressions defined in the Base Prospectus and not defined in this document shall bear the same meanings when used herein.

[Subject as provided below,] the Issuer [and the Guarantor] accept[s] responsibility for the information contained in these Final Terms. To the best of [its/their] knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in these Final Terms is in accordance with the facts and does not

contain anything likely to affect the import of such information. [The information relating to [●] [and ●] contained herein has been accurately extracted from [*insert information source(s)*]. [The Issuer [and the Guarantor] confirm that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by [●] [and ●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

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

This document has been prepared for the purposes of giving information about the issue by [Barclays Bank PLC] [Barclays Capital (Cayman) Limited] of the [title of the Notes], Series [series number] (the "***Notes***"). This document constitutes the Final Terms of the Notes described herein and is prepared in connection with the Structured Securities Programme established by Barclays Bank PLC (the "***Bank***") and Barclays Capital (Cayman) Limited ("***BCCL***") and is supplemental to and should be read in conjunction with the Base Prospectus dated 27 March 2009, as supplemented and amended from time to time, which constitutes a base prospectus for the purpose of the Directive 2003/71/EC (the "***Base Prospectus***"), save in respect of the Conditions which are extracted from the [Base Prospectus] [Offering Circular] dated [original date], as incorporated by refererence in the Base Prospectus dated 27 March 2009. Full information on the Issuer and the offer of the Notes 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 office of the Issue and Paying Agent for the time being in London and copies may be obtained from such office. Words and expressions defined in the Base Prospectus and not defined in this document shall bear the same meanings when used herein.

[Subject as provided below,] the Issuer [and the Guarantor] accept[s] responsibility for the information contained in these Final Terms. To the best of [its/their] knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in these Final Terms is in accordance with the facts and does not contain anything likely to affect the import of such information. [The information relating to [l] [and l] contained herein has been accurately extracted from [*insert information source(s)*]. [The Issuer [and the Guarantor] confirm that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by [l] [and l], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Investors should refer to "Risk Factors" in the Base Prospectus for a discussion of certain matters that should be considered when making a decision to invest in the Notes.

Barclays Capital

[Issue Date]

The distribution of this document and the offer of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession these Final Terms come are required by the Bank to inform themselves about and to observe any such restrictions. Details of selling restrictions for various jurisdictions are set out in "Purchase and Sale" in the Base Prospectus. In particular, the Notes have not been, and will not be, registered under the US Securities Act of 1933, as amended, and are subject to US tax law requirements. Trading in the Notes has not been approved by the US Commodity Futures Trading Commission under the US Commodity Exchange Act of 1936, as amended. Subject to certain exceptions, the Notes may not at any time be offered, sold or delivered in the United States or to US persons, nor may any US persons at any time trade or maintain a position in such Notes.

[Relevant Risk Factors to be inserted] [N/A/]

Part A
Terms and Conditions of the Notes

Rule 144A Notes May Be Deposited in Euroclear and Clearstream, Luxembourg

Notwithstanding anything to the contrary contained in the Base Prospectus, Registered Notes of each Series sold to qualified institutional buyers within the meaning of Rule 144A under the Securities Act may initially be represented by a global restricted certificate (each a "Rule 144A Global Note") without interest coupons, which will be deposited with a common depositary on behalf of Clearstream, Luxembourg and Euroclear. For purposes of transfers in the Rule 144A Global Notes, the first legend in paragraph 3 under "Transfer and Restrictions for Registered Notes" will apply equally to the Rule 144A Global Notes.

The Notes shall have the following terms and conditions, which shall complete, modify and/or amend the terms and conditions (the Conditions) set out in the Base Prospectus dated 27 March 2009.

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

Parties

Issuer:	[Barclays Bank PLC] [Barclays Capital (Cayman) Limited]
Guarantor:	[Barclays Bank PLC] [N/A]
Manager[s]:	[Barclays Bank PLC] [and] [Other (*specify*)]
Determination Agent:	[Barclays Capital Securities Limited] [Barclays Bank PLC] [Other (*specify*)]
Issue and Paying Agent:	The Bank of New York Mellon

Insert the following paragraph for Bearer Notes: **[THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE *SECURITIES ACT*) AND THE NOTES COMPRISE BEARER NOTES THAT ARE SUBJECT TO US TAX LAW REQUIREMENTS. SUBJECT TO CERTAIN EXCEPTIONS, THE NOTES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT (*REGULATION S*)). THESE FINAL TERMS HAVE BEEN PREPARED BY THE ISSUER FOR USE IN CONNECTION WITH THE OFFER AND SALE OF THE NOTES OUTSIDE THE UNITED STATES TO NON-US PERSONS IN RELIANCE ON REGULATION S AND FOR LISTING OF THE NOTES OF THE RELEVANT STOCK EXCHANGE, IF ANY, AS STATED HEREIN. FOR A DESCRIPTION OF THESE AND CERTAIN FURTHER RESTRICTIONS ON OFFERS AND SALES OF THE NOTES AND DISTRIBUTION OF THESE FINAL TERMS AND THE BASE PROSPECTUS [AND THE SUPPLEMENTAL PROSPECTUS] SEE "PURCHASE AND SALE" IN THE BASE PROSPECTUS]**.

Insert the following paragraphs for Registered Notes: **[THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE *SECURITIES ACT*). SUBJECT TO CERTAIN EXCEPTIONS, THE NOTES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT (*REGULATION S*)). THESE FINAL TERMS HAVE BEEN PREPARED BY THE ISSUER FOR USE IN CONNECTION WITH THE OFFER AND SALE OF [THE**

NOTES OUTSIDE THE UNITED STATES TO NON-US PERSONS IN RELIANCE ON REGULATION S][AND][WITHIN THE UNITED STATES TO "QUALIFIED INSTITUTIONAL BUYERS" IN RELIANCE ON RULE 144A UNDER THE SECURITIES ACT (*RULE 144A*) [AND FOR LISTING OF THE NOTES ON THE RELEVANT STOCK EXCHANGE, IF ANY, AS STATED HEREIN]. [PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT SELLERS OF THE NOTES MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A]. FOR A DESCRIPTION OF THESE AND CERTAIN FURTHER RESTRICTIONS ON OFFERS AND SALES OF THE NOTES AND DISTRIBUTION OF THESE FINAL TERMS AND THE BASE PROSPECTUS [AND THE SUPPLEMENTAL PROSPECTUS], SEE "PURCHASE AND SALE [OF REGISTERED NOTES]" IN THE [SUPPLEMENTAL] PROSPECTUS [AND "TRANSFER RESTRICTIONS" IN THE SUPPLEMENTAL PROSPECTUS].

EACH PURCHASER OF REGISTERED NOTES WILL BE DEEMED, BY ITS ACCEPTANCE OF PURCHASE OF ANY SUCH REGISTERED NOTES, TO HAVE MADE CERTAIN REPRESENTATIONS AND AGREEMENTS INTENDED TO RESTRICT THE RESALE OR OTHER TRANSFER OF SUCH REGISTERED NOTES AS SET OUT IN "TRANSFER RESTRICTIONS FOR REGISTERED NOTES".

THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE US SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER US REGULATORY AUTHORITY, AND NONE OF THE FOREGOING AUTHORITIES HAS PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF NOTES OR THE ACCURACY OR THE ADEQUACY OF THESE FINAL TERMS OR THE BASE PROSPECTUS [OR THE SUPPLEMENTAL PROSPECTUS]. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

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 THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IIN 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.]

[These Notes are APK Registered Notes. Noteholders should refer to the provisions of Annex A to the Base Prospectus which shall apply to these Final Terms.][5]

[These Notes are VPC Registered Notes. Noteholders should refer to the provisions of Annex B to the Base Prospectus which shall apply to these Final Terms.][6]

[These Notes are VPS Registered Notes. Noteholders should refer to the provisions of Annex C to the Base Prospectus which shall apply to these Final Terms.][7]
[These Notes are Spanish Notes. Noteholders should refer to the provisions of Annex D to the Base Prospectus which shall apply to these Final Terms.][8]

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[5] Include if the Final Terms relate to Finnish Notes

[6] Include if the Final Terms relate to Swedish Notes

[7] Include if the Final Terms relate to Norwegian Notes

Provisions relating to the Notes

1.	Title of the Notes:		[*Description of Note*]
2.	Series:		[ ]
3.	Currency of the Notes:		[ ]
4.	Aggregate Principal Amount of the Notes:		[ ]
5.	(i)	Specified Denomination[s]:	[*] *[Note – where multiple denominations above EUR50,000 (or equivalent) are being used the following sample wording should be followed:* *"[EUR50,000] and integral multiples of [EUR1,000] in excess thereof [up to and including [EUR99,000]]. No notes in definitive form will be issued with a denomination above [EUR99,000]."* *(N.B. If an issue of Notes is (i) NOT admitted to trading on a regulated market in the European Economic area and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive the EUR1,000 minimum denomination is not required.]*
	(ii)	Minimum Transfer Amount:	[*Specify if a Minimum Transfer Amount is applicable whilst the Notes are held through a Clearing System.*] [Not Applicable]

[8] Include if the Final Terms relate to Spanish Notes

6.	Calculation Amount:	[*] [If only one Specified Denomination, insert the Denomination. If more than one Specified Denomination, insert the highest common factor by which the multiple denominations may be divided (e.g. EUR1,000 in the case of EUR51,000, EUR52,000 or EUR53,000)] *[Note: There must be a common factor in the case of two or more Specified Denominations]*
7.	Form of Notes:	[Bearer Notes] [*For Bearer Notes, insert*; Temporary Global Note, exchangeable for a Permanent Global Note.] [Registered Notes] [*For Registered Notes, insert*; Regulation S Global Note; and/or Rule 144A Global Note available on Issue Date.] [*In the case of APK Registered Notes/VPC Registered Notes/VPS Registered Notes/Spanish Notes*: The Notes are in uncertificated and dematerialised book-entry form]
8.	Notes in definitive form to be issued:	[Yes, in the limited circumstances set out in the Base Prospectus] [N/A]
9.	Issue Date of the Notes:	[ ]
10.	Issue Price of the Notes:	[ ] per cent. of par
11.	Relevant Stock Exchange[s]:	[London Stock Exchange] [Other] [N/A]
12.	Type of Notes and relevant Securities Note:	[Equity Linked Notes] [Index Linked Notes] [Currency Linked Notes] [Credit Linked Notes] [Commodity Linked Notes] [Non-Standard Notes]

Provisions relating to interest (if any) payable on the Note

13.	Interest payable on the Note:			[Yes] [No]
14.	Interest Basis:			[Fixed Rate] [Floating Rate] [Zero Coupon] [N/A]
15.	Interest Rate[s]	-	Fixed	[[ ] per cent. [per annum] / [per Calculation Amount]
		-	Floating	[Screen Rate Determination] [ISDA Determination] [Other (*specify other basis for interest rate*)] [N/A]
16.	Screen Rate Determination:			[As specified in the Conditions] [N/A] (*if not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i) Reference Rate:			[LIBOR] [EURIBOR] [Other (*specify*)]
	(ii) Interest Determination Date:			[As specified in the Conditions] [ ]
	(iii) Relevant Screen Page:			[ ]
17.	ISDA Determination:			[ ] [N/A] (*if not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i) Floating Rate Option:			[ ]
	(ii) Designated Maturity:			[ ]
	(iii) Reset Date:			[ ]
18.	Amortisation Yield:			[ ] [N/A]
19.	Fixed Coupon Amount:			[[*] per Calculation Amount] [N/A]
20.	Broken Coupon Amount:			[[*] per Calculation Amount, payable on the Interest Payment Date falling in/on [ ]] [N/A]
21.	Minimum/Maximum Rates of Interest:			[ ] [N/A]
22.	Interest Payment Date[s]:			[[ ] in each year] [Maturity Date] [N/A]
23.	Interest Commencement Date:			[ ] [N/A]
24.	Interest Period[s]:			[As stated in Condition 25] [Other (*specify*)]

25.	Day Count Fraction:		[Actual/Actual (ISMA)] [Actual/Actual] [Actual/Actual (ISDA)] [Act/Act] [Act/Act (ISDA)] [Actual/Actual (ICMA)] [Act/Act (ICMA)] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)]

Provisions regarding redemption

26.	Maturity Date:		[ ] [subject as provided in Condition 5.1(b)(iv), (v) and (vi)] (*include for Credit Linked Notes*)]
27.	Early Redemption following the occurrence of		
	(i)	Asian Hedging Disruption:	[Applicable] [N/A] [*if Applicable, specify Affected Jurisdiction(s)*]
	(ii)	Asian Increased Cost of Hedging:	[Applicable] [N/A] [*if Applicable, specify Affected Jurisdiction(s)*]
28.	Call Option:		[Applicable] [N/A] (*if not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Early Redemption Date[s]:	[ ]
	(ii)	Early Redemption Amount[s] and method, if any, of calculation of such amount[s]:	[ ]
	(iii)	Notice period:	[As stated in Condition 6] [Other (*specify*)]
29.	Put Option:		[Applicable] [N/A] (*if not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Early Redemption Date[s]:	[ ]
	(ii)	Early Redemption Amount[s] and method, if any, of calculation of such amount[s]:	[ ]
	(iii)	Notice period:	[As stated in Condition 6] [Other (*specify*)]
	(iv)	Daily Maximum Amount:	[ ] [N/A]
30.	Valuation Date:		[ ] [N/A]
31.	Valuation Time:		[ ] [N/A]
32.	(i)	Averaging Dates:	[ ] [N/A]

	(ii) Consequence of an Averaging Date being a Disrupted Day:	[Omission] [Postponement] [Modified Postponement] [N/A]
33.	Redemption Amount and the currency in which it will be paid:	[[*] per Calculation Amount]
34.	Early Redemption Amount and the currency in which it will be paid:	[In relation to an Early Redemption in accordance with Condition 5.4, an amount in [ ] as determined by the Determination Agent in its sole discretion using its reasonable judgement] [Other (*specify*)]
35.	The maximum and minimum number of Business Days prior to the Early Redemption Date on which Issuer Redemption Notices and Special Redemption Notices must be given by the Issuer:	[2, as stated in the Base Prospectus] [Other (*specify*)]
36.	Redemption Notice Time:	[10:00 am London time, as stated in the Base Prospectus] [10:00 am Brussels time (*in the case of Euroclear Bank*)] [11:00 am Brussels time (*if delivered by EUCLID*)] [10:00 am Luxembourg time (*in the case of Clearstream, Luxembourg*)]
37.	Procedures for giving Issuer Redemption Notice if other than as specified in Condition 6.3:	[ ] [N/A]
38.	Procedure for giving Special Redemption Notice if other than as specified in Condition 6.3:	[ ] [N/A]
39.	Basis for selecting Notes where Daily Maximum Amount is exceeded if other than on a pro rata basis:	[ ] [N/A]
40.	Additional provisions relating to the redemption of the Notes:	[ ] [N/A]
41.	Equity Linked Notes:	[Applicable] [N/A] (*if not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i) Whether the Notes relate to a single equity security or a basket of equity securities (each an "***Underlying Security***") and the identity of the relevant issuer(s) and class of the Underlying Security (each an "***Underlying Company***"):	[Single Underlying Security] [Basket of Underlying Securities] (*If the Notes are listed on an Exchange, give or annex details of the Underlying Security(ies) and Underlying Company(ies)*)

(ii)	Whether redemption of the Notes will be by (a) Cash Settlement, (b) Physical Settlement or (c) in certain circumstances depending on the closing price of the Underlying Securities, Cash Settlement or Physical Delivery at the option of the Issuer:	[Cash Settlement] [Physical Settlement] [In the event of (*describe triggers linked to the closing price of the Underlying Securities*), Cash Settlement or Physical Delivery at the option of the Issuer]
(iii)	Exchange[s]:	[ ]
(iv)	Related Exchange[s]:	[ ] [All Relevant Stock Exchanges]
(v)	Exchange Rate:	[*Insert Details*] [N/A]
(vi)	Weighting for each Underlying Security comprising the basket:	[*Insert details*] [N/A]
(vii)	Delivery provisions for Underlying Securities (including details of who is to make such delivery):	[As stated in the Conditions] [Other (*specify*)] (*only applicable where Physical Delivery is, depending on the closing price of the Underlying Securities, available at the option of the Issuer*)
(viii)	Substitution of Shares:	[Applicable] [N/A]
(ix)	Physical Settlement:	[Applicable / N/A] (*if not applicable, delete the remaining sub-paragraphs of this paragraph*)
	– legislation under which the Underlying Securities are created	[ ]
	– form of the Underlying Securities	Bearer/Registered form certificate/uncertificated form [If in uncertificated form, specify entity responsible for record keeping]
	– currency of the Underlying Securities	[ ]
	– description of the rights, including limitations thereon, attached to the Underlying Securities	[Dividend rights] [Voting rights] [Pre-emption rights] [Right to share of profits] [Share in surplus of liquidation] [Redemption/Conversion rights]
	– restrictions, if any, on the free transferability of the Underlying Securities	[ ]
	– details of existence of any mandatory takeover bids/squeeze-out/sell-out rules	[ ]
	– details of public takeover bids by third parties during the previous	[if applicable, terms and outcome to be specified]

		and current financial year	
	(x)	Other terms or special conditions:	[ ]
42.	Index Linked Notes		[Applicable] [N/A] (*if not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Whether the Notes relate to a single index or a basket of indices and the identity of the relevant Index/Indices and details of the relevant sponsors:	[Single Index] [Basket of Indices] (*Give or annex details*)
	(ii)	Exchange[s]:	[ ][The/Each Index is a Multi-exchange Index]
	(iii)	Related Exchange[s]:	[ ] [All Relevant Stock Exchanges]
	(iv)	Weighting for each Index comprising the basket:	[ ] (*Insert details*) [N/A]
	(v)	Other terms or special conditions:	[ ]
43.	Currency Linked Notes:		[Applicable] [N/A] (*if not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Relevant Currency:	[ ]
	(ii)	Other terms or special conditions:	[ ]
44.	Credit Linked Notes:		[Applicable] [N/A] (*if not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Redemption Amount:	[*] per Calculation Amount
	(ii)	Trade Date:	[ ]
	(iii)	Scheduled Maturity Date:	[ ]
	(iv)	Determination Agent City:	[ ]
	(v)	Reference Entity[ies]:	[ ]
	(vi)	Reference Obligation[s]:	[ ]
		[The obligation[s] identified as follows:	
		Primary Obligor:	[ ]
		Guarantor:	[ ]
		Maturity:	[ ]
		Coupon:	[ ]
		CUSIP/ISIN:	[ ]]

(vii)	All Guarantees:	[Applicable] [N/A]
(viii)	Credit Events:	[Bankruptcy] [Failure to Pay] [Grace Period Extension [Applicable / N/A] [*If applicable*: Grace Period: [ ]] [Obligation Default] [Obligation Acceleration] [Repudiation/Moratorium] [Restructuring] - [Restructuring Maturity Limitation and Fully Transferable Obligation [Applicable / N/A]] - [Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation [Applicable / N/A]] [other (*specify*)]
	Default Requirement:	[ ]
	Payment Requirement:	[ ]
(ix)	Notice Delivery Period:	[ ]
(x)	Conditions to Settlement:	Notice of Publicly Available Information [Applicable / N/A] [If Applicable: Public Source(s): [ ] Specified Number: [ ]]
(xi)	Obligation[s]:	
	Obligation Category (*select one only*)	[Payment] [Borrowed Money] [Reference Obligations Only] [Bond] [Loan] [Bond or Loan]
	Obligation Characteristics (*select all of which apply*)	[Not Subordinated] [Specified Currency: (*specify currency*) [Not Sovereign Lender] [Not Domestic Currency:] [Domestic Currency means: (*specify currency*)] [Not Domestic Law] [Listed] [Not Domestic Issuance]
	Additional Obligation[s]	[ ]

(xii)	Excluded Obligation[s]:	[ ]
(xiii)	Whether redemption of the Notes will be by (a) Cash Settlement or (b) Cash Settlement or Physical Delivery at the option of the Issuer:	[Cash Settlement] [Cash Settlement or Physical Delivery at the option of the Issuer]
(xiv)	Accrual of Interest Upon Credit Event:	[Applicable] [N/A]
(xv)	Merger Event Redemption Date:	[ ]
Terms relating to Cash Settlement		
(xvi)	Credit Event Redemption Amount:	[*Express per Calculation Amount*]
(xvii)	Credit Event Redemption Date:	[ ] Business Days
(xviii)	Valuation Date:	[Single Valuation Date: [ ] Business Days] [Multiple Valuation Dates: [ ] Business Days; and each [ ] Business Days thereafter. Number of Valuation Dates: [ ]]
(xix)	Valuation Time:	[ ]
(xx)	Quotation Method:	[Bid] [Offer] [Mid-market]
(xxi)	Quotation Amount:	[ ] [Representative Amount]
(xxii)	Dealers:	[ ]
(xxiii)	Quotations:	[Include Accrued Interest] [Exclude Accrued Interest]
(xxiv)	Valuation Method:	[Market/Highest] [Average Market/Highest/Average Highest] [Blended Market/Blended Highest] [Average Blended Market/Average Blended Highest]
(xxv)	Other terms or special conditions:	[ ]
Terms relating to Physical Delivery		
(xxvi)	Physical Settlement Period:	[ ] Business Days
(xxvii)	Deliverable Amount:	[Include Accrued Interest/Exclude Accrued Interest]
(xxviii)	Settlement Currency:	[ ]
(xxix)	Deliverable Obligations:	

	Deliverable Obligation Category	
	(*select one only*)	[Payment] [Borrowed Money] [Reference Obligations Only] [Bond] [Loan] [Bond or Loan]
	Deliverable Obligation Characteristics	
	(*select all of which apply*)	[Not Subordinated] [Specified Currency: [ ] (*specify currency*) [Standard Specified Currencies] [Not Sovereign Lender] [Not Domestic Currency] [Domestic Currency means: [ ] (*specify currency*)] [Not Domestic Law] [Listed] [Not Contingent] [Not Domestic Issuance] [Assignable Loan] [Consent Required Loan] [Direct Loan Participation] [Qualifying Participation Seller: [ ] (*insert details*)] [Transferable] [Maximum Maturity: [ ]] [Accelerated or Matured] [Not Bearer]
	Additional Deliverable Obligation[s]	[ ]
(xxx)	Excluded Deliverable Obligation[s]:	[ ]
(xxxi)	Indicative Quotations:	[ ] [N/A]
(xxxii)	Cut-off Date:	[ ]
(xxxiii)	Delivery provisions for the Deliverable Amount (including details of who is to make such delivery) if different from Terms and Conditions:	[As stated in the Base Prospectus] [Other (*specify*)]
(xxxiv)	Other terms or special conditions:	[ ]
45.	Commodity Linked Notes:	[ ] [N/A] (*if not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Trade Date:	[ ]
(ii)	Relevant Commodity/ies or Commodity Index/Indices:	[ ]
(iii)	Commodity Reference Price:	[*specify Commodity Reference Price*]
(iv)	Exchange:	[ ]

(v)	Specified Price:	[[Bid] [Asked] [Average of high and low prices][Final settlement price]] [Morning fixing] [Other (*specify*)] (*if appropriate, specify time as of which the price will be determined*)
(vi)	Delivery Date:	[ ] (*specify whether price based on spot market, First Nearby Month, Second Nearby Month, etc.*)
(vii)	Pricing Date:	[ ], subject to adjustment in accordance with the Commodity Business Day Convention.
	Common Pricing: *(include only if Basket of Commodities)*	[Applicable] [N/A]
(viii)	Commodity Market Disruption Events:	[As stated in Condition 7.7 of the Base Prospectus] [*specify any other applicable additional Commodity Market Disruption Events*]
	Disruption Fallback(s):	[As stated in Condition 7.7 of the Base Prospectus] [Other (*specify any other applicable additional Disruption Fallback(s))*]
	Additional provisions for Trading Disruption:	[N/A] [If Trading Disruption applies, specify any additional futures contracts, options contracts or commodities and the related exchange to which Trading Disruption relates]
(ix)	Commodity Business Day(s):	[ ]
(x)	Commodity Business Day Convention:	[Following Business Day Convention] [Modified Following Business Day Convention] [Nearest Business Day Convention] [Preceding Business Day Convention]
(xi)	Other Terms and Conditions:	[ ]
(xii)	Physical Settlement:	[Applicable] [N/A] [*Other provisions relating to the Relevant Commodity*]

Provisions relating to settlement

46.	Settlement type:	[Cash Settlement] [Physical Settlement] [Cash or Physical Settlement at the Issuer's option, provided certain conditions are met with respect to the closing price of the Reference Asset] [In the case of Swedish Notes [For so long as it is a requirement of the VPC Rules, the VPC Registered Notes may not provide for any form of settlement (including in respect of payment of interest) other than payment in cash.]] [In the case of Finnish Notes [For so long as it is a requirement of the APK Rules, the APK Registered Notes may not provide for any form of settlement (including in respect of payment of interest) other than payment in cash.]] [In the case of Norwegian Notes [For so long as it is a requirement of the VPS Rules, the VPS Registered Notes may not provide for any form of settlement (including in respect of payment of interest) other than payment in cash.]] [In the case of Spanish Notes [For so long as it is a requirement of the Iberclear Rules, the Iberclear Registered Notes may not provide for any form of settlement (including in respect of payment of interest) other than payment in cash.]]
47.	Board Lot:	[Applicable] [N/A]
48.	Currency in which cash settlement will be made	[ ]
49.	Early Redemption Payment Date:	[As defined in Condition 25] [Other (*specify*)]
50.	Relevant Clearing System, Exchange or Futures Exchange	[ ] [For the purposes of Conditions 6.5(a)(iv), 6.6(a) and the definition of "Transfer Documentation", [Relevant Clearing System / Exchange / Futures Exchange] shall mean [ ]]
51.	Physical Delivery Date:	[As defined in Condition 25] [Other (*specify*)]

Definitions

52.	Definition of Business Day:	[As defined in Condition 25] [[and, in all cases,] [ ]]
53.	Definition of Exchange Business Day:	[As defined in Condition 25] [Other (*specify*)]
54.	Definition of Maturity Notice Time:	[As defined in Condition 25] [Other (*specify*)]
55.	Definition of Issuer Tax Event:	[As defined in Condition 12] [Other (*specify*)]
56.	Definition of Guarantor Tax Event:	[As defined in Condition 12] [Other (*specify*)]

Selling restrictions and provisions relating to certification

57.	Applicable US Commodities Restrictions:	[N/A] [Type [1] [2] (*for Notes issued in accordance with Regulation S and/or for Rule 144A Notes*)]
58.	Non-US Selling Restrictions:	[As described in the Base Prospectus] [Other (*specify - insert Jurisdiction-Specific Selling Restrictions*)]
59.	Certification of non-US status:	[TEFRA C Applicable] [TEFRA D Applicable] [N/A]

General

60.	Applicable Business Day Convention:	[Following Business Day Convention] [Modified Following Business Day Convention] [Nearest Business Day Convention] [Preceding Business Day Convention]
61.	Relevant Clearing System[s], Rules and appropriate codes:	[Euroclear] [Clearstream, Luxembourg] [*Specify details if different*] [DTC] ISIN: [ ] Common Code: [ ] [Other] [Valoren: [ ]] [WKN: [ ]] [CUSIP: [ ]]

62.	(i)	Reuters page(s) (or other reference source) from which the exchange rate for currency conversion will be taken when calculating the Redemption Amount and/or the Early Redemption Amount, or	[ ] [N/A]
	(ii)	the Reference Bank or Central Bank quoting the exchange rate for conversion pursuant to Condition 6.9(a)	[ ] [N/A]
63.		Any modifications to the Master Subscription Agreement and/or Master Agency Agreement:	[ ] [N/A]
64.		The offices (if any) in addition to the principal office of the Issue and Paying Agent where (i) the latest annual report and accounts, of the Issuer, Guarantor and semi-annual interim reports of the Guarantor and (ii) copies of the Master Agency Agreement and the Base Prospectus and these Final Terms will be available in English for holders of the Notes during the term of the Notes:	[ ] [N/A]
65.		Any Conditions additional to, or modified from, those set forth in the Base Prospectus:	[ ] [N/A]

Part B
Other Information

1. LISTING

(i)	Listing	[London/other (specify)/None]
(ii)	Admission to trading:	[Application has been made for the Notes to be admitted to listing on [the official list of the UK Listing Authority and to be admitted to trading on the Regulated Market of the London Stock Exchange] [other (specify)] on or around [the Issue Date].] [N/A] *(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)*
(iii)	[Estimate of total expenses related to admission to trading	[●]][9]

2. RATINGS

Ratings:	[The Notes have not been individually rated.] [Upon issuance the Notes are expected to be rated: [S & P: [●]] [Moody's: [●]] [Other]: [●]] *[A brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]*]

3. NOTIFICATION

[The Financial Services Authority has been requested to provide/has provided - include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues] the [include names of competent authorities of host Member States] with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.] [N/A]

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[9] Only applicable to Tranches of Notes with a denomination of at least €50,000 or equivalent in other currencies.

4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

[Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

"Save as discussed in the Plan of Distribution, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."] [N/A]

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

[(i)	Reasons for the offer	[General funding] [Specify if other reasons] (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:	[●]

6. FIXED RATE NOTES ONLY - YIELD

[N/A]

[Indication of yield:	[●] [Calculated as [include details of method of calculation in summary form] on the Issue Date.] [As set out above, the][The] yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]]

7. FLOATING RATE NOTES ONLY - HISTORIC INTEREST RATES

[Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters]/]]/ [N/A]

8. INDEX-LINKED OR OTHER VARIABLE-LINKED NOTES ONLY - PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE[, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS] AND OTHER INFORMATION CONCERNING THE UNDERLYING

[Applicable] / [N/A]

[If applicable include details of where past and future performance and volatility of the index/formula/other variable can be obtained [and 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.] [Where the underlying is an index need to include the name of the index 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 index can be obtained. Where the underlying is not an index need to include equivalent information.]]

9. DUAL CURRENCY NOTES ONLY - PERFORMANCE OF RATE[S] OF EXCHANGE [AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT]

[Applicable] / [N/A]

[If applicable include details of where past and future performance and volatility of the relevant rate[s] can be obtained [and 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. OPERATIONAL INFORMATION

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking Société Anonyme and the relevant identification number(s):	[N/A/give name(s) and number(s)]
Delivery:	Delivery [against/free of] payment
New Global Note	[Yes]/[No]
Names and addresses of additional Paying Agents(s) (if any) [and APK Issuing and Paying Agent / VPC Issuing and Paying Agent / / VPS Issuing and Paying Agent / Spanish Notes Issuing and Paying Agent]:	[ ]
Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes]/[No]

11. [OFFER INFORMATION

[If applicable, the following details should be included:

(a) the time period, including any possible amendments, during which the offer will be open and description of the application process; (b) the minimum and/or maximum amount of application, (whether in number of securities or aggregate amount to invest; (c) the method and time limits for paying up the securities and for delivery of the securities; (d) a full description of the manner and date in which results of the offer are to be made public; and details of the Plan for Distribution (including the various categories of potential investors to which the securities are offered and the process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made).]

[The offer price [•] includes a commission element shared with a third party which will be no more than [•]%. Further details of which are available upon request.] [*Or if applicable* [A distribution fee has been paid to a third party. The amount of this fee will not exceed [•]% of principal of each year of the products term. The fee will be paid at trade date/annually and is not refundable in the event of early redemption or sale on the secondary market.]]

TERMS AND CONDITIONS OF THE NOTES

The following are the terms and conditions of the Notes which (subject to completion and amendment) will be incorporated into each Global Note and each Note issued in definitive form, as the case may be. The applicable Final Terms in relation to any Series of Notes 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 condition, for the purposes of such Notes and will be incorporated accordingly into the relevant Global Note(s) or definitive Note.

The Notes may be Fixed Rate Notes, Floating Rate Notes or Zero Coupon Notes, or a combination of the foregoing depending on the Interest Basis specified in the applicable Final Terms.

The Notes may be Equity Linked Notes, Index Linked Notes, Currency Linked Notes, Credit Linked Notes, Commodity Linked Notes or Non-Standard Notes, or a combination of the foregoing, depending on the Type of Note specified in the applicable Final Terms.

Although many of the Conditions contained in this Base Prospectus are applicable to all of the types of Notes that may be issued by the Issuers under the Programme, due to the diverse nature and characteristics of the different types of Notes, some of the Conditions will not be applicable, whether in whole or in part, to certain types of Notes. The application of any Condition to a particular type of Note may be altered and the relevant Final Terms may specify additional terms and conditions which apply to the relevant Notes. References to the "***Issuer***" in these Conditions are to the Issuer of the relevant Series of Notes as specified on the face of the relevant Global Notes.

1. FORM, DENOMINATION, TITLE AND TRANSFER

1.1 Form

The Notes will be issued in bearer form or in registered form as specified in the applicable Final Terms and, in the case of definitive Notes, serially numbered. Notes in bearer form may not be exchanged for Notes in registered form and *vice versa.*

Notes in definitive form will not be issued unless otherwise specified in the applicable Final Terms, which will contain the terms and conditions to be set out on each Note.

If a Global Note is lost, stolen or destroyed, it shall, upon satisfactory evidence of, and indemnity for, such loss, theft or destruction being given to the Issuer and the Paying Agents, become void, and a duly executed replacement Global Note will be delivered by the Issuer to the Common Depositary or nominee, as the case may be, of the Relevant Clearing System.

The Notes in bearer form (other than each temporary Global Note) that have an original maturity of more than 182 days will bear the legend as specified in "Form of the Notes - Bearer Notes".

1.2 Denomination

The aggregate principal amount, currency and denomination of the Notes of any Series will be specified in the applicable Final Terms.

1.3 Title

The Issuer shall (except as otherwise required by law) deem and treat the bearer of any Note in bearer form or coupon and the registered holder of any Registered Note as the absolute owner thereof for all purposes but, in the case of any Global Note, without prejudice to the provisions set out below.

For so long as any of the Notes are represented by a Global Note held on behalf of a common depositary for, or registered in the name of a nominee of, Euroclear and/or Clearstream,

Luxembourg and/or registered in the name of a nominee of DTC, each person (other than Euroclear or Clearstream, Luxembourg or DTC) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg or of DTC as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg or DTC as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and the Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Note in bearer form or the registered holder of the relevant Global Note in registered form shall be treated by the Issuer and any Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions "***Noteholder***" and "***holder of Notes***" and related expressions shall be construed accordingly.

Notes that are represented by a Global Note will be issued in Specified Denominations and may, if specified in the applicable Final Terms, be subject to a Minimum Transfer Amount, in which case such Notes will, so long as they are held through a Clearing System, be transferable only in amounts of not less than such Minimum Transfer Amount. Notwithstanding the foregoing, Notes that are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and/or Clearstream, Luxembourg or DTC, as the case may be. References to Euroclear and/or Clearstream, Luxembourg and/or DTC shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

The Noteholders, determined as aforesaid, shall be treated for all purposes by the Issuer, the Guarantor (where BCCL is the Issuer), the Paying Agents, the Relevant Clearing System and all other persons dealing with such Noteholders as the absolute holders and owners of their respective Notes and no person shall be held liable for so treating such persons.

In the event that (i) payment of any Redemption Amount, Early Redemption Amount or other amount due and payable by the Issuer (as the case may be) or delivery of the Reference Assets or the Deliverable Amount (as the case may be) has not occurred within 40 Business Days commencing on the Maturity Date or the Early Redemption Payment Date (as the case may be) or, where the Reference Assets or the Deliverable Amount are to be delivered, the Physical Delivery Date or (ii) Euroclear or Clearstream, Luxembourg or DTC (if the Notes of the relevant Series are held in any such Clearing System) is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention to cease business permanently, then the Global Note shall become void at 8:00 pm (London time) on such fortieth Business Day or fourteenth day or upon such cessation, as the case may be, and the Noteholders shall have no more rights under the Global Note except pursuant to the Deed of Covenant by virtue of which the Noteholders will have certain direct rights against the relevant Issuer.

1.4 Transfer of Notes in bearer form

Subject as set out above, title to the Notes in bearer form and coupons will pass by delivery.

1.5 Transfers of Registered Notes

(a) *Transfers of interests in Registered Global Notes*

Transfers of beneficial interests in Global Notes in registered form ("***Registered Global Notes***") will be effected by Euroclear or Clearstream, Luxembourg or DTC, as the case may be and, in turn, by other participants and, if appropriate, by indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be exchangeable for a beneficial interest in another Registered Global Note only in the

authorised denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg or DTC, as the case may be, and in accordance with the terms and conditions specified in the Master Agency Agreement.

(b) *Notes in definitive registered form*

Upon the terms and subject to the conditions set forth in the Master Agency Agreement, Notes in registered form represented by definitive certificates (which will be issued only following an Exchange Event) "***certificates***" may be transferred in whole or in part in the authorised denominations set out in the applicable Final Terms. In order to effect any such transfer (i) the holder or holders must (A) surrender the certificates for registration of the transfer of the holding of Notes represented by such certificates (or the relevant part thereof) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (B) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent and (ii) the Registrar or, as the case may be, the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe.

Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail to such address as the transferee may request, a new certificate of a like aggregate nominal amount of the Notes represented by such certificate (or the relevant part thereof) transferred.

In the case of the transfer of part only of a holding of Notes represented by a single certificate, a new certificate in respect of the balance of the part not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.Upon the transfer, exchange or replacement of Notes represented by a certificate, or upon specific request for removal of any legend thereon, the Registrar shall deliver only certificates or refuse to remove such legend, as the case may be, unless there is delivered to the Registrar or the Issuer such certifications, legal opinions and other information as the Registrar or the Issuer may reasonably require to confirm that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the Securities Act and any other applicable securities laws.

(c) Transfer Provisions relating to Notes represented by Regulation S Global Notes and Rule 144A Global Notes

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

(A) in the case of transfers to a person who takes delivery in the form of Notes represented by a Regulation S Note, from a holder of Notes represented by a Regulation S Global Note, meeting the requirements of Regulation S under the Securities Act;

(B) in the case of transfers to a person who takes delivery in the form of Notes represented by a Rule 144A Global Note, from a holder of

Global Notes represented by a Regulation S Global Note, within the Distribution Compliance Period only, upon certification (in the form from time to time available from any Transfer Agent) to the relevant Transfer Agent by the transferor thereof that such transfer is being made to a person who is a QIB who is acquiring such Notes 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 Notes represented by a Rule 144A Global Note, from a holder of Notes represented by a Rule 144A Global Note, 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 Notes represented by a Regulation S Global Note, from a holder of Notes represented by a Rule 144A Global Note, only, upon certification (in the form from time to time available from any Transfer Agent) to the Transfer Agent by the transferor thereof that such transfer is being made to a non-US person in an offshore transaction pursuant to Regulation S,

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

In relation to transfers of Notes represented by a Rule 144A Global Note or a Regulation S Global Note, as the case may be, made in accordance with this Condition 1.5(c) the Holder must send:

(A) in the case of transfers of Notes represented by a Regulation S Global Note or a Rule 144A Global Note 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 Notes represented by a Rule 144A Global Note 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.

In relation to transfers of Notes represented by a Rule 144A Global Note or a Regulation S Global Note, as the case may be, made in accordance with this Condition 1.5(c), 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 (i) in the case of transfers to a person who takes delivery in the form of Notes represented by a Regulation S Global Note or a Rule 144A Global Note held by a Common Depositary on behalf of Clearstream, Luxembourg and

Euroclear, the Transfer 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 (ii) in the case of transfers to a person who takes delivery in the form of Notes represented by a Rule 144A Global Note held by a custodian on behalf of DTC, the Transfer Agent (in the case of transfers of Notes represented by a Rule 144A Global Note held by a custodian on behalf of DTC) to credit the relevant account of the DTC participant, or the Transfer Agent (in the case of transfers of Notes represented by a Regulation S Global Note or Rule 144A Global Note 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.

In relation to transfers of Notes represented by a Rule 144A Global Note or a Regulation S Global Note, as the case may be, made in accordance with this Condition 1.5(c), on the transfer date:

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

(B) the Transfer Agent, in the case of transfers to and/or from a person who takes delivery in the form of Notes represented by a Rule 144A Global Note held by a custodian on behalf of DTC, will increase or decrease, if appropriate, the number of Notes represented by such Rule 144A Global Note, whereupon the number of Notes represented by such Rule 144A Global Note 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 Transfer Agent, DTC, Clearstream, Luxembourg and/or Euroclear, as the case may be, and/or as specified in the applicable Final Terms.

Transfers of Notes that will be represented by the same Global Note 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 Notes 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 Transfer Agent from time to time and notified to the Holders in accordance with Condition 16.

(d) *Registration of transfer upon partial redemption*

In the event of a partial redemption of Notes under Condition 5, the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

(e) *Costs of registration*

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except for any stamp duty, stamp duty reserve tax or any other Taxes or governmental charge that may be imposed in relation to any such transfer or registration.

2. STATUS

The Notes constitute unconditional, unsecured and unsubordinated 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 for such obligations as may be preferred by provisions of law that are both mandatory and of general application). The Notes do not evidence deposits of the Issuer and are not insured by any government agency.

3. GUARANTEE OF THE BANK

Subject to Condition 17.2, if the Issuer is BCCL the due and punctual payment of any amounts due by the Issuer under any Notes, including any liability to make a payment resulting from a default in any obligation to physically deliver Underlying Securities or the Deliverable Amount in respect of the Notes, is unconditionally and irrevocably guaranteed by the Guarantor pursuant to the Guarantee. Subject as aforesaid, the Guarantee constitutes a direct, unsecured and general obligation of the Guarantor and ranks and will rank equally with all other existing and future unsecured obligations of the Guarantor (except for such obligations as may be preferred by provisions of law that are both mandatory and of general application).

4. INTEREST

If the applicable Final Terms so specify, the Notes of any Series will bear interest from the Interest Commencement Date at a rate or rates (the "***Interest Rate***") specified in, or determined in accordance with, the applicable Final Terms and such interest will be payable in respect of each Interest Period on the date or dates (the "***Interest Payment Dates***" and each an "***Interest Payment Date***") specified in the applicable Final Terms. The interest payable on the Notes of any Series for a period other than a full Interest Period shall be determined in accordance with the applicable Final Terms.

4.1 Interest on Fixed Rate Notes

Each Fixed Rate Note will bear interest on its outstanding nominal amount when represented by a Global Note and on its Calculation Amount when in definitive from (and including) the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Interest Rate specified in the relevant Final Terms. Interest will be payable in arrears on each Interest Payment Date in each year up to (and including) the Maturity Date.

If a Fixed Coupon Amount or a Broken Coupon Amount is specified in the relevant Final Terms, the amount of interest payable on each Interest Payment Date will be the Fixed Coupon Amount or, if applicable, the Broken Coupon Amount specified, and in the case of the Broken Coupon Amount will be payable on the particular Interest Payment Date(s) specified in the relevant Final Terms.

4.2 Interest on Floating Rate Notes

Each Floating Rate Note will bear interest on its outstanding nominal amount from (and including) the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Interest Rate payable from time to time in respect of Floating Rate Notes determined in the manner specified in the applicable Final Terms.

(a) *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Interest Rate is to be determined, the Interest Rate for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this sub-paragraph (a), "***ISDA Rate***" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Determination Agent under an interest rate swap transaction if the Determination Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., as amended and updated as at the Issue Date of the Notes, or if the Series of which such Notes forms part consist of more than one Tranche, the date of issue of the first Tranche of the Notes (the "***ISDA Definitions***") and under which:

(i) the Floating Rate Option is as specified in the applicable Final Terms;

(ii) the Designated Maturity is a period specified in the applicable Final Terms; and

(iii) the relevant Reset Date is either (A) if the applicable Floating Rate Option is based on the London inter-bank offered rate ("**LIBOR**") or on the Euro-zone inter-bank offered rate ("**EURIBOR**"), the first day of that Interest Period or (B) in any other case, as specified in the applicable Final Terms.

For the purposes of this sub-paragraph (a), "***Floating Rate***", "***Calculation Agent***", "***Floating Rate Option***", "***Designated Maturity***" and "***Reset Date***" have the meanings given to those terms in the ISDA Definitions.

(b) *Screen Rate Determination for Floating Rate Notes*

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Interest Rate is to be determined, the Interest Rate for each Interest Period will, subject as provided below, be either:

(i) the offered quotation; or

(ii) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.00005 being rounded upwards) of the offered quotations

(expressed as a percentage rate per annum) for the Reference Rate that appears (or the Reference Rates that appear) on the Relevant Screen Page as at 11:00am (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question (as specified in the applicable Final Terms or as defined below) plus or minus the Margin (if any), all as determined by the Determination Agent. If five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Determination Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If, on any Interest Determination Date, no offered quotations for such Reference Rate so appear (or, in the case of clause (ii), if fewer than two offered quotations for such Reference Rate so appear), the Determination Agent will request appropriate quotations and will determine the arithmetic mean (rounded as aforesaid) of the rates at which deposits in the relevant currency are offered by, if the Reference Rate is LIBOR, four major banks in the London interbank market, selected by the Determination Agent, at approximately 11:00 am (London time) on the Interest Determination Date to leading banks in the London Interbank market or, if the Reference Rate is EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone, selected by the Determination Agent, at approximately 11:00 am (Brussels time) on the Interest Determination Date to leading banks in the Euro-zone interbank market, in each case for a period of the duration of the relevant Interest Period and in an amount that is representative for a single transaction in the relevant market at the relevant time. If, on any Interest Determination Date, only two or three rates are so quoted, the Determination Agent will determine the arithmetic mean (rounded as aforesaid) of the rates so quoted.

The Rate of Interest applicable to such Note during each Interest Period will be the rate (or, as the case may be, the arithmetic mean) so determined plus or minus the Margin (if any). If the Determination Agent is unable to determine a rate (or, as the case may be, an arithmetic mean) in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to such Note during such Interest Period will be the rate (or, as the case may be, the arithmetic mean) last determined in relation to such Note in respect of a preceding Interest Period plus or minus, as the case may be, the Margin.

As used herein, "***Interest Determination Date***", means in respect of any Interest Period, the date falling such number (if any) of Banking Days in such cities as may be specified in the Final Terms prior to the first day of such Interest Period, or if none is specified:

(i) in the case of Notes denominated in Sterling, the first day of such Interest Period;

(ii) in the case of Notes denominated in Euro, the date falling two TARGET Business Days prior to the first day of such Interest Period; or

(iii) in any other case, the date falling two London Banking Days prior to the first day of such Interest Period

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

"***Euro-zone***" means the region comprised of member states of the European Union that have adopted the Euro as the single currency in accordance with the Treaty establishing the European Community as amended by the Treaty on European Union.

"***Relevant Screen Page***" means such Reuters screen page as specified in the applicable Final Terms (or the relevant screen page of such other service or services as may be nominated as the information vendor for the purpose of displaying comparable rates in succession thereto) or such other equivalent information vending service as is so specified.

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

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Final Terms as being other than LIBOR or EURIBOR, the Interest Rate in respect of such Notes will be determined as provided in the applicable Final Terms.

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

If the applicable Final Terms specify a Minimum Interest Rate for any Interest Period, then, in the event that the Interest Rate in respect of such Interest Period determined in accordance with the provisions of paragraph (a) or (b) above is less than such Minimum Interest Rate, the Interest Rate for such Interest Period shall be such Minimum Interest Rate.

If the applicable Final Terms specify a Maximum Interest Rate for any Interest Period, then, in the event that the Interest Rate in respect of such Interest Period determined in accordance with the provisions of paragraph (a) or (b) above is greater than such Maximum Interest Rate, the Interest Rate for such Interest Period shall be such Maximum Interest Rate.

4.3 Zero Coupon Notes

Zero Coupon Notes will not bear interest, provided however that where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable shall be the Redemption Amount specified in the relevant Final Terms. As from the Maturity Date, the Interest Rate for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield.

4.4 Accrual of Interest

Interest shall cease to accrue on each Note on the due date for redemption unless upon due presentation payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgement) to the Relevant Date at the Interest Rate in the manner provided in this Condition 4.

4.5 Calculations

For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (a) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (b) all figures shall be rounded to seven significant figures (with halves being rounded up) and (c) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes, "***unit***" means the lowest amount of such currency that is available as legal tender in the country of such currency.

The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Interest Rate and the outstanding nominal amount or Calculation Amount, as the case may be of such Note, as specified in the relevant Final Terms, by the Day Count Fraction, unless an Interest Amount (or a formula for its calculation) is specified in respect of such period, in which case the amount of interest payable in respect of such Note for such period shall equal such Interest Amount (or be calculated in accordance with such formula).

4.6 Determination and Publication of Rates of Interest, Interest Amounts, Redemption Amounts and Early Redemption Amounts

As soon as practicable after the Valuation Time on each Valuation Date or such other time on such date on which the Issue and Paying Agent or, as applicable, the Determination Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, the Issue and Paying Agent or, as applicable, the Determination Agent shall determine such rate and calculate the Interest Amounts in respect of each Note for the relevant Interest Period and calculate the Redemption Amount, or any Early Redemption Amount, obtain any required quotation or make such determination or calculation, as the case may be, and cause the Interest Rate and the Interest Amounts for each Interest Period and the

relevant Interest Payment Date and, if required to be calculated, the Redemption Amount or any Early Redemption Amount to be notified to the Issue and Paying Agent, in the case of the Determination Agent, or the Issuer, each of the other Paying Agents and the Noteholders, in the case of the Issue and Paying Agent as soon as possible after their determination but in no event later than the fourth Business Day following such determination. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Issue and Paying Agent or, as applicable, the Determination Agent shall (in the absence of manifest error) be final and binding upon all parties.

4.7 Business Day Convention / Commodity Business Day Convention

(a) If (1) there is no numerically corresponding day of the calendar month in which an Interest Payment Date should occur or (2) if any date (including, for the avoidance of doubt, an Interest Payment Date, Maturity Date or Early Redemption Date) which is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then such date will be adjusted according to the Business Day Convention specified in the applicable Final Terms.

(b) If any date applicable to a Commodity Linked Note that is specified to be subject to adjustment in accordance with a Commodity Business Day Convention would otherwise fall on a day that is not a Commodity Business Day, such date will be adjusted according to the Commodity Business Day Convention specified in the applicable Final Terms.

(c) If the Business Day Convention or Commodity Business Day Convention is:

(i) the "***Following Business Day Convention***", such date shall be postponed to the next day that is a Business Day or a Commodity Business Day, as the case may be;

(ii) the "***Modified Following Business Day Convention***", such date shall be postponed to the next day that is a Business Day or a Commodity Business Day, as the case may be, unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or a Commodity Business Day, as the case may be;

(iii) the "***Nearest Business Day Convention***", such date will be the first preceding day that is a Business Day or a Commodity Business Day, as the case may be, if the relevant date otherwise falls on a day other than a Sunday or a Monday and will be the first following day that is a Business Day or a Commodity Business Day, as the case may be if the relevant date otherwise falls on a Sunday or a Monday; or

(iv) the "***Preceding Business Day Convention***", such date shall be brought forward to the immediately preceding Business Day or a Commodity Business Day, as the case may be.

5. REDEMPTION

5.1 Redemption on the Maturity Date

(a) Subject to the provisions of and in accordance with Condition 6 and unless previously redeemed or purchased and cancelled, each Note (other than a Credit Linked Note) will be redeemed by the Issuer at its Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the Settlement Currency on the Maturity Date, subject to any applicable fiscal or other laws or regulations and subject to and in accordance with the terms and conditions set out herein and in the applicable Final Terms. Payment of any applicable Taxes and

Redemption Expenses shall be made by the relevant Noteholder, and neither the Issuer nor the Guarantor shall have any liability in respect thereof.

If "Physical Settlement" is specified as applicable in the relevant Final Terms, the Issuer may, on the redemption of a Note, elect to deliver the Reference Assets to which such Note relates on the relevant Physical Delivery Date, and the Noteholder shall be obliged to accept such Reference Assets and pay any applicable Taxes and Redemption Expenses in accordance with Conditions 6.5 and 12 below. A Noteholder will be deemed to have agreed to such form of settlement as the Issuer shall elect.

If the Issuer does not elect to deliver the Reference Assets, the Issue and Paying Agent shall give notice to the relevant Noteholders in accordance with Condition 16 of the Redemption Amount payable in cash in respect of each Note as soon as practicable after calculation of such amount.

(b) *Credit Linked Notes*

(i) *Generally*

Subject to the provisions of and in accordance with Condition 5.1(b)(ii) and (iii) and Condition 6 and unless previously redeemed or purchased and cancelled, each Credit Linked Note will mature and will be redeemed on the Scheduled Maturity Date, and the Issuer will on the Scheduled Maturity Date at the option of the Issuer (aa) pay or cause to be paid, for value on the Scheduled Maturity Date, the Redemption Amount in respect of such Note or (bb) subject to Condition 6.6 deliver the Deliverable Amount in respect of such Note on the Physical Delivery Date, in each case subject to any applicable fiscal or other laws or regulations and subject to and in accordance with the terms and conditions set out herein and in the applicable Final Terms. Payment of any applicable Taxes and Redemption Expenses shall be made by the relevant Noteholder, and neither the Issuer nor the Guarantor shall have any liability in respect thereof.

Credit Linked Notes do not give the Noteholder any right to acquire any of the Reference Obligations or Deliverable Obligations, and the Issuer is not obliged to purchase, hold or deliver any of such Reference Obligations or Deliverable Obligations. However, if so specified in the relevant Final Terms, the Issuer may, on the redemption of such a Note, elect to deliver the Deliverable Amount on the relevant Physical Delivery Date and the Noteholder shall be obliged to accept such Deliverable Amount and pay any applicable Taxes and Redemption Expenses in accordance with Conditions 6.5 and 12 below. A Noteholder will be deemed to have agreed to such form of settlement as the Issuer shall elect.

If the Issuer does not elect to deliver the Deliverable Amount, the Issue and Paying Agent shall give notice to the relevant Noteholders in accordance with Condition 16 of the Redemption Amount payable in cash in respect of each Note as soon as practicable after calculation of such amount.

(ii) *Cash Settlement*

If Cash Settlement is specified in the applicable Final Terms and the Conditions to Settlement are satisfied during the Notice Delivery Period (such date of satisfaction the "***Credit Event Determination Date***"), the Issuer may, at its option, give notice (such notice a "***Settlement Notice***") to the Noteholders in accordance with Condition 16 and redeem all but not some only of the relevant Credit Linked Notes, each Note being redeemed by the Issuer at the Credit Event Redemption Amount on the Credit Event Redemption Date.

If the Conditions to Settlement are satisfied and the relevant Credit Linked Notes become redeemable in accordance with this Condition 5.1(b)(ii), upon payment of the Credit Event Redemption Amount in respect of such Notes the Issuer shall have discharged its obligations in respect of such Notes and shall have no other liability or obligation whatsoever in respect thereof. The Credit Event Redemption Amount may be less than the principal amount of such a Note. Any shortfall shall be borne by the Noteholders, and no liability shall attach to the Issuer.

(iii) *Physical Settlement*

If Physical Delivery is specified in the applicable Final Terms and Conditions to Settlement are satisfied during the Notice Delivery Period (such date of satisfaction the "***Credit Event Determination Date***"), the Issuer may, at its option, give notice (such notice a "***Notice of Physical Settlement***") to the Noteholders in accordance with Condition 16 and redeem all but not some only of the Notes, each Note being redeemed by delivery of the Deliverable Obligations comprising the Deliverable Amount, subject to and in accordance with Condition 6.6(b). If the Issuer elects not to give a Notice of Physical Settlement, Condition 5.1(b)(ii) shall apply.

In the Notice of Physical Settlement the Issuer shall specify the Deliverable Obligations comprising the Deliverable Amount that it reasonably expects to deliver. For the avoidance of doubt, the Determination Agent shall be entitled to select any of the Deliverable Obligations to constitute the Deliverable Amount, irrespective of their market value.

If Conditions to Settlement are satisfied and the Credit Linked Notes become redeemable in accordance with this Condition 5.1(b)(iii), upon Delivery of the Deliverable Amount and/or payment of the Cash Settlement Amount, as the case may be, the Issuer shall have discharged its obligations in respect of such Notes and shall have no other liability of obligation whatsoever in respect thereof. The value of such Deliverable Amount and/or the Cash Settlement Amount may be less than the principal amount of such Note. Any shortfall shall be borne by the Noteholders, and no liability shall attach to the Issuer.

(iv) *Repudiation/Moratorium Extension*

Where Conditions to Settlement have not been satisfied on or prior to the Scheduled Maturity Date but the Repudiation/Moratorium Extension Condition has been satisfied on or prior to the Scheduled Maturity Date and the Repudiation/Moratorium Evaluation Date in respect of such Potential Repudiation Moratorium will in the sole determination of the Determination Agent fall after the Scheduled Maturity Date, then the Determination Agent shall notify the Noteholders in accordance with Condition 16 that a Potential Repudiation/Moratorium has occurred, and:

(A) where a Repudiation/Moratorium has not occurred on or prior to the Repudiation/Moratorium Evaluation Date:

(I) each Credit Linked Note will be redeemed by the Issuer by payment of the Redemption Amount on the second Business Day following the Repudiation/Moratorium Evaluation Date; and

(II) in the case of interest bearing Credit Linked Notes, the Issuer shall be obliged to pay interest calculated as provided herein, accruing from (and including) the Interest Payment Date immediately preceding the

Scheduled Maturity Date to (but excluding) the Scheduled Maturity Date but shall only be obliged to make such payment of interest on the second Business Day following the Repudiation/Moratorium Evaluation Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; and

(B) where a Repudiation/Moratorium has occurred on or prior to the Repudiation/Moratorium Evaluation Date and Conditions to Settlement are satisfied in the Notice Delivery Period, the provisions of Condition 5.1(b)(ii) or (iii) as applicable shall apply to such Credit Linked Notes.

(v) *Grace Period Extension*

If "***Grace Period Extension***" is specified as applying in the applicable Final Terms, the provisions of this Condition 5.1(b)(v) shall apply.

Where Conditions to Settlement have not been satisfied on or prior to the Scheduled Maturity Date but a Potential Failure to Pay has occurred with respect to one or more Obligations in respect of which a Grace Period is applicable on or prior to the Scheduled Maturity Date (and such Grace Period(s) is/are continuing as of the Scheduled Maturity Date), then:

(A) where a Failure to Pay has not occurred on or prior to the Grace Period Extension Date:

(I) each Credit Linked Note will be redeemed by the Issuer by payment of the Redemption Amount on the Grace Period Extension Date; and

(II) in the case of interest bearing Credit Linked Notes, the Issuer shall be obliged to pay interest calculated as provided herein, accruing from (and including) the Interest Payment Date immediately preceding the Scheduled Maturity Date to (but excluding) the Scheduled Maturity Date but shall only be obliged to make such payment of interest on the Grace Period Extension Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; and

(B) where a Failure to Pay has occurred on or prior to the Grace Period Extension Date and Conditions to Settlement are satisfied in the Notice Delivery Period, the provisions of Condition 5.1(b)(ii) or (iii) as applicable shall apply to such Notes.

(vi) *Maturity Date Extension*

If on (1) the Scheduled Maturity Date or (2) the Repudiation/Moratorium Evaluation Date, or (3) if "Grace Period Extension" is specified as applying in the applicable Final Terms, the Grace Period Extension Date, as the case may be, Conditions to Settlement have not been satisfied but, in the opinion of the Determination Agent, a Credit Event may have occurred, the Determination Agent may notify the Noteholders in accordance with Condition 16 that the Scheduled Maturity Date, the Grace Period Extension Date or the Repudiation/Moratorium Evaluation Date, as the case may be, has been postponed to a date (such date the "***Postponed Maturity Date***") specified in such notice falling not more than 15 calendar days after the

Scheduled Maturity Date, the Grace Period Extension Date or the Repudiation/Moratorium Evaluation Date, as the case may be, and:

(A) where Conditions to Settlement are not satisfied on or prior to the Postponed Maturity Date:

(I) subject as provided below each Credit Linked Note will be redeemed by the Issuer by payment of the Redemption Amount on the Postponed Maturity Date; and

(II) in the case of interest bearing Credit Linked Notes, the Issuer shall be obliged to pay interest calculated as provided herein accruing from (and including) the Interest Payment Date immediately preceding the Scheduled Maturity Date to (but excluding) the Scheduled Maturity Date but shall only be obliged to make such payment of interest on the Postponed Maturity Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; and

(B) where Conditions to Settlement are satisfied on or prior to the Postponed Maturity Date, the provisions of Condition 5.1(b)(ii) or (iii) as applicable shall apply to such Notes.

5.2 Early Redemption at the option of Noteholders

If "Put Option" is specified as applicable in the applicable Final Terms, the Noteholders of any Series of Notes may (having given not less than five Business Days' notice (or such longer period of notice as may be specified in the applicable Final Terms) require the Issuer to redeem Notes on any Early Redemption Date in the manner specified herein and in the relevant Final Terms. Following the exercise of this option by the holder of any Note of such Series in accordance with the provisions of Condition 6, the Issuer will redeem the relevant Note(s), subject to and in accordance with the terms specified in the applicable Final Terms, in whole (but not in part), on the Early Redemption Date, and the relevant Noteholder(s) will receive from the Issuer on the relevant Early Redemption Payment Date the Early Redemption Amount in respect of such Note(s) subject to any applicable fiscal or other laws or regulations and subject to and in accordance with the terms and conditions set out herein and in the applicable Final Terms. Payment of any applicable Taxes and Redemption Expenses shall be made by the relevant Noteholder, and neither the Issuer nor the Guarantor shall have any liability in respect thereof.

If "Physical Settlement" is specified as applicable in the relevant Final Terms, the Issuer may, on the redemption of a Note, elect to deliver on the relevant Physical Delivery Date the Reference Assets or (in the case of Credit Linked Notes) deliver the Deliverable Amount to which such Note relates, and the Noteholder shall be obliged to accept such Reference Assets or Deliverable Amount and pay any applicable Taxes and Redemption Expenses in accordance with Conditions 6.5 and 12 below. By delivering in writing or by tested telex to the Relevant Clearing System (with a copy to the Issue and Paying Agent) a duly completed irrevocable Early Redemption Notice, a Noteholder will be deemed to have agreed to such form of settlement as the Issuer shall elect.

If the Issuer does not elect to deliver the Reference Assets or the Deliverable Amount, the Issue and Paying Agent shall give notice to the relevant Noteholders in accordance with Condition 16 of the Early Redemption Amount payable in cash in respect of each Note as soon as practicable after calculation of such amount.

5.3 Early Redemption at the option of the Issuer

If "Call Option" is specified as applicable in the applicable Final Terms or pursuant to Condition 8.1(a) or 8.1(b), the Issuer may (having given not less than five Business Days' notice to the Noteholders in accordance with Condition 16) redeem the Notes of any Series on any Early Redemption Date. If the Issuer exercises this option in accordance with the provisions of Condition 6, it will redeem the Notes of such Series, subject to and in accordance with the terms specified herein and in the applicable Final Terms, in whole (but not in part) on the Early Redemption Date, and the Noteholders will receive from the Issuer on the relevant Early Redemption Payment Date, the Early Redemption Amount in respect of such Notes subject to any applicable fiscal or other laws or regulations and subject to and in accordance with the terms and conditions set out herein and in the applicable Final Terms. Payment of any applicable Taxes and Redemption Expenses will be made by the Noteholders, and neither the Issuer nor the Guarantor shall have any liability in respect thereof.

If "Physical Settlement" is specified in the relevant Final Terms, the Issuer may, on the redemption of a Note, elect to deliver the Reference Assets or (in the case of Credit Linked Notes) deliver the Deliverable Amount to which such Note relates on the relevant Physical Delivery Date, and the Noteholder shall be obliged to accept such Reference Assets or Deliverable Amount and pay any applicable Taxes and Redemption Expenses, in accordance with Conditions 6.5 and 12 below. Each Noteholder will be deemed to have agreed to such form of settlement as the Issuer shall elect.

If the Issuer does not elect to deliver the Reference Assets or (in the case of Credit Linked Notes) deliver the Deliverable Amount, the Issue and Paying Agent shall give notice to the relevant Noteholders, in accordance with Condition 16, of the Early Redemption Amount payable in cash in respect of each Note as soon as practicable after calculation of such amount.

5.4 Early Redemption following the occurrence of an Issuer Tax Event, Change in Law, Hedging Disruption, Increased Cost of Hedging, Insolvency Filing, Guarantor Tax Event, Asian Hedging Disruption and/or Asian Increased Cost of Hedging

The Issuer may redeem the Notes of any Series at any time prior to the Maturity Date following the occurrence of an Issuer Tax Event and/or a Change in Law and/or a Hedging Disruption and/or an Increased Cost of Hedging and/or Insolvency Filing and/or a Guarantor Tax Event (in such case, where the Notes are issued by BCCL) and/or, if so specified in the applicable Final Terms, an Asian Hedging Disruption Event and/or an Asian Increased Cost of Hedging. If the Issuer exercises this option in accordance with the provisions of Condition 6, it will redeem the Notes of such Series, subject to and in accordance with the terms specified in the applicable Final Terms, in whole (but not in part) on the Early Redemption Date, and the Noteholders will receive from the Issuer on the relevant Early Redemption Payment Date the Early Redemption Amount in respect of such Notes, subject to any applicable fiscal or other laws or regulations and subject to and in accordance with the terms and conditions set out herein and in the applicable Final Terms. Payment of any applicable Taxes and Redemption Expenses will be made by the Noteholders, and neither the Issuer nor the Guarantor shall have any liability in respect thereof.

If "Physical Settlement" is specified in the relevant Final Terms, the Issuer may, on the redemption of a Note, elect to deliver on the relevant Physical Delivery Date the Reference Assets or deliver the Deliverable Amount to which such Note relates, and the Noteholder shall be obliged to accept such Reference Assets or Deliverable Amount and pay any applicable Taxes and Redemption Expenses in accordance with Conditions 6.5 and 12 below. Each Noteholder will be deemed to have agreed to such form of settlement as the Issuer shall elect.

If the Issuer does not elect to deliver the Reference Assets or deliver the Deliverable Amount, the Issue and Paying Agent shall give notice to the relevant Noteholders, in accordance with Condition 16, of the Early Redemption Amount payable in cash in respect of each Note as soon as practicable after calculation of such amount.

5.5 Cancellation

Without prejudice to the provisions of Condition 21, the Notes of any Series, once redeemed by or on behalf of the Issuer, will forthwith be cancelled and accordingly may not be reissued or resold.

5.6 Maximum and Minimum Redemption Requirements

In relation to the Notes of any Series, if the applicable Final Terms so specify, the Notes of such Series may be redeemed only in such maximum and minimum amounts and multiples of Notes as required by Condition 9.

6. REDEMPTION PROCEDURES

6.1 General

The redemption of Notes of any Series shall be effected only in accordance with this Condition 6 unless different procedures are specified in the applicable Final Terms.

6.2 Restrictions

In certain circumstances specified in the relevant Final Terms, selling restrictions or certification requirements in addition to those described in this Base Prospectus may apply.

6.3 Redemption Notices

(a) *Redemption Notices generally*

(i) *Where Notes are being redeemed by the Issuer at the request of a Noteholder pursuant to Condition 5.2*

Unless otherwise specified in the relevant Final Terms, payment of the Early Redemption Amount to the relevant Noteholder or delivery of the Reference Assets or, in the case of a Credit Linked Note, the Deliverable Amount on the Physical Delivery Date to, or to the order of, the relevant Noteholder is conditional upon such Noteholder delivering in writing or by tested telex to the Relevant Clearing System, with a copy to the Issue and Paying Agent, a duly completed irrevocable notice (an "***Early Redemption Notice***") substantially in the form set out in Appendix A8 of the Master Agency Agreement (copies of which may be obtained from the specified office of the Paying Agents) (or, if the relevant Final Terms specify that "Physical Settlement" is applicable in respect of Commodity Linked Notes, as amended to include details of delivery of the Relevant Commodity or any other details required by the Issuer). Such Early Redemption Notice must be received no later than the Redemption Notice Time on the Early Redemption Date. Any Early Redemption Notice (in writing or sent by tested telex) received after the Redemption Notice Time on a given Business Day shall be deemed to be received on the next succeeding Business Day, provided such date falls no later than two Business Days prior to the Maturity Date, in which event the Notes will be redeemed on the Maturity Date in accordance with Condition 5.1.

(ii) *Where Notes are being redeemed by the Issuer pursuant to Condition 5.3*

Unless otherwise specified in the relevant Final Terms, if the Issuer wishes to redeem the Notes of any Series pursuant to Condition 5.3, the Issuer must give Noteholders notice of redemption (an "***Issuer Redemption Notice***") in accordance with Condition 16 (which notice will be irrevocable and will specify the Early Redemption Amount or, if the Issuer elects to deliver

Reference Assets or, in the case of a Credit Linked Note the Deliverable Amount, in lieu of paying the Early Redemption Amount, the Reference Assets or the Deliverable Amount to be delivered upon redemption of each Note) and at the same time deliver a copy of the Issuer Redemption Notice to the Issue and Paying Agent and the Relevant Clearing System.

Notwithstanding the foregoing, if any Restricted Note is to be redeemed by delivery of the Reference Assets or the Deliverable Amount, any relevant provisions which modify the foregoing relating to such redemption and delivery, including the notices and certifications required, shall be as set out in the applicable Final Terms.

An Issuer Redemption Notice given in respect of any Series of Notes must be received no later than the Redemption Notice Time on the Early Redemption Date. Any Issuer Redemption Notice (in writing or sent by tested telex) received after the Redemption Notice Time on a given Business Day shall be deemed to be received on the next succeeding Business Day, provided it falls no later than two Business Days prior to the Maturity Date, in which event the Notes will be redeemed on the Maturity Date in accordance with Condition 5.1.

(iii) *Where Notes are being redeemed by the Issuer pursuant to Condition 5.4*

Unless otherwise specified in the relevant Final Terms, if the Issuer wishes to redeem the Notes of any Series pursuant to Condition 5.4, the Issuer must give Noteholders notice of redemption (a "***Special Redemption Notice***") in accordance with Condition 16 (which notice will be irrevocable and will specify the Early Redemption Amount or, if the Issuer elects to deliver Reference Assets or, in the case of a Credit Linked Note, the Deliverable Amount in lieu of paying the Early Redemption Amount, the Reference Assets or the Deliverable Obligations to be delivered upon redemption of each Note) and at the same time deliver a copy of the Special Redemption Notice to the Issue and Paying Agent and the Relevant Clearing System.

Notwithstanding the foregoing, if any Restricted Note is to be redeemed by delivery of the Reference Assets or the Deliverable Amount, any relevant provisions which modify the foregoing relating to such redemption and delivery, including the notices and certifications required, shall be as set out in the applicable Final Terms.

A Special Redemption Notice given in respect of any Series of Notes must be given no later than the Redemption Notice Time on the Early Redemption Date. Any Special Redemption Notice (in writing or sent by tested telex) received after the Redemption Notice Time on a given Business Day shall be deemed to be received on the next succeeding Business Day, provided it falls no later than two Business Days prior to the Maturity Date, in which event the Notes will be redeemed on the Maturity Date in accordance with Condition 5.1.

(iv) *Effect of Early Redemption Notice where Notes are being redeemed by the Issuer at the request of a Noteholder*

If the relevant Final Terms specify that the Notes may be redeemed by the Issuer at the request of Noteholders pursuant to Condition 5.2, an Early Redemption Notice delivered in accordance with Condition 6.3(a)(i) shall, *inter alia*, constitute and be substantially to the following effect:

(A) an irrevocable notice of the intention of the Noteholder to require the Issuer to redeem the Notes therein referred to as permitted by Condition 5.2 and notification of the number and Series of Notes

which the Noteholder wishes the Issuer to redeem, subject to the minimum and maximum redemption requirements and integral multiples requirements specified in Condition 9; provided that if the number of Notes specified in the Early Redemption Notice exceeds the number of Notes held in the Securities Account specified therein, such Early Redemption Notice shall be void;

(B) an irrevocable instruction to the Relevant Clearing System to notify the Issue and Paying Agent of the Noteholder's election to require the Issuer to effect such redemption and instructing it to debit the designated Securities Account for each Note to be redeemed on the Early Redemption Date; and

(C) where the Notes are being cash settled, an irrevocable instruction to the Relevant Clearing System to credit the Cash Account of the Noteholder at the Relevant Clearing System, as appropriate, with the Early Redemption Amount on the Early Redemption Payment Date.

(b) *US Certification requirements - Type 1 US Commodities Restrictions*

If the Final Terms indicate that Type 1 US Commodities Restrictions apply, the Noteholder must certify in the following form (or such other form of certification as may be agreed between the Issuer or one of its affiliates and the Noteholder to equivalent effect) in connection with a redemption notice:

"(a) Neither the person holding the Notes referred to in this redemption notice, nor any person on whose behalf the Notes are being held when redeemed, is a US person or a person within the United States (as such terms are defined in Regulation S under the US Securities Act of 1933, as amended) or (b) the person redeeming the Notes, and each person on whose behalf the Notes are being redeemed or who is the beneficial owner thereof, is an Eligible Contract Participant (as such term is defined in the Commodity Exchange Act).

We understand that this notice is required in connection with certain securities, commodities and other legislation in the United States. If administrative or legal proceedings are commenced or threatened in connection with which this notice is or might be relevant, we irrevocably authorise you to produce this notice or a copy thereof to any interested party in such proceedings."

(c) *US Certification requirements - Type 2 US Commodities Restrictions*

If the Final Terms indicate that Type 2 US Commodities Restrictions apply, the Noteholder must certify in the following form (or such other form of certification as may be agreed between the Issuer or one of its affiliates and the Noteholder to equivalent effect) in connection with a redemption notice:

"Neither the person holding the Notes referred to in this redemption notice, nor any person on whose behalf the Notes are being held when redeemed, is a US person or a person within the United States (as such terms are defined in Regulation S under the US Securities Act of 1933, as amended).

We understand that this notice is required in connection with certain securities, commodities and other legislation in the United States. If administrative or legal proceedings are commenced or threatened in connection with which this notice is or might be relevant, we irrevocably authorise you to produce this notice or a copy thereof to any interested party in such proceedings."

6.4 Liability

Redemption of the Notes, payments by the Issuers, the Guarantor (in respect of Notes issued by BCCL) and any Paying Agent and any transfer of the Reference Assets or Deliverable Obligations by the Issuer and/or any Paying Agent will be subject in all cases to all applicable fiscal and other laws, regulations and practices in force at such time (including, without limitation, any relevant exchange control laws or regulations and the Relevant Rules) and none of the Issuers, the Guarantor (where the Notes are issued by BCCL) or any Paying Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations and practices. None of the Issuers, the Guarantor (where the Notes are issued by BCCL) or any Paying Agent shall under any circumstances be liable for any acts or defaults of the Relevant Clearing System in the performance of their respective duties in relation to the Notes or, in relation to the delivery of Reference Assets or Deliverable Obligations, the acts or defaults of the relevant Exchanges.

6.5 Settlement by the Issuer

Subject to compliance by the Noteholder with the redemption procedures set out herein (and in the applicable Final Terms, where specified), the Issuer will, where applicable, comply with the following:

(a) *Settlement by delivery of Reference Assets*

(i) Redemption Expenses and Taxes associated with the delivery of any Reference Assets (including for the avoidance of doubt, in the case of an equity unit, the securities comprised in such equity unit) or, in the case of a Credit Linked Note, any Deliverable Obligations will be for the account of the relevant Noteholder. No delivery by the Issuer of a fraction of Reference Assets or Deliverable Obligation shall be made. Notes redeemed at the same time by the same Noteholder will be aggregated for the purpose of determining the aggregate number of Reference Assets or Deliverable Obligations to be delivered; and in the case of Equity Basket Notes, Notes redeemed at the same time by the same Noteholder shall be aggregated for the purpose of determining the aggregate number of Equity Baskets of Securities to be delivered and the aggregate number of each of the Reference Assets forming part of the relevant Equity Basket of Securities to be delivered. Where there is a fraction of a Reference Asset or a Deliverable Obligation, a Noteholder will be entitled to receive an amount in cash rounded to the nearest whole unit of currency in lieu of such fraction.

(ii) No Noteholder will be entitled to receive dividends declared or paid in respect of any Reference Assets or to any other rights relating to or arising out of any such Reference Assets if the record date for the relevant dividend or relevant right in respect of such Reference Assets falls before the relevant Physical Delivery Date.

(iii) If the Issuer has elected to make a delivery of the Reference Assets or the Deliverable Amount, but any Redemption Expenses incurred by the Issuer or the Guarantor have not been credited to the Bank Account of the Issue and Paying Agent (in favour of the Issuer), then the Issuer shall be under no obligation to transfer the Reference Assets or the Deliverable Amount or make any payment of any nature to the relevant Noteholder in respect of the Notes being redeemed, and the Early Redemption Notice delivered in respect of such Notes shall thereafter be null and void for all purposes.

(iv) If the Issuer elects to deliver Reference Assets or the Deliverable Amount in lieu of the Redemption Amount (or the Early Redemption Amount), then, as soon as practicable after the Valuation Date, it will confirm to the Relevant Clearing System and to the Issue and Paying Agent the Reference Assets or Deliverable Obligations being delivered upon redemption of each Note and the amount of any Taxes which the Issuer, the Guarantor (where the Notes are issued by BCCL) or the relevant Paying Agent is required to withhold or deduct and any Redemption Expenses

incurred by the Issuer relating thereto. Subject to receipt of such information and subject to compliance by the Noteholder with the redemption procedure set out herein (and in the applicable Final Terms, where specified), the Relevant Clearing System will on or before the Physical Delivery Date transfer from the Cash Account of the relevant Noteholder to the account of the Issue and Paying Agent an amount equal to (1) any such Taxes and (2) any such Redemption Expenses.

(v) The Issuer will ensure that delivery of the Reference Assets or the Deliverable Amount to the Noteholder takes place on the Physical Delivery Date. In the event that a Noteholder requests that delivery of the Reference Assets or the Deliverable Amount be made at a location or in a method that is different from that in the applicable Final Terms, the Issuer will, without any obligation whatsoever and provided that no additional unreimbursed costs are incurred, seek to deliver the Reference Assets or the Deliverable Amount to such location and/or by such method. Settlement will take place in accordance with the relevant method of settlement.

(vi) Unless notified to the contrary, the Issuer shall, subject as provided below, on the relevant Physical Delivery Date deliver or procure the delivery of the Transfer Documentation relating to the Reference Assets or the Deliverable Amount being so transferred (or in the case of a Reference Asset that is an equity unit, the Transfer Documentation in respect of such equity unit) to or to the order of the Noteholder.

(vii) The Issuer will, if it does not elect to deliver the Reference Assets or the Deliverable Amount in lieu of payment of the Redemption Amount (or the Early Redemption Amount), and subject to compliance by the Noteholder with the redemption procedure set out herein (and in the applicable Final Terms, where specified), pay or cause to be paid, on the relevant Maturity Date, the Redemption Amount (or the Early Redemption Amount) (less any Taxes or Redemption Expenses that the Issuer is authorised or required to deduct) to the Relevant Clearing System for credit to the relevant Noteholder's Cash Account for value on the Maturity Date or the Early Redemption Payment Date. Neither the Issuers nor the Guarantor (where the Notes are issued by BCCL) shall be liable for the failure of any third party to credit the Noteholder's Cash Account or for payment effected to persons not entitled thereto.

(b) *Cash Settlement*

In respect of each Note being redeemed, the Issuer will pay or cause to be paid, on the relevant Maturity Date (or Early Redemption Payment Date), the Redemption Amount (or Early Redemption Amount) (less any Taxes or Redemption Expenses that the Issuer is authorised to deduct) to the Relevant Clearing System for credit to the relevant Noteholder's Cash Account designated in the relevant Redemption Notice for value on the Maturity Date (or Early Redemption Payment Date). Neither the Issuers nor the Guarantor (where the Notes are issued by BCCL) shall be liable for the failure of any third party to credit the Noteholder's Cash Account or for payment effected to persons not entitled thereto.

6.6 Settlement Disruption Event

(a) *Effect on Physical Delivery Date*

If the Issuer has elected to deliver Reference Assets in lieu of paying the Redemption Amount or the Early Redemption Amount, as the case may be, and a Settlement Disruption Event prevents the delivery of such Reference Assets on the Physical Delivery Date, then the Physical Delivery Date will be the first succeeding day on which delivery of the Reference Assets can take place through the relevant Clearing System unless a Settlement Disruption Event prevents settlement on each of the 10 relevant Clearing System Business Days immediately following the original date that, but for the Settlement Disruption Event, would have been the Physical Delivery Date.

In that case, the Issuer may in its sole discretion elect to (1) satisfy its obligations in respect of the relevant Note by payment in cash of the Redemption Amount or the Early Redemption Amount, as the case may be, not later than the third Business Day following the date that the notice of such election is given to Noteholders in accordance with Condition 16, or (2) if the Reference Assets can be delivered in any other commercially reasonable manner, as determined by the Issuer in its sole discretion, designate that the Physical Delivery Date will be the first day on which settlement of a sale of the Reference Assets executed on that tenth Relevant Clearing System Business Day customarily would take place using such other commercially reasonable manner of delivery (which other manner of delivery will be deemed the Relevant Clearing System for the purposes of delivery of the relevant Reference Assets). All determinations made by the Issuer will be conclusive and binding upon the Noteholders, the Guarantor (where the Notes are issued by BCCL) and the Issuers except in the case of manifest error.

For so long as the delivery of the Reference Assets in respect of any Note is not practicable by reason of a Settlement Disruption Event, the relevant Noteholders shall not be entitled to any payment, whether of interest or otherwise, on such Note as a result of any delay in the delivery of the Reference Assets pursuant to this paragraph.

(b) *Undeliverable Obligations*

If the Issuer has elected to deliver the Deliverable Amount in lieu of paying the Redemption Amount or the Early Redemption Amount, as the case may be, in respect of Credit Linked Notes and such Deliverable Amount includes Undeliverable Obligations, where the Issuer is unable to deliver such Undeliverable Obligations on the Physical Delivery Date, it shall continue to attempt to deliver all or a portion of such Undeliverable Obligations on or before the 30th Business Day following the Physical Delivery Date (the "***Final Delivery Date***").

If all or a portion of the Undeliverable Obligations constituting the Deliverable Amount are not delivered by a Final Delivery Date, the Issuer shall give notice (a "***Cash Settlement Notice***") to the Noteholders in accordance with Condition 16 and the Issuer shall pay in respect of each Undeliverable Obligation the Cash Settlement Amount on the Cash Settlement Date.

6.7 Determinations where Notes are being redeemed by the Issuer on the Early Redemption Date

Any determinations as to whether an Early Redemption Notice is duly completed and in proper form shall be made by the Relevant Clearing System in consultation with the Issue and Paying Agent and shall be conclusive and binding on the Issuers, the Guarantor (where the Notes are issued by BCCL), the Paying Agents, the Issue and Paying Agent and the relevant Noteholder. Any Early Redemption Notice, as the case may be, so determined to be incomplete or not in proper form or which is not copied to the Issue and Paying Agent immediately after being sent to the Relevant Clearing System shall be null and void unless the Issuer agrees otherwise. If such Early Redemption Notice, is subsequently corrected to the satisfaction of the Relevant Clearing System, it shall be deemed to be a new Early Redemption Notice submitted at the time such correction is delivered to the Relevant Clearing System. The Relevant Clearing System shall use all reasonable endeavours promptly to notify the Noteholder submitting an Early Redemption Notice, if it has determined that such Early Redemption Notice is invalid or incomplete. In the absence of negligence or wilful misconduct on its part, the Relevant Clearing System shall not be liable to any person with respect to any action taken or omitted to be taken by it in connection with such notification to a Noteholder or such determination.

6.8 Effect of Early Redemption Notice, Issuer Redemption Notice and Special Redemption Notice

(a) *Where Notes are being redeemed by the Issuer at request of Noteholder pursuant to Condition 5.2*

Delivery of an Early Redemption Notice by facsimile shall constitute an irrevocable election by the relevant Noteholder to require the Issuer to redeem the Notes specified therein. After the delivery of such Early Redemption Notice, the relevant Noteholder may not transfer such Notes. If, notwithstanding the foregoing, any Noteholder does so transfer or attempts so to transfer such Notes, the Noteholder will be liable to the Issuer for any loss, costs and expenses suffered or incurred by the Issuer or any of its affiliates through which it has hedged its position, including those suffered or incurred as a consequence of the Issuer or any of its affiliates through which it has hedged its position having terminated or commenced any related hedging arrangements in reliance on the relevant Early Redemption Notice and subsequently (i) entering into replacement hedging arrangements in respect for such Notes or (ii) paying any amount on the subsequent redemption of such Notes without having entered into any replacement hedging arrangements.

(b) *Where Notes are being redeemed by the Issuer pursuant to Condition 5.3 or 5.4*

Upon the expiry of an Issuer Redemption Notice or a Special Redemption Notice, as the case may be, that has been given in the prescribed manner, the Issuer shall, subject to the requirements of these Conditions, be bound to redeem the Notes of the relevant Series unless previously redeemed or purchased and cancelled.

6.9 Currency

(a) *Exchange Date*

Where the price(s) for the Reference Assets or Relevant Index is (are) quoted in a currency other than the currency in which any cash settlement in respect of the relevant Notes is required to be made, the exchange rate for conversion into the currency in which any cash settlement in respect of the relevant Notes is required to be made will be that determined by the Issue and Paying Agent by reference to the relevant Reuters page or other reference source specified in the applicable Final Terms or will be the exchange rate quoted by the reference bank or relevant central bank specified in the applicable Final Terms, at a time or times on the Valuation Date as specified in the relevant Final Terms or, if no such time is specified, then at 5:00 pm (London time) on the Valuation Date.

(b) *Change in Currency*

(i) If at any time there is a change in the currency of a country such that the central bank of that country recognises more than one currency or currency unit as the lawful currency of that country, then references in, and obligations arising under, the Notes at the time of any such change that are expressed in the currency of that country shall be translated into, and/or any amount becoming payable under the Notes thereafter as specified in these Conditions shall be paid in, the currency or currency unit of that country, and in the manner, designated by the Determination Agent.

Any such translation shall be made at the official rate of exchange recognised for that purpose by the central bank of such country.

(ii) Where such a change in currency occurs, the Global Note in respect of the Notes then outstanding and the Conditions relating to such Notes shall be amended in the manner agreed by the Issuers, the Guarantor (where the Notes are issued by BCCL) and the Issue and Paying Agent so as to reflect

the change and, so far as practicable, to place the Issuers, the Guarantor (where the Notes are issued by BCCL), the Issue and Paying Agent and the Noteholders in the same position each would have been in had no change in currency occurred (such amendments to include, without limitation, changes required to reflect any modification to business day or other conventions arising in connection with such change in currency), provided that any such amendments will only be made in a manner that is consistent with the hedging arrangements entered into by the Issuer in connection with such Notes. All amendments made pursuant to this Condition 6.9(b) will be binding upon the Noteholders.

(iii) Notification of any amendments made to the Notes pursuant to this Condition 6.9(b) will be made in accordance with Condition 16, which will state *inter alia* the date on which such amendments are to take or took effect, as the case may be.

7. RIGHTS OF THE ISSUER IN THE EVENT OF A DISRUPTED DAY OR DISRUPTION EVENT

7.1 Equity Linked Notes and Equity Basket Notes

If, in the opinion of the Determination Agent, any Valuation Date is a Disrupted Day, then:

(a) in the case of an Equity Linked Note in respect of which the applicable Final Terms specify only one type of Underlying Security, 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 original date that, but for the Disrupted Days, would have been the Valuation Date (the "***Scheduled Valuation Date***") is a Disrupted Day, in which case that eighth Scheduled Trading Day shall be deemed to be the Valuation Date notwithstanding the fact that it is a Disrupted Day, and the Determination Agent shall determine in good faith the relevant Exchange traded price (the "***Traded Price***") for such Underlying Securities that would have prevailed on that eighth Scheduled Trading Day but for that Disrupted Day; and

(b) in the case of Equity Basket Notes, the Valuation Date for each Underlying Security not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Underlying Security affected by the occurrence of a Disrupted Day 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 which case that eighth Scheduled Trading Day shall be deemed to be the Valuation Date for the relevant Underlying Security notwithstanding the fact that it is a Disrupted Day and the Determination Agent shall determine the relevant Traded Price for such Underlying Security that would have prevailed on that eighth Scheduled Trading Day but for that Disrupted Day.

All determinations made by the Determination Agent pursuant to this Condition will be conclusive and binding on the Noteholders, the Guarantor (where the Notes are issued by BCCL), the Paying Agents and the Issuers except in the case of manifest error. As soon as reasonably practicable following any determination of the Traded Price by the Determination Agent in accordance with this Condition 7.1, the Issuer shall procure that notice of the Traded Price is provided to Noteholders in accordance with Condition 16.

7.2 Single Index Notes and Basket of Indices Notes

If, in the opinion of the Determination Agent, a Valuation Date is a Disrupted Day, then:

(a) in the case of Single Index Notes, 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) the 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 Determination Agent shall determine the level of the Index (the "***Index Level***") in the manner set out in the applicable Final Terms or, if not set out or not practicable, shall determine the level of the Index as of the Valuation Time on the eighth Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the relevant Exchange traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each security included in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant Underlying Security on that eighth Scheduled Trading Day, its good faith determination of the Traded Price for the relevant Underlying Security as of the Valuation Time on that eighth Scheduled Trading Day); or

(b) in the case of Basket of Indices Notes, the Valuation Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Index affected by the occurrence of a Disrupted Day (each an "***Affected Index***") shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Index, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Index. In that case (i) that eighth Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Index, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Determination Agent shall determine the level of the Basket of Indices using, in relation to the Affected Index, the Index Level determined in the manner set out in the applicable Final Terms or, if not set out or if not practicable, using the Index Level as of the Valuation Time on the eighth Scheduled Trading Day determined 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 included 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 determination of the Traded Price for the relevant security/commodity as of the Valuation Time on that eighth Scheduled Trading Day.

All determinations made by the Determination Agent pursuant to this Condition will be conclusive and binding on the Noteholders, the Guarantor (where the Notes are issued by BCCL), the Paying Agents and the Issuers except in the case of manifest error. As soon as reasonably practicable following any determination by the Determination Agent of the Index Level and the Traded Price (if applicable) in accordance with this Condition 7.2, the Issuer shall procure that notice of the corresponding Index Level and Traded Price (if applicable) is provided to Noteholders in accordance with Condition 16.

7.3 Currency Linked Notes

(a) *Determination of Disruption Event*

If, in the opinion of the Determination Agent, a Disruption Event (as defined below) has occurred and is continuing on any Valuation Date, then such Valuation Date shall be postponed to the first following Business Day in respect of which there is no such Disruption Event; provided, however, that in no event shall the Valuation Date be later than the eighth Business Day after the Maturity Date or the Early Redemption Date, as the case may be, and, if a Disruption Event in relation to an Exchange Rate is continuing on such eighth Business Day, the Valuation Date shall be such eighth Business Day and the Issuer shall pay in lieu of payment of the Redemption Amount or the Early Redemption Amount on the Maturity Date or Early Redemption Date, as the case may be, the Disruption Redemption Amount (as defined below) on the third Business Day following such eighth Business Day. All determinations made by the Determination Agent pursuant to this Condition will be conclusive and binding on the Noteholders, the Guarantor (where the Notes are issued by BCCL) and the

relevant Issuer except in the case of manifest error. Notice of the Disruption Redemption Amount, determined in accordance with this Condition 7.3, shall only be provided to holders of Notes affected by the Disruption Event.

"***Disruption Event***", in respect of Currency Linked Notes, means the occurrence of any of the following events:

(1) Price Source Disruption;

(2) Illiquidity Disruption;

(3) Dual Exchange Rate;

(4) any other event that, in the opinion of the Determination Agent, materially affects dealings in the Notes of any Series or affects the ability of the Issuer to meet any of its obligations under the Notes of any Series or under any related hedge transactions.

(b) *Calculation of Rates for Certain Settlement Rate Options*

(i) If any of the Exchange Rates specified in the applicable Final Terms are published or announced by more than one price source and the price source referred to in such applicable Final Terms fails to publish or announce that Exchange Rate on the Rate Calculation Date (or, if different, the day on which rates for that date would, in the ordinary course, be published or announced by such price source), then the Spot Rate for that Rate Calculation Date will be determined by the Determination Agent in its absolute discretion.

(ii) If the Exchange Rates specified in the relevant Final Terms are reported, sanctioned, recognised, published, announced or adopted (or are the subject of other similar action) by the relevant Governmental Authority (as defined below), and such Exchange Rate ceases to exist and is replaced by a successor currency exchange rate that is reported, sanctioned, recognised, published, announced or adopted (or other similar action) by such Governmental Authority (the "***Official Successor Rate***"), then the Spot Rate for the relevant Rate Calculation Date will be determined by the Determination Agent in its absolute discretion.

(iii) For the purposes of determining the Spot Rate for any Rate Calculation Date in any case where the Spot Rate for a Rate Calculation Date is based on information obtained from the Reuters Monitor Money Rates Service or the Dow Jones Telerate Service, the Spot Rate will be subject to the corrections, if any, to that information subsequently displayed by that source within one hour of the time when such rate is first displayed by such notice.

Notwithstanding the preceding paragraph, in any case where the Spot Rate for a Rate Calculation Date is based on the information published or announced by a Governmental Authority in the relevant country, the Spot Rate will be subject to the correction, if any, to that information subsequently published or announced by that source within the shorter of the period of five days from the Rate Calculation Date and the period expiring on the Business Day prior to the Maturity Date or Early Redemption Payment Date, as the case may be.

7.4 Averaging

In the case of an Averaging Date being a Disrupted Day if, in relation to "Averaging Date Disruption", the consequence specified in the Final Terms is:

(i) "Omission", then such Averaging Date will be deemed not to be a relevant Averaging Date, provided that if through the operation of this provision there would not be an Averaging Date with respect to the relevant Valuation Date, then Condition 7.1 or 7.2, as the case may be, will apply for the purposes of determining the relevant level, price or amount on the final Averaging Date with respect to that Valuation Date as if such Averaging Date were a Valuation Date that was a Disrupted Day. If any Averaging Dates in relation to a Valuation Date occur after that Valuation Date as a result of the occurrence of a Disrupted Day, then the relevant Maturity Date, Physical Delivery Date or Early Redemption Payment Date, as the case may be, shall be determined by reference to the last such Averaging Date as though it were that Valuation Date; or

(ii) "Postponement", then Condition 7.1 or 7.2 as the case maybe, 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. If any Averaging Date in relation to a Valuation Date occurs after that Valuation Date as a result of the occurrence of a Disrupted Day, then the relevant Maturity Date, Physical Delivery Date or Early Redemption Payment Date, as the case may be, shall be determined by reference to the last such Averaging Date as though it were that Valuation Date; or

(iii) "Modified Postponement", then:

(A) in the case of an Equity Linked Note or a Single Index Note, the Averaging Date shall be the first succeeding Valid Date. 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 in respect of the relevant Scheduled Valuation Date, then (1) that eighth Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date), and (2) the Determination Agent shall determine the relevant level or price for that Averaging Date in accordance with Condition 7.1 or 7.2 as the case may be; and

(B) in the case of an Equity Basket Note or a Basket of Indices Note, the Averaging Date for each Underlying Security or Relevant Index not affected by the occurrence of a Disrupted Day shall be the date specified in the applicable Final Terms as an Averaging Date in respect of the relevant Valuation Date, and the Averaging Date for an Underlying Security or Relevant Index affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Underlying Security or Relevant Index. If the first succeeding Valid Date in respect of such Underlying Security or Relevant Index 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 in relation to the relevant Scheduled Valuation Date, then (1) 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) in respect of such Underlying Security or Relevant Index and (2) the Determination Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with Condition 7.1 or 7.2, as the case may be.

7.5 Index Modification, Cancellation, Disruption or Adjustment Event

If:

(i) on or prior to any date on which the level of an Index is to be calculated, including without limitation any Averaging Date, (the "***Determination Date***") in respect of Single Index Notes or Basket of Indices Notes, a relevant Index sponsor (a "***Sponsor***") announces that it will make a material change in the formula for or the method of calculating that 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 and other routine events) (an "***Index Modification***") or permanently cancels the Index and no successor Index exists (an "***Index Cancellation***"); or

(ii) on any Determination Date in respect of Single Index Notes or Basket of Indices Notes the Sponsor fails to calculate and announce a relevant Index (an "***Index Disruption***" and together with an Index Modification and an Index Cancellation, an "***Index Adjustment Event***"),

then the Determination Agent shall on each relevant Determination Date determine if such Index Adjustment Event has a material effect on the relevant Notes and if so shall calculate the level of that Index by using, in lieu of a published level for the relevant Index, the level for that Index as at that Determination Date as determined by the Determination Agent in accordance with the formula for and method of calculating that Index last in effect prior to that Index Adjustment Event, but using only those securities that constituted the relevant Index immediately prior to that Index Adjustment Event (other than those securities that have since ceased to be listed on any relevant Exchange).

In the event that the Determination Agent determines that it can no longer continue to calculate such Index, the Determination Agent shall in its sole discretion rebase the Notes against a comparable Index so as to maintain the economic equilibrium of the Notes. If the Determination Agent determines in its absolute discretion that it is not practical to rebase the Notes, the Issuer may, on giving notice to Noteholders in accordance with Condition 16, elect to redeem the Notes in accordance with the applicable provisions of Condition 5 and pay the Early Redemption Amount in respect of such Notes.

7.6 Credit Linked Notes

The terms and conditions of the Notes relating to the calculation of the Final Price of the relevant Reference Obligation, the Credit Event Redemption Amount and the Valuation Method, in the event that Conditions to Settlement are satisfied during the Notice Delivery Period, shall be set out in the applicable Final Terms. In relation to Credit Linked Notes, unless otherwise defined in the applicable Final Terms, "Bankruptcy", "Failure to Pay", "Grace Period Extension", "Obligation Default", "Obligation Acceleration", "Restructuring", "Restructuring Maturity Limitation", "Restructuring Maturity Limitation Date", "Fully Transferable Obligation", "Modified Restructuring Maturity Limitation" and "Conditionally Transferable Obligation" have the meanings given to those terms in the 2003 ISDA Credit Derivatives Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes.

7.7 Commodity Linked Notes

(a) ISDA Determination for Commodity Linked Notes

In relation to Commodity Linked Notes, the Relevant Commodity Price for a Relevant Commodity or a Commodity Index shall be the price equal to the "Relevant

Price" that would be determined by the Determination Agent under a commodity transaction if the Determination Agent were acting as "Calculation Agent" for that commodity transaction under the terms of an agreement incorporating the 2005 ISDA Commodity Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the "***ISDA Commodity Definitions***"), and under which:

(i) the Commodity Reference Price is as specified in the applicable Final Terms;

(ii) the Specified Price is as specified in the applicable Final Terms;

(iii) the Delivery Date (if any) is as specified in the applicable Final Terms; and

(iv) the Pricing Date(s) is/are date(s) as specified in the applicable Final Terms.

(b) Commodity Market Disruption Event and Disruption Fallback

If, in the opinion of the Determination Agent, a Commodity Market Disruption Event (as defined below) has occurred and is continuing on any Pricing Date (or, if different, the day on which prices for that Pricing Date would, in the ordinary course, be published by the Price Source), the Relevant Commodity Price for that Pricing Date will be determined by the Determination Agent in accordance with the first applicable Disruption Fallback (as defined below) that provides a Relevant Commodity Price.

(c) Common Pricing

With respect to Notes relating to a Basket of Commodities, if "***Common Pricing***" has been selected in the applicable Final Terms as:

(i) "Applicable" then, no date will be a Pricing Date unless such date is a day on which all referenced Commodity Reference Prices (for which such date would otherwise be a Pricing Date) are scheduled to be published or announced.

(ii) "Inapplicable" then, if the Determination Agent determines that a Commodity Market Disruption Event has occurred or exists on the Pricing Date in respect of any Relevant Commodity and/or Commodity Index in the basket (the "***Affected Commodity***"), the Relevant Commodity Price of each Relevant Commodity and/or Commodity Index within the basket which is not affected by the occurrence of a Commodity Market Disruption Event shall be determined on its scheduled Pricing Date and the Relevant Commodity Price for the Affected Commodity shall be determined in accordance with the first applicable Disruption Fallback that provides a Relevant Reference Price.

All determinations made by the Determination Agent pursuant to this Condition will be conclusive and binding on the Noteholders, the Guarantor (where the Notes are issued by BCCL) and the relevant Issuer except in the case of manifest error.

(d) Correction to Published Prices

For purposes of determining or calculating the Relevant Commodity Price, if the price published or announced on a given day and used or to be used by the Determination Agent to determine the Relevant Commodity Price is subsequently corrected and the correction is published or announced by the person responsible for that publication or announcement within 30 calendar days after the original publication or announcement, the Determination Agent may, in its sole discretion, recalculate relevant payment amount, using such corrected price. The Determination

Agent shall notify the Issuer of any such correction, the revised Relevant Commodity Price and the relevant payment amount, as a result of that correction.

The Issuer reserves the right (such right to be exercised in the Issuer's sole and unfettered discretion and without any liability whatsoever) to make such adjustments as it believes appropriate in circumstances where an event or events occur that the Issuer believes, in its sole discretion, should, in the context of the issue of Notes and the obligations of the Issuer thereunder, give rise to such adjustment as is necessary to preserve the economic equivalent of the obligations of the Issuer under the Notes and to maintain the economic equilibrium of the Notes.

(e) Adjustments to Commodity Index

With respect to a Commodity Index:

(i) if the Commodity Reference Price is permanently cancelled or is not calculated and announced by the sponsor of such Commodity Index or any of its affiliates (together the "***Sponsor***") but is (i) calculated and announced by a successor sponsor (the "***Successor Sponsor***") acceptable to the Determination Agent, or (ii) replaced by a successor index (the "***Successor Index***") using, in the determination of the Determination Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the Relevant Commodity Price, then the Relevant Commodity Price will be deemed to be the price so calculated and announced by that Successor Sponsor or that Successor Index, as the case may be.

(ii) if, on or prior to the Maturity Date or Early Redemption Date, (i) the Sponsor makes a material change in the formula for or the method of calculating the Relevant Commodity Price or in any other way materially modifies such Commodity Index (other than a modification prescribed in that formula or method to maintain the Relevant Commodity Price in the event of changes in constituent commodities and weightings and other routine events), or (ii) the Sponsor permanently cancels the Commodity Index or (iii) the Sponsor fails to calculate and announce the Commodity Index for a continuous period of three Trading Days and the Determination Agent determines that there is no Successor Sponsor or Successor Index, then the Determination Agent may at its option (in the case of (i)) and shall (in the case of (ii) and (iii)) (such events (i) (ii) & (iii) to be collectively referred to as "Index Adjustment Events") calculate the Relevant Commodity Price using in lieu of the published level for that Commodity Index (if any), the level for that Commodity Index as at the relevant determination date as determined by the Determination Agent in accordance with the formula for and method of calculating that Commodity Index last in effect prior to the relevant Index Adjustment Event (as the case may be), but using only those futures contracts that comprised that Commodity Index immediately prior to the relevant Index Adjustment Event (as the case may be) (other than those futures contracts that have ceased to be listed on any relevant exchange).

(f) Adjustments to payment dates or settlement dates

If, as a result of a delay pursuant to the occurrence of a Commodity Market Disruption Event or Index Adjustment Event, a Relevant Commodity Price is unavailable to determine any amount payable on any scheduled payment date or settlement date, that payment date or settlement date will be delayed to fall on the second Business Day following the determination of the Relevant Commodity Price under the Disruption Fallback provision or Adjustments to Commodity Index provision, as the case may be.

(g) Definitions for Commodity Linked Notes

"***Determination Agent Determination***" in respect of Commodity Linked Notes, means that the Determination Agent will determine the Relevant Commodity Price (or a method for determining the Relevant Commodity Price), taking into consideration the latest available quotation for the relevant Commodity Reference Price and any other information that in its sole discretion it deems relevant.

"***Commodity Market Disruption Event***" means the occurrence of any of the following events:

(A) with respect to a Relevant Commodity:

(i) Price Source Disruption;

(ii) Trading Disruption;

(iii) Disappearance of Commodity Reference Price;

(iv) Material Change in Formula;

(v) Material Change in Content; and

(vi) any additional Commodity Market Disruption Events specified in the applicable Final Terms.

(B) with respect to a Commodity Index:

(i) a temporary or permanent failure by the applicable exchange or other price source to announce or publish (a) the final settlement price for the Commodity Reference Price or (b) closing price for any futures contract included in the Commodity Reference Price;

(ii) a material limitation, suspension or disruption of trading in one or more of the futures contracts included in the Commodity Reference Price; or

(iii) the closing price for any futures contract included in the Commodity Reference Price is a "limit price", which means that the closing price for such contract for a day has increased or decreased from the previous day's closing price by the maximum amount permitted under applicable exchange rules.

"***Disruption Fallback***" means a source or method that may give rise to an alternative basis for determining the Relevant Commodity Price in respect of a specified Commodity Reference Price when a Commodity Market Disruption Event occurs or exists on a day that is a Pricing Date. A Disruption Fallback is applicable if it is specified in the applicable Final Terms or, if no Disruption Fallback is specified in the applicable Final Terms, shall be deemed to mean:

(A) with respect to a Relevant Commodity, (in the following order):

(i) Fallback Reference Price (if applicable);

(ii) Delayed Publication or Announcement and Postponement (each to operate concurrently with the other and each subject to a period of two consecutive Commodity Business Days of disruption (measured from and including the original day that would otherwise have been the Pricing Date); provided, however, that the price determined by Postponement shall be the Relevant Commodity Price only if Delayed Publication or Announcement

does not yield a Relevant Commodity Price within that two consecutive Commodity Business Days); and

(iii) Determination Agent Determination.

(B) with respect to a Commodity Index, the following fallback determination mechanism:

(i) with respect to each futures contract included in the Commodity Reference Price which is not affected by the Market Disruption Event, the Relevant Commodity Price will be based on the closing prices of each such contract on the applicable determination date;

(ii) with respect to each futures contract included in the Commodity Reference Price which is affected by the Market Disruption Event, the Relevant Commodity Price will be based on the closing prices of each such contract on the first day following the applicable determination date on which no Market Disruption Event is occurring with respect to such contract;

(iii) subject to Clause (iv) below, the Determination Agent shall determine the Relevant Commodity Price by reference to the closing prices determined in Clauses (i) and (ii) above using the then-current method for calculating the Relevant Commodity Price; and

(iv) where a Commodity Market Disruption Event with respect to one or more futures contracts included in the Commodity Reference Price continues to exist (measured from and including the first day following the applicable determination date) for five consecutive Trading Days, the Determination Agent shall determine the Relevant Commodity Price in good faith and in a commercially reasonable manner.

"***Delayed Publication or Announcement***" in respect of Commodity Linked Notes, means that the Relevant Commodity Price for a Pricing Date will be determined based on the Specified Price in respect of the original day scheduled as such Pricing Date that is published or announced by the relevant Price Source retrospectively on the first succeeding Commodity Business Day on which the Commodity Market Disruption Event ceases to exist, unless that Commodity Market Disruption Event continues to exist (measured from and including the original day that would otherwise have been the Pricing Date) or the Relevant Commodity Price continues to be unavailable for [two] consecutive Commodity Business Days.

"***Fallback Reference Price***" in respect of Commodity Linked Notes, means that the Determination Agent will determine the Relevant Commodity Price based on the price for that Pricing Date of the first alternate Commodity Reference Price, if any, specified in the applicable Final Terms and not subject to a Commodity Market Disruption Event.

"***Postponement***" in respect of Commodity Linked Notes, means that the Pricing Date will be deemed, for purposes of the application of this Disruption Fallback only, to be the first succeeding Commodity Business Day on which the Commodity Market Disruption Event ceases to exist, unless that Commodity Market Disruption Event continues to exist for [two] consecutive Commodity Business Days (measured from and including the original day that would otherwise have been the Pricing Date).

"***Trading Day***" means, for the purposes of "Disruption Fallback" and Condition 7.7(g), a day when:

(i) the Determination Agent is open for business in London and New York; and

(ii) the exchanges of all futures contracts included in the Commodity Reference Price are open for trading.

8. ADJUSTMENTS

8.1 Equity Linked Notes and Equity Basket Notes

The Issuer may at any time determine and declare that a Potential Adjustment Event has occurred. Following such declaration by the Issuer of any Potential Adjustment Event, the Determination Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Underlying Shares and, if so, will (i) make the corresponding adjustment(s), relevant to the exercise, settlement, payment or other terms of the Notes as the Determination Agent determines appropriate to account for that diluting or concentrative effect and (ii) determine the effective date(s) of the adjustment(s). The Determination Agent may (but need not) determine the appropriate adjustment(s) by reference to the adjustment(s) in respect of such Potential Adjustment Event made by an options exchange to options on the relevant Underlying Shares traded on that options exchange.

(a) *Consequences of Merger Events*

Following the occurrence of any Merger Event (as determined by the Determination Agent in its sole discretion), the Issuer shall either (1) make such adjustment as it, in its sole discretion, considers appropriate, if any, to the formula for the Redemption Amount and/or the Early Redemption Amount set out in the relevant Final Terms, the number of Underlying Shares to which each Note relates, the number of securities constituting a Basket of Securities, the amount, the number of or title of shares or other securities which may be delivered under such Notes and, in any case, any other variable relevant to the redemption, settlement or payment terms of the relevant Notes and/or any other adjustment, which change or adjustment shall be effective as soon as practicable after the date upon which all, or substantially all, holders of the Underlying Shares (other than, in the case of a takeover, Underlying Shares owned or controlled by the offeror) become bound to transfer the Underlying Shares held by them; or (2) if the Determination Agent determines that no adjustment that it could make under (1) will produce a commercially reasonable result, determine that the relevant Notes should be redeemed early. If the Issuer determines that the relevant Notes should be redeemed early, then the relevant Notes shall be so redeemed and the relevant Issuer's obligations under the Notes shall be satisfied in full upon payment of the Merger Event Settlement Amount on the Early Redemption Payment Date.

(b) *Nationalisation, Insolvency and Delisting*

Any of the Noteholders, the Issuer, the Determination Agent or the Issue and Paying Agent shall, upon becoming aware of the occurrence of a Nationalisation, Insolvency or Delisting, notify the Issuer, the Issue and Paying Agent, the Determination Agent or the Noteholders, as the case may be, of such an event.

As a consequence of a Nationalisation, Insolvency or Delisting, the Notes will be redeemed as of the Announcement Date and the Issuer will pay to the Noteholder the amount specified in Condition 8.1(c) below.

(c) *Payment to the Noteholder upon a Nationalisation, Insolvency or Delisting*

(i) If Condition 8.1(b) applies, then the Issuer will pay to the Noteholder an amount determined as provided in clause (ii) below, such payment to be made not later than three Business Days following the determination by the

Determination Agent of such amount (denominated in the currency for settlement of the transaction as determined by the Determination Agent).

(ii) The amount to be paid by the Issuer to the Noteholder under clause (i) above will be the amount determined by the Determination Agent after the date of the occurrence of the Nationalisation, Insolvency or Delisting, as the case may be, failing which it will be determined by the Determination Agent and based on quotations sought by it from four leading market dealers. Each quotation will represent the quoting dealer's expert opinion as to the fair value to the Noteholder on terms that would preserve for the Noteholder the economic equivalent of any payment or delivery (assuming satisfaction of each applicable condition precedent) by the parties in respect of the Notes that would have been required after that date but for the occurrence of the Nationalisation, Insolvency or Delisting. Each quotation will be calculated on the basis of the following information provided by the Determination Agent (and such other factors as the quoting dealer deems appropriate):

(A) a volatility equal to the average of the volatility of the relevant Underlying Shares for each Exchange Business Day during the two-year historical period ending on the Announcement Date of the Nationalisation, Insolvency or Delisting;

(B) expected dividends for the period from the Issue Date to the expected Maturity Date based on, and payable on the same dates as, amounts determined by the Determination Agent to have been paid in respect of gross ordinary cash dividends on the relevant Underlying Shares in the calendar year ending on the Announcement Date; and

(C) a value ascribed to the relevant Underlying Shares equal to the consideration, if any, paid in respect of such Underlying Shares to holders of such Underlying Shares at the time of the Nationalisation or Insolvency.

If more than three quotations are provided, the amount will be the arithmetic mean of the quotations, without regard to the quotations having the highest and the lowest values. If exactly three quotations are provided, the amount will be the quotation remaining after disregarding the highest and the lowest quotations. For this purpose, if more than one quotation has the same highest or lowest value, then one of such quotations will be disregarded. If two quotations are provided, the amount will be the arithmetic mean of the quotations. If one quotation is provided, the amount will equal the quotation. If no quotation is provided, the amount will be determined by the Determination Agent in its absolute discretion.

(d) *Tender Offers*

If there occurs a Tender Offer (as determined by the Determination Agent in its absolute discretion), then on or after the relevant Tender Offer Date, the Underlying Company and the Underlying Shares will not change, but the Determination Agent shall either (1) make such adjustment to the exercise, settlement, payment or other terms of the relevant Notes as the Determination Agent considers appropriate to account for the economic effect on the relevant Notes of such Tender Offer and determine the effective date of that adjustment or (2) if the Determination Agent determines that no adjustment that it could make under (1) will produce a commercially reasonable result, determine that the relevant Notes should be redeemed early.

If the Issuer determines that the relevant Notes should be redeemed early, then the relevant Notes shall be so redeemed and the relevant Issuer's obligations under the

Notes shall be satisfied in full upon payment of the Merger Event Settlement Amount on the Early Redemption Payment Date.

(e) *Substitution of Shares*

If Substitution of Shares is specified as applicable in the applicable Final Terms, if any Share shall be affected by a Merger Event, Tender Offer, Nationalisation, Insolvency or Delisting, as the case may be, (the "***Affected Shares***") then without prejudice to any other rights that the Issuer may have under the Notes, the Issuer or the Determination Agent on its behalf shall have the discretion to substitute the Affected Shares with substitute shares (the "***Substitute Shares***") as selected by the Determination Agent in its sole discretion for inclusion in the Basket of Shares as of the Announcement Date or the Tender Offer Date (such dates together, the "***Relevant Date***"), as the case may be.

The Substitute Shares shall have such criteria as the Determination Agent deems appropriate including, but not limited to, the following:

(i) the Substitute Shares shall be of same broad economic sector as the Underlying Company of the Affected Shares;

(ii) the issuer of the Substitute Share shall be of a similar international standing and creditworthiness as the Underlying Company of the Affected Shares; and

(iii) the Substitute Share shall not be a Share already in the Basket of Shares.

The Initial Price of the Substitute Shares shall be determined in accordance with the following:

Initial Price = Substitute Price x (Affected Share(k)/Affected Share(j))

where:

"***Substitute Price***" means the official closing price per Share of the relevant Substitute Shares as of the Valuation Time on the dates on which the Affected Share(j) is determined or if such date is not a Scheduled Trading Date on the relevant Exchange in respect of the Substitute Shares, the following Scheduled Trading Date of the Substitute Shares.

"***Affected Share(k)***" means the Initial Price of the relevant Affected Shares; and

"***Affected Share(j)***" means the last closing price per Share of the Affected Shares on or prior to the Relevant Date.

The Determination Agent shall notify the Noteholders as soon as practicable after the selection of the Substitute Shares and the failure by the Determination Agent to give such notice shall not however prejudice or invalidate the Substitute Shares being included in the Basket of Shares as of the time and date specified above.

8.2 Single Index Notes and Basket of Indices Notes

In relation to Single Index Notes and Basket of Indices Notes, the following adjustments will occur in the following circumstances:

(a) *Third Party Calculation of the Index or Substitution of Index with Substantially Similar Calculation*

If an Index is (1) not calculated and announced by the Sponsor but is calculated and announced by a successor sponsor acceptable to the Determination Agent or (2) replaced by a successor index using, in the determination of the Determination Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then (x) the index as calculated and announced by the successor sponsor or (y) the successor index, will be deemed to be the Index.

(b) *Correction of an Index*

If the level of an Index published on any Determination Date and used or to be used by the Determination Agent to determine the relevant Index value is subsequently corrected and the correction is published by the Sponsor or a successor sponsor prior to the second Exchange Business Day preceding the Maturity Date or the Early Redemption Date, the Determination Agent shall recalculate the Redemption Amount or the Early Redemption Amount, as the case may be, using such corrected level of the relevant Index. The Determination Agent shall notify the Issuer and the Issue and Paying Agent and the Issue and Paying Agent shall notify the Noteholders of (1) that correction and (2) the amount that is payable as a result of that correction.

8.3 Other Adjustments

Adjustments will not be made in any circumstances other than those set out above, subject to the right reserved by the Issuer (such right to be exercised in the Issuer's sole and unfettered discretion and without any liability whatsoever) to make such adjustments as it believes appropriate (including, without limitation, adjustment to the Conditions) in circumstances where an event or events occur that the Issuer believes, in its sole discretion and notwithstanding any prior or concurrent adjustment made pursuant to the above, should, in the context of the issue of Notes and the obligations of the Issuer thereunder, give rise to such adjustment as is necessary to preserve the economic equivalent of the obligations of the Issuer under the Notes and to maintain the economic equilibrium of the Notes.

Notwithstanding that an adjustment is required to be made by the provisions of this Condition 8 in respect of any event affecting an Underlying Company or its Underlying Securities, or an Index or its Sponsor, the Issuer reserves the right not to make that adjustment if, at the time the adjustment is to be made pursuant thereto, an option on the relevant Underlying Share or Index is traded on any Futures or Options Exchange and no adjustment is made by that Futures or Options Exchange to the entitlement under that traded option in respect of that event.

8.4 Notice of Adjustments

All determinations made by the Determination Agent or the Issuer pursuant to this Condition 8 shall be conclusive and binding on the Noteholders except in the case of manifest error. The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with Condition 16.

8.5 Required Certifications

Notwithstanding the redemption of any Notes under this Condition 8 or under Condition 15, the holder of any such Notes shall not be entitled to receive payment for such Notes until such time as it shall have delivered a notice containing the information required by Condition 6.3(a)(iv), together with the relevant US certification as required by Condition 6.3(b) or (c) (as appropriate) to the Relevant Clearing System (with a copy to the Issue and Paying Agent).

9. LIMITS ON NUMBER OF NOTES THAT CAN BE REDEEMED

9.1 Minimum number of Notes redeemable

In respect of each Series of Notes, the Final Terms shall specify the minimum number of Notes that a Noteholder may require the Issuer to redeem at any one time in connection with an early redemption pursuant to Condition 5 or 6, and such Notes may only be redeemed by a Noteholder in such minimum units thereof.

9.2 Multiples of Notes redeemable

In respect of each Series of Notes, the Final Terms shall specify the multiple of Notes, if any, that a Noteholder may require the Issuer to redeem at any one time in connection with an early redemption pursuant to Condition 5 or 6, and such Notes may only be redeemed by a Noteholder in integral multiples thereof.

9.3 Maximum number of Notes redeemable

If the relevant Final Terms specify that the Notes are redeemable at the option of the Noteholders pursuant to Condition 5.2, the Final Terms may specify the maximum number of Notes redeemable (the "***Daily Maximum Amount***") on any particular day. If the Issue and Paying Agent determines on the Early Redemption Date that Early Redemption Notices given by Noteholders pursuant to Condition 5.2 in respect of more than the Daily Maximum Amount have been received by the Relevant Clearing System from any single Noteholder or from a group of Noteholders acting in concert, then the Issue and Paying Agent may deem the Early Redemption Date for Notes up to this Daily Maximum Amount (selected, in each case, by the Issue and Paying Agent on a *pro rata* basis, to the extent possible, (failing which such selection to be by lot in accordance with the rules of the Relevant Clearing System) to ensure that such Noteholder or group of Noteholders submitting an Early Redemption Notice pursuant to Condition 5.2 is, notwithstanding the provisions of this Condition 9.3, complying with Conditions 9.1 and 9.2) to be such day, and the Early Redemption Date for each additional number of Notes up to this Daily Maximum Amount (and any remaining number thereof) to be each of the succeeding Business Days until all Notes, in respect of which Early Redemption Notices given by Noteholders pursuant to Condition 5.2 have been received, have been attributed with an Early Redemption Date.

9.4 Minimum board lot

Notwithstanding Conditions 9.1, 9.2 and 9.3, Notes (other than in respect of Commodity Linked Notes where "Physical Settlement" is specified as applicable in the relevant Final Terms) may only be redeemed in such amounts as will ensure that the number of Underlying Securities to be delivered is equal to an integral multiple of a Board Lot (as defined below). Underlying Securities will be delivered by the Issuer only in integral multiples of the applicable Board Lot. In circumstances where Notes are not capable of being redeemed in amounts that would result in the purchase of a number of Underlying Securities equal to an integral multiple of the relevant Board Lot, the Issuer shall pay the Noteholder an amount (a "***Board Lot Payment***") equal to:

$$(B - D) \times C \times E$$

where:

B : the number of the Noteholder's Notes that are being redeemed;

C : the number of Underlying Securities or equity units in respect of which the Noteholder is entitled to receive delivery on redemption of a Note;

D : the maximum number of the Noteholder's Notes that can be redeemed on the Maturity Date or Early Redemption Date, as the case may be, and would result in the purchase of Underlying Securities equal to an integral multiple of the relevant Board Lot;

E : the Settlement Price of the Underlying Securities on the Valuation Date;

unless the amount of any such Board Lot Payment is less than £1 or its equivalent in the relevant currency, in which case, no Board Lot Payment shall be made.

10. PAYMENTS

10.1 Bearer Notes

Payments of principal in respect of Notes in bearer form will be made against presentation and surrender of the relevant Notes to the Issue and Paying Agent at the office of the Issue and Paying Agent specified in the applicable Final Terms.

Payments of interest in respect of Notes in bearer form will be made against presentation outside the United States of the relevant Notes to the Issue and Paying Agent at the office of the Issue and Paying Agent specified in the applicable Final Terms, subject, in the case of payments made in respect of the Temporary Global Note of any Series, to certification of non-US beneficial ownership as provided in the relevant Temporary Global Note.

In either case, with regard to bearer Notes in global form, such payments will be made outside the United States by transfer to the account of the bearer held with Euroclear or Clearstream, Luxembourg.

If a Note in bearer form is presented for payment of principal at the office of any Issue and Paying Agent in the United States or its territories in circumstances where interest (if any is payable against presentation of such Note) is not to be paid there, the relevant Issue and Paying Agent will annotate such Note with the record of the principal paid and return it to the Holder for the obtaining of interest elsewhere.

If the due date for any payment in respect of any Note is not a Payment Day, then payment will not be made until the next succeeding Payment Day, and the holder thereof shall not be entitled to any further payment in respect of such delay.

Holders of Notes in bearer form will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any such Note as a result of a transfer made in accordance with this Condition 10.1 arriving to such holder's account after the due date for payment.

A record of each payment made in respect of a Global Note of any Series in bearer form will be made on the relevant Global Note by or on behalf of the Issue and Paying Agent, and such record shall be *prima facie* evidence that the payment in question has been made.

None of the persons appearing from time to time in the records of Euroclear or Clearstream, Luxembourg as the holder of any portion of Notes shall have any claim directly against the Issuer in respect of any payment due on the Notes, and the Issuer's obligations to make any such payment shall be discharged by payment of the requisite amount to the bearer of the relevant Global Note.

Payments by the Issuers, Guarantor (where the Notes are issued by BCCL) or any Paying Agent, as the case may be, will be subject to any fiscal or other laws and regulations.

10.2 Registered Notes

Payments of principal in respect of each Registered Note (whether or not in global form) will (subject as provided below) be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the

Registrar or any of the Paying Agents. Such payments will be made by transfer to the account designated by the holder (or the first named of joint holders) of the Registered Note appearing in the Register at the close of business on the third business day (being for the purpose of this Condition 10.2 a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date.

Payments of interest in respect of each Registered Note will (subject as provided below) be made on the relevant due date or next succeeding Business Day to the holder (or the first named of joint holders) of the Registered Note appearing in the Register at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the "***Record Date***") by electronic transfer to such holder's account at the Relevant Clearing System or, in the case of Notes represented by certificates, by electronic transfer to the holder's account as designated in writing by the holder in accordance with Condition 16.2.

Payments of principal and interest in respect of Notes represented by a Global Note in registered form registered in the name of a nominee for DTC will, if such Notes are denominated in US dollars, be made in accordance with the above two paragraphs. Payments of principal and interest in respect of Notes represented by a Global Note in registered form registered in the name of a nominee for DTC will, if such Notes are denominated in a Currency other than US dollars, be made or procured to be made by the Issue and Paying Agent in the relevant Currency in accordance with the following provisions. The amounts in such Currency payable by the Issue and Paying Agent or its agent to DTC with respect to such Notes will be received from the Issuer by the Issue and Paying Agent who will make payments in such Currency by wire transfer of same day funds to the designated bank account in such Currency of those DTC participants entitled to receive the relevant payment who have made an irrevocable election to DTC, in the case of interest payments, on or prior to the third DTC business day after the Record Date for the relevant payment of interest and, in the case of payments of principal, at least 12 DTC business days prior to the relevant payment date, to receive that payment in such Currency. The conversion Agent, after conversion of amounts in such Currency into US dollars, will deliver such US dollar amount in same day funds to DTC for payment through its settlement system to those DTC participants entitled to receive the relevant payment who did not elect to receive such payment in such Currency. The Master Agency Agreement sets out the manner in which such conversions are to be made. "***DTC business day***" means any day on which DTC is open for business.

Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a transfer made in accordance with this Condition 10.2 arriving to such holder's account after the due date for payment. No commissions or expenses shall be charged to such holders by the Registrar in connection with any payments of principal or interest in respect of the Registered Notes.

If the due date for any payment in respect of any Note is not a Payment Day, then payment will not be made until the next succeeding Payment Day in the relevant place, and the holder thereof shall not be entitled to any further payment in respect of such delay.

A record of each payment made in respect of a Registered Global Note of any Series will be made on the relevant Global Note by or on behalf of the Issue and Paying Agent, and such record shall be *prima facie* evidence that the payment in question has been made.

None of the Issuer or the 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 Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. None of the persons appearing from time to time in the records of Euroclear or Clearstream, Luxembourg or DTC as the holder of any portion of Notes shall have any claim directly against the Issuer in respect of any payment due on the Notes, and the Issuer's obligations to make any such payment shall be discharged by payment of the requisite amount to the registered holder of the relevant Registered Global Note.

Payments by the Issuers, Guarantor (where the Notes are issued by BCCL) or any Paying Agent, as the case may be, will be subject to any fiscal or other laws and regulations.

11. THE ISSUE AND PAYING AGENT, THE REGISTRAR, THE DETERMINATION AGENT AND THE PAYING AGENTS

11.1 Changes in Agents

The Issuers reserve the right at any time (and in relation to all Notes or, as the case may be, the Notes of a given Series) to vary or terminate the appointment of the Issue and Paying Agent, the Registrar, the Transfer Agent, the Determination Agent and any Paying Agent and to appoint other or additional paying agents provided that (i) so long as any Notes are listed on the official list of the Financial Services Authority in its capacity as the competent authority under the Financial Services and Markets Act 2000 and traded on the London Stock Exchange's Regulated Market, there will always be a Paying Agent in London and (ii) there will always be a Paying Agent (which may be the Issue and Paying Agent) with a specified office in a European Union member state that will not be obliged to withhold or deduct amounts for or on account of tax pursuant to the European Union Directive on the taxation of savings income, which was adopted on 3 June 2003 and which implements the conclusions of the ECOFIN Council Meeting of 26-27 November 2000, or any law implementing or complying with, or introduced in order to conform to, such Directive. In acting under the Master Agency Agreement, the Issue and Paying Agent, the Registrar, the Transfer Agents, the Determination Agent and the Paying Agents are acting solely as agents of the Issuers and do not assume any obligations or duty to, or any relationship of agency or trust for or with, the Noteholders.

11.2 Amendments to the Master Agency Agreement

The Master Agency Agreement may be amended by the parties to it without the consent of or notification to the Noteholders, for the purposes of (i) permitting the issue by either Issuer of additional Notes of any kind not contemplated herein, (ii) curing any ambiguity, (iii) curing, correcting or supplementing any defective provisions contained herein, (iv) in any manner which the parties may mutually deem necessary or desirable that will not materially adversely affect the interests of the Noteholders or (v) in any other manner with the prior consent of the requisite majority of Noteholders as specified in Appendix A10 of the Master Agency Agreement.

11.3 Calculations

The Issue and Paying Agent and the Determination Agent, as appropriate, shall have no responsibility for errors or omissions in any calculations and determinations made hereunder, and all such calculations and determinations shall (save in the case of manifest error) be final and binding on the Issuer, the Guarantor (where the Notes are issued by BCCL), the Paying Agents, the Determination Agent and the Noteholders.

12. TAXATION

A Noteholder whose Notes are redeemed shall pay all Taxes payable in connection with (i) the payment of the Interest Amount, or the redemption of such Notes and/or the payment of the Redemption Amount and/or the Early Redemption Amount and/or the Credit Event Redemption Amount and/or the Cash Settlement Amount and/or the Disruption Redemption Amount or (ii) the transfer or delivery of Reference Assets or the Deliverable Obligations or Deliverable Amount and/or the relevant Transfer Documentation (including, in the case of a Reference Asset that is an equity unit, the transfer or delivery of any security comprised in such equity unit) as a result of such redemption. Neither the Issuer nor the Guarantor (where the Notes are issued by BCCL) is liable for or otherwise obliged to pay any Taxes that may arise as a result of the ownership, transfer, redemption or enforcement of any Note.

Except as otherwise specified in the relevant Final Terms, all payments of principal and interest in respect of the Notes shall be made without withholding or deduction for or on

account of any present or future Taxes of whatever nature imposed or levied by or on behalf of (in the case of Notes issued by the Bank) the United Kingdom (or any authority or political subdivision thereof having power to tax) or (in the case of Notes issued by BCCL) the Cayman Islands (or any authority or political subdivision thereof having power to tax) unless the Issuer is required by law to withhold or deduct any such Taxes. In that event, the Issuer shall make such payment after such withholding or deduction.

In such event, the Issuer shall pay such additional amounts ("***Additional Amounts***") as may be necessary in order that the net amounts receivable by the relevant Noteholder after such withholding or deduction shall equal the respective amounts of principal and interest that would have been receivable by such Noteholder in the absence of such withholding or deduction. No Additional Amounts shall be payable, however, for or on account of any Taxes in respect of Notes:

(a) to, or to a third party on behalf of, a Noteholder who is liable to such Taxes in respect of such Notes by reason of his having a connection with the United Kingdom or the Cayman Islands (as appropriate) other than the mere holding of the Notes; or

(b) presented for payment more than 30 days after the date on which the relevant payment first became due (or, if the full moneys payable have not been duly received by the Issue and Paying Agent on or prior to such date, the date on which such moneys have been so received), except to the extent that the Noteholder would have been entitled to an Additional Amount on presenting such Note for such payment on the last day of such 30 day period; or

(c) where such withholding or deduction is imposed on a payment to an individual and required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income, or any law implementing or complying with, or introduced in order to conform to, such Directive; or

(d) presented for payment by or on behalf of a Noteholder who would have been able to avoid such withholding or deduction by presenting the relevant Note to another Paying Agent without such deduction or withholding; or

(e) unless it is proved, to the satisfaction of the Issuer and Paying Agent or the Paying Agent to whom the same is presented, that the Noteholder is unable to avoid such withholding or deduction by satisfying any applicable certification, identification or reporting requirements or by making a declaration of non-residence or other similar claim for exemptions to the relevant tax authorities.

The imposition of withholding or deduction on any payments in respect of the Notes by or on behalf of (i) the Issuer will be an "***Issuer Tax Event***" and (ii) the Guarantor, where the Notes are issued by BCCL, will be a "***Guarantor Tax Event***" if, in either case, such withholding or deduction is required by law.

13. PRESCRIPTION

Any claim including, but not limited to, claims for principal, premium (if any) and/or interest (if any) against the Issuer in respect of any Notes (whether in bearer or registered form) will become void unless such Note is presented for payment within a period of six years from the Maturity Date.

14. REPLACEMENT OF NOTES

Should any Note in respect of any Series of Notes be lost, stolen, mutilated, defaced or destroyed it may, subject to all applicable laws and the Relevant Stock Exchange requirements, be replaced at the specified office of a Paying Agent or (in the case of certificates) the Registrar upon payment by the claimant of the expenses and Taxes incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may

require. If any Note is mutilated or defaced it must be surrendered before replacements will be issued.

15. UNLAWFULNESS OR IMPRACTICABILITY

The Issuer shall have the right to redeem the Notes if the Determination Agent determines that the performance of the obligations of the Issuer or the obligations of the Guarantor (where BCCL is the Issuer) under the Notes, or any arrangements made to hedge the Issuer's obligations under the Notes, have or shall become unlawful in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgement, order or directive of any governmental, administrative, legislative or judicial authority or power. The Issuer shall further have the right to redeem the Notes if the Determination Agent determines that by reason of force majeure or act of state occurring after the Issue Date on any day the Issuer or the Guarantor (in the case of Notes issued by BCCL) is prevented from performing any absolute or contingent obligation to make a payment or delivery in respect of such Notes or from complying with any other material condition of the Notes (or would be so prevented if such payment, delivery or compliance were required on that day) or it becomes impossible or impracticable for the Issuer or Guarantor so to perform or comply (or it would be impossible or impracticable for the Issuer or Guarantor so to perform or comply if such payment, delivery or compliance were required on that day) so long as the force majeure or act of state is beyond the control of the Issuer or Guarantor and the Issuer or the Guarantor could not, after using all reasonable efforts (which will not require the Issuer or the Guarantor to incur a loss other than immaterial, incidental expenses) overcome such prevention, impossibility or impracticability. In such circumstances, the Issuer will, as soon as practicable following such determination, pay to each Noteholder in respect of each Note held by it an amount determined by the Determination Agent in its sole discretion, as representing the Early Redemption Amount in respect of such Notes.

Payment will be made in such manner as shall be notified to the Noteholders in accordance with Condition 16, as applicable and shall be subject to receipt of the required notice described under Condition 6.3(a)(iii) or 6.5(a)(iii).

16. NOTICES

16.1 To Noteholders

All notices to the Noteholders will be deemed to have been duly given and valid if:

(a) published in a daily newspaper of general circulation in England (which is expected to be the *Financial Times*) or if this is not possible and subject to any required listing authority, stock exchange and/or quotation system approval, in one other leading English language daily newspaper with general circulation in Europe; or

(b) sent to the Relevant Clearing System for transmission through it to the Noteholders in respect of such Series of Notes; or

(c) in the case of certificates, sent by mail to the holders at their respective addresses recorded in the Register.

Any notice given to the Noteholders in accordance with this Condition 16 shall also be sent to the Relevant Stock Exchange and, where BCCL is the Issuer, the Guarantor. The Issuer shall ensure that notices are duly published in a manner which complies with the rules of the Relevant Stock Exchange on which the Notes are for the time being listed. Any notice under this Condition 16 shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first such publication or, if sent by mail, on the second day after mailing. If any such publication is not possible, notices may be published in any other leading English language daily newspaper with circulation in Europe.

16.2 To the Issuer, the Issue and Paying Agent and the Paying Agents

In respect of any Series of Notes, all notices to the Issuer, the Issue and Paying Agent, the Registrar and the Paying Agents must be sent to the address specified in the Base Prospectus or to such other person or place as shall be specified by the Issuer and/or the Issue and Paying Agent by notice given to Noteholders in accordance with this Condition 16.

17. SUBSTITUTION

17.1 The Issuer

Where the Issuer is BCCL, it shall be entitled at any time and from time to time, without the consent of the Noteholders, to substitute any subsidiary or holding company of the Issuer or any subsidiary of any such holding company in place of the Issuer (the "***New Issuer***") as obligor under the Notes of any Series, provided that (i) the New Issuer shall assume all obligations of the Issuer in relation to the Noteholders under or in relation to the Notes of such Series and (ii) the obligations of the New Issuer shall continue to be guaranteed by the Guarantor.

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 Noteholders in accordance with Condition 16. 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 Noteholders 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 Noteholder shall be entitled to claim from the Issuer any indemnification or payment in respect of any tax consequence of any such substitution upon such Noteholder.

17.2 The Guarantor

The Bank as Issuer and Guarantor shall be entitled at any time, without the consent of the Noteholders, to substitute any other entity the identity of which shall be in the absolute discretion of the Bank in place of the Bank as Issuer or, in relation to Notes issued by BCCL, as Guarantor (the "***New Issuer***" or "***New Guarantor***" as the case may be) to act as issuer in respect of Notes issued by it and as guarantor in respect of the obligations of BCCL under any Series of Notes issued by BCCL that are then outstanding under the Programme and any Series of Notes issued by BCCL thereafter, provided that (i) the New Issuer/New Guarantor's long term unsecured, unsubordinated and unguaranteed debt obligations are rated at least the same as the Bank's long term rating at the date on which the substitution is to take effect or the New Issuer/New Guarantor has an equivalent long term rating from another internationally recognised rating agency, (ii) the New Guarantor enters into a guarantee on substantially the same terms as the Master Deed Poll Guarantee (a ***"New Guarantee"***), (iii) in the case of Restricted Notes, the new Issuer would not be an "investment company" required to register as such under the US Investment Company Act of 1940, as amended, (iv) no event of default as set out in Condition 24 shall occur as a result thereof, and (v) the Bank irrevocably guarantees all amounts payable by the New Issuer or the New Guarantor, as the case may be.

In the event of any such substitution, any reference in these Conditions to the Bank as Issuer or as Guarantor shall be construed as a reference to the New Issuer/New Guarantor and any reference to the Guarantee shall be construed as a reference to the New Guarantee. Such substitution shall be promptly notified to the Noteholders of each Series then outstanding in accordance with Condition 16. In connection with such right of substitution, the Bank as Issuer or as Guarantor shall not be obliged to have regard to the consequences of the exercise of such right for individual Noteholders 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 Noteholder shall be entitled to claim from the Bank as Issuer or as Guarantor or the New Issuer/New Guarantor any indemnification or payment in respect of any tax consequence of any such substitution upon such Noteholder.

18. GOVERNING LAW

The Notes and the Master Agency Agreement and any non-contractual obligations arising out of or in connection with either of them are governed by and shall be construed in accordance with English law. BCCL irrevocably agrees for the exclusive benefit of each Noteholder that the courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with the Notes and that accordingly any suit, action or proceeding (together, in this Condition, referred to as "***Proceedings***") arising out of or in connection with the Notes may be brought in such courts. Nothing contained in this Condition shall limit the right of any Noteholder 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. BCCL 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 One Churchill Place, London E14 5HP).

19. SEVERABILITY

Should any of the provisions contained in the terms and conditions of the Notes be or become invalid, the validity of the remaining provisions shall not be affected in any way.

20. MODIFICATION AND MEETINGS

20.1 Modifications to the Conditions

The Issuer may, without the consent of the Noteholders, make any modification to these Terms and Conditions and/or any Notes (or, as the case may be, the Notes of any one or more Series) that in its opinion is not materially prejudicial to the interests of the Noteholder or that is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated. This Condition 20 shall apply in connection with any adjustments made to any of the Notes in accordance with Condition 8.

Any such modification shall be binding on the Noteholders and any such modification shall be notified to the Noteholders in accordance with Condition 16 as soon as practicable thereafter. Failure to give, or non-receipt of, such notice will not affect the validity of such modification.

20.2 Meetings of Noteholders

The Master Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Master Agency Agreement) of a modification of the Conditions or the Master Agency 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 to be held) specifying the date, time and place of the meeting shall be given to Noteholders.

Such a meeting may be convened by the Issuers, the Guarantor (where the Issuer is BCCL) or Noteholders holding not less than 10 per cent (by number) of the Notes for the time being outstanding. The quorum at a meeting of the Noteholders (except for the purpose of passing an Extraordinary Resolution) will be two or more persons holding or representing not less than 10 per cent (by number) of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders holding whatever the number of Notes so held or represented. The quorum at a meeting of Noteholders for the purpose of passing an Extraordinary Resolution will be two or more persons holding or representing not less than 25 per cent (by number) of the Notes for the time being outstanding or at any adjourned meeting two or more persons being or representing Noteholders holding not less than 10 per cent (by number) of the Notes for the time being 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 Noteholders at such meeting as,

being entitled to do so, vote in person or by proxy. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, regardless of whether they are present at the meeting, save for those Notes outstanding but in respect of which an Early Redemption Notice shall have been received as described in Condition 5.2 prior to the date of the meeting. Notes that have not been redeemed but in respect of which an Early Redemption Notice has been received as described in Condition 5 will not confer the right to attend or vote at, or join in convening, or be counted in the quorum for, any meeting of the Noteholders. Resolutions can be passed in writing if passed unanimously.

21. FURTHER ISSUES

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

22. PURCHASES

The Issuers or the Guarantor (where the Notes are issued by BCCL) or any affiliate of the Guarantor may at any time purchase or procure others to purchase Notes at any price on the open market or by tender or private treaty. Notes so purchased may be held, resold or cancelled.

23. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of the Notes by virtue of the Contracts (Rights of Third Parties) Act 1999.

24. EVENTS OF DEFAULT

The holder of any Note may give notice to the Issue and Paying Agent that such Note is, and such Note shall accordingly immediately on such date (the "***Redemption Date***") become, due and repayable at the Early Redemption Amount on, or as soon as reasonably practicable following, the first date on which any of the following events has occurred and is continuing:

(a) any principal or interest on such Notes has not been paid within 14 days following the due date for payment. The Bank or, as the case may be, BCCL shall not, however, be in default if such sums ("***Withheld Amounts***") were not paid in order to comply with a mandatory law, regulation or order of any court of competent jurisdiction. Where there is doubt as to the validity or applicability of any such law, regulation or order, the Bank or, as the case may be, BCCL will not be in default if it acts on the advice given to it during such 14 day period by independent legal advisers; or

(b) the Bank or, as the case may be, BCCL breaches any provision of such Notes that is materially prejudicial to the interests of the holders of such Notes and that breach has not been remedied within 21 days after the Bank or BCCL, as the case may be, has received notice thereof from Noteholders of at least one-tenth in principal amount of the Notes of the relevant Series demanding redemption; or

(c) in the case of Notes issued by BCCL, the Guarantee ceases to be effective; or

(d) in the case of Notes issued by BCCL, an order is made or an effective resolution is passed for the winding up of BCCL or the Guarantor (otherwise than in connection with a scheme of reconstruction, merger or amalgamation the terms of which have previously been approved by an Extraordinary Resolution of the holders of such Notes); or

(e) in the case of Notes issued by the Bank, an order is made or an effective resolution is passed for the winding up of the Bank (otherwise than in connection with a scheme

of reconstruction, merger or amalgamation the terms of which have previously been approved by an Extraordinary Resolution of the holders of such Notes).

25. DEFINITIONS

"***Affected Jurisdiction***" means the jurisdiction of the Hedge Positions as specified in the applicable Final Terms.

"***Amortisation Yield***" means the yield, if any, as set out in the applicable Final Terms.

"***Announcement Date***" means (A) in respect of a Merger Event or Nationalisation or Delisting, the date of the first public announcement of a firm intention, in the case of a Merger Event, to merge or to make an offer and, in the case of a Nationalisation, to nationalise (whether or not amended or on the terms originally announced) and, in the case of a Delisting, the date of the first public announcement by the Exchange that the relevant shares will cease to be listed, traded or publicly quoted, that leads to the Merger Event or the Nationalisation or Delisting, as the case may be and (B) in respect of an Insolvency, the date of the first public announcement of the institution of a proceeding, presentation of a petition or passing of a resolution (or other analogous procedure in any jurisdiction) that leads to the Insolvency, in each case as determined by the Determination Agent.

"***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 Notes or (ii) freely realise, recover, receive, repatriate, remit or transfer the proceeds of Hedge Positions or the Notes 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 Issue 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 Notes, or (B) realise, recover or remit the proceeds of Hedge Positions or the Notes between accounts within the Affected Jurisdiction or from accounts within the Affected Jurisdiction to accounts outside the Affected Jurisdiction.

"***Averaging Date***" means, in respect of each Valuation Date, each date specified or otherwise determined in the manner specified in the Final Terms (or if such day is not a Scheduled Trading Day, the next following Scheduled Trading Day).

"***Bank***" means Barclays Bank PLC, a public limited company incorporated under the laws of England with registered number 1026167.

"***Bank Account***" means the cash account of the Issue and Paying Agent at the Relevant Clearing System as notified by the Issue and Paying Agent when requested by the relevant Noteholder or Issuer, as the case may be.

"***Basket Companies***" means, in relation to a particular Series of Notes, the companies identified in the applicable Final Terms as the companies whose securities and/or equity units comprise the Basket of Securities for such Series of Notes.

"***Basket of Commodities***" means, in relation to a particular Series of Notes, a basket composed of Relevant Commodities and/or Commodity Indices in the relative proportions specified in the applicable Final Terms.

"***Basket of Commodities Note***" means a Note, payments in respect of which will be calculated by reference to a Basket of Commodities as specified in the relevant Final Terms.

"***Basket Exchange Rate Note***" means a Note, payments in respect of which will be calculated by reference to a Basket of Exchange Rates as specified in the relevant Final Terms.

"***Basket of Exchange Rates***" means, in relation to a particular Series of Notes, the foreign currency exchange rates identified in the applicable Final Terms as the foreign currency exchange rates which comprise the Basket of Exchange Rates for such Series of Notes.

"***Basket of Indices***" means, in relation to a particular Series of Notes, a basket composed of each Index specified in the applicable Final Terms in the relative proportions indicated in the applicable Final Terms.

"***Basket of Indices Note***" means a Note, payments in respect of which will be calculated by reference to a Basket of Indices as are specified in the relevant Final Terms.

"***Basket of Securities***" means, in relation to a particular Series of Notes, a basket composed of Underlying Securities of each of the Basket Companies specified in the applicable supplement in the relative proportions and numbers of Underlying Securities of each Basket Company specified in the applicable Final Terms.

"***Basket of Shares***" means, in relation to a particular Series of Notes, a basket composed of Shares of each Basket Company specified in the applicable supplement in the relative proportions and numbers of Shares of each Basket Company specified in the applicable Final Terms.

"***BCCL***" means Barclays Capital (Cayman) Limited.

"***Board Lot***" means the minimum board lot for the trading of the Underlying Securities on the relevant Exchange as from time to time specified by such Exchange.

"***Board Lot Payment***" has the meaning given it in Condition 9.4.

"***Borrowed Money***" means any obligation (excluding an obligation under a revolving credit arrangement for which there are no outstanding unpaid drawings in respect of principal) for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit).

"***Broken Coupon Amount***" means in relation to a Fixed Rate Note any amounts of interest which are due and payable by the Issuer on an Interest Payment Date which does not correspond with the Fixed Coupon Amount(s) which would otherwise be payable under the terms of the applicable Final Terms on such Interest Payment Date.

"***Business Day***" means a day which is both:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and any Additional Business Centre specified in the applicable Final Terms; and

(b) either:

(i) in relation to any sum payable in a currency other than Euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant currency (if other than London and any Additional Business Centre specified in the applicable Final Terms); or

(ii) in relation to any sum payable in Euro, a day on which the TARGET System is open.

"***Business Day Convention***" means any of the business day conventions specified in Condition 4.7.

"***Calculation Amount***" means an amount specified in the relevant Final Terms constituting either (i) in the case of one single Specified Denomination, the amount of that Specified Denomination or (ii) in the case of multiple Specified Denominations, the highest common factor by which the multiple Specified Denominations may be divided.

"***Cash Account***" means the cash account at the Relevant Clearing System of the Noteholder.

"***Cash Settlement Amount***" means for each Undeliverable Obligation an amount calculated by the Determination Agent equal to the greater of (i) (A) the outstanding principal balance, Due and Payable Amount or Currency Amount, as applicable, of each Undeliverable Obligation multiplied by (B) the Final Price with respect to such Undeliverable Obligation less (C) any costs incurred by the Issuer in connection with, and (ii) zero.

"***Cash Settlement Date***" is deemed to be the date falling three Business Days after the calculation of the Final Price.

"***Certificate of Non-US Beneficial Ownership***" means a certificate or certificates to the effect that the beneficial owners of the Notes represented by the relevant Global Note are not, except to the extent permitted by US Treasury Regulations Section 1.163-5(c)(2)(i)(D), United States persons within the meaning of the Internal Revenue Code and the regulations thereunder.

"***Change in Law***" means that, on or after the Issue Date of any Series of Notes (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 discretion that (X) it has become illegal for the Issuer and/or any of its Affiliates to hold, acquire, deal in or dispose of the Hedge Positions relating to the Notes or any other property or assets comprised in an Index, any Currency, any Future Contracts or Commodities or contracts in securities, options, futures, derivatives or foreign exchange relating to such Notes, or (Y) the Issuer or any of its Affiliates will incur a materially increased cost in performing their obligations under such Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on their tax position).

"***Clearing System***" means, in respect of an Underlying Security relating to a Physically Settled Transaction, the clearing system specified as such for such Underlying Security in the Final Terms or any successor to such clearing system as determined by the Determination Agent. If the Final Terms do not specify a Clearing System, the Clearing System will be the principal domestic clearing system customarily used for settling trades in the relevant Underlying Security. If the Clearing System ceases to settle trades in such Underlying Security, the determination agent will acting in good faith and in a commercially reasonable manner select another method of delivery.

"***Clearing System Business Day***" means, in respect of a Clearing System, any day on which such Clearing System is (or, but for the occurrence of a Settlement Disruption Event, would have been) open for the acceptance and execution of settlement instructions.

"***Clearstream, Luxembourg***" means Clearstream Banking, société anonyme and its successors and assigns.

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

"***Commodity Business Day***" means, (a) in respect of any Commodity Linked Note for which the Commodity Reference Price is a price announced or published by an Exchange, a day that is (or would have been, but for the occurrence of a Commodity Market Disruption Event) a day on which that Exchange is open for trading during its regular trading session, notwithstanding any such Exchange closing prior to its scheduled closing time and (b) in respect of any Commodity Linked Note for which the Commodity Reference Price is not a price announced or published by an Exchange, a day in respect of which the relevant Price Source published (or would have published, but for the occurrence of a Commodity Market Disruption Event) a price.

"***Commodity Business Day Convention***" means**,** in respect of a Commodity Linked Note, any of the business day conventions specified in Condition 4.7.

"***Commodity Index***" means, in relation to a Commodity Linked Note, an index comprising one or more commodities or commodity futures contracts, as is specified in the applicable Final Terms.

"***Commodity Linked Note***" means a Note, payments and/or settlements in respect of which will be determined by reference to the price of a Relevant Commodity, Commodity Index or Basket of Commodities, each as specified in the applicable Final Terms.

"***Commodity Reference Price***" means, in respect of a Relevant Commodity or Commodity Index, the commodity reference price as specified in the applicable Final Terms. The Commodity Reference Price may be defined in the Final Terms or by reference to Sub-Annex A of the ISDA Commodity Definitions.

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

"***Component***" means in relation to an Index, any security which comprises such Index.

"***Conditions***" means the terms and conditions of the Notes as set out in Appendix A1 to the Master Agency Agreement.

"***Conditions to Settlement***" in respect of a Credit Linked Note means the delivery by the Determination Agent to the Issuer of a Credit Event Notice that is effective during the Notice Delivery Period and the further conditions, if any, set out in the applicable Final Terms.

"***Credit Event***" means the occurrence during the Notice Delivery Period of any one or more of the Credit Events specified and defined in the applicable Final Terms or any additional Credit Event each as specified in the applicable Final Terms, as determined by the Determination Agent.

If an occurrence would otherwise constitute a Credit Event, such occurrence will constitute a Credit Event whether or not such occurrence arises directly or indirectly from, or is subject to a defence based upon:

(a) any lack or alleged lack of authority or capacity of a Reference Entity to enter into any Obligation;

(b) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation however described;

(c) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described; or

(d) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.

"***Credit Event Determination Date***" means the date on which the Conditions to Settlement in respect of a Credit Linked Note are satisfied.

"***Credit Event Notice***" means, subject as provided in the applicable Final Terms, an irrevocable notice from the Determination Agent to the Issuer that describes a Credit Event that occurred during the Notice Delivery Period. A Credit Event Notice must contain a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred. The Credit Event that is the subject to the Credit Event Notice need not be continuing on the date the Credit Event Notice is effective.

"***Credit Event Redemption Amount***" means the amount calculated in the manner and in accordance with the formula specified in the applicable Final Terms.

"***Credit Event Redemption Date***" means the day following the number of Business Days specified in the applicable Final Terms after the calculation of the Final Price.

"***Credit Linked Notes***" means a Note, payments in respect of which will be made by reference to the credit of a specified entity or entities, as specified in the applicable Final Terms.

"***Currency***" means the money in use of a country.

"***Currency Amount***" means, whenever an amount is denominated in a currency other than the Settlement Currency and is specified to be determined by reference to a Currency Amount, such amount converted to the relevant Settlement Currency using the Currency Rate.

"***Currency Linked Note***" means a Note, payments in respect of which are made in such currencies and by reference to such rates of exchange and/or formulae, as specified by the Issuer in the applicable Final Terms.

"***Currency Rate***" means:

(a) the rate determined by the Determination Agent equal to the rate of conversion of the currency of the Deliverable Obligation into the Settlement Currency by reference to:

  (i) if the Settlement Currency is US dollars, the Federal Reserve Bank of New York 10:00 am (New York time) mid-point rate as displayed on Reuters page FEDSPOT on the date that the Notice of Physical Settlement is deemed given, or in such other manner as it shall in a commercially reasonable manner determine; or

  (ii) if the Settlement Currency is Euro, the MEAN price as displayed on Reuters Page EUROFX/1 as of 12:00 pm (London time) on the date that the Notice of Physical Settlement is deemed given, or in such other commercially reasonable manner as it shall determine; or

(b) if the Settlement Currency is not US dollars or Euro, the rate determined by the Determination Agent in its sole and absolute discretion in a commercially reasonable manner.

"***Daily Maximum Amount***" has the meaning given it in Condition 9.3.

"***Day Count Fraction***" means, in respect of the calculation of an amount of interest on any Note for any period of time (whether or not constituting an Interest Period, the "***Calculation Period***"):

where:

(a) if "***Actual/Actual (ISMA)***" is specified in the relevant Final Terms:

(i) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(ii) if the Calculation Period is longer than one Determination Period, the sum of:

(A) the number of days in such Calculation Period falling in the Determination Period in which is begins divided by the products of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in one year; and

(B) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in one year.

(b) if "***Actual/Actual***" or "***Actual/Actual (ISDA)***" or "***Act/Act***" or "***Act/Act (ISDA)***" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

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

(d) if "***Actual/365 (Fixed)***" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365;

(e) if "***Actual/365 (Sterling)***" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365, or in the case of an Interest Payment Date falling in a leap year, 366;

(f) if "***Actual/360***" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 360;

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

$$\text{Day Count Fraction} = \left(\frac{\left[360 \, x(\mathrm{Y}_2 - \mathrm{Y}_1)\right] + \left[30 \, X (M_2 - M_1)\right] + (D_2 + D_1)}{360} \right)$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period unless such number would be 31, in which case D_1 will be 30;

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

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

$$\text{Day Count Fraction} = \left(\frac{\left[360\, x(\mathrm{Y}_2 - \mathrm{Y}_1)\ \right] + \left[30\, X\,(M_2 - M_1)\ \right] + (D_2 + D_1)}{360} \right)$$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period unless such number would be 31, in which case D_1 will be 30;

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30;

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

$$\text{Day Count Fraction} = \left(\frac{\left[360\, x(\mathrm{Y}_2 - \mathrm{Y}_1)\ \right] + \left[30\, X\,(M_2 - M_1)\ \right] + (D_2 + D_1)}{360} \right)$$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30;

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30;

"***Deed of Covenant***" means the deed dated 27 March 2009 (as may be from time to time amended, supplemented or modified) and entered into by each of the Issuers.

"***Default Requirement***" means the amount specified as such in the applicable Final Terms, or if none is specified, US$20,000,000 or its equivalent as calculated by the Determination Agent in the relevant currency as of the occurrence of the relevant Credit Event.

"***Delisting***" means in respect of any Underlying Securities, that the relevant Exchange announces that pursuant to the rules of such Exchange, the Underlying Securities cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or 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 any member state of the European Union).

"***Deliverable Amount***" means, in respect of each nominal amount of Notes equal to the lowest denomination, Deliverable Obligations as selected by the Determination Agent in its sole discretion with:

(a) in the case of Deliverable Obligations that are Borrowed Money, an outstanding principal balance (including accrued but unpaid interest (as determined by the Determination Agent) if "Include Accrued Interest" is specified as applying in the applicable Final Terms, but excluding accrued but unpaid interest if "Exclude Accrued Interest" is specified as applying in the applicable Final Terms, and if neither "Include Accrued Interest" nor "Exclude Accrued Interest" is specified as applying in the applicable Final Terms, excluding accrued but unpaid interest); or

(b) in the case of Deliverable Obligations that are not Borrowed Money, a Due and Payable Amount,

(or, in the case of either (a) or (b), the equivalent Currency Amount of any such amount), in an aggregate amount as of the relevant Delivery Date equal to the lowest denomination of a Note less Deliverable Obligations with a market value determined by the Determination Agent in its sole discretion on the Business Day selected by the Determination Agent falling during the period from and including the Credit Event Determination Date to and including the Delivery Date equal to any costs which the applicable Final Terms specify are to be deducted from the Deliverable Amount (which may, without limitation, include the costs of the Issuer incurred in connection with the redemption of the Notes and related termination or re-establishment of any hedge or related trading position).

If an obligation by its terms represents or contemplates an obligation to pay an amount greater than the outstanding principal balance of such obligation as of the Delivery Date as a result of the occurrence or non-occurrence of an event or circumstance, the outstanding principal

balance of such obligation shall not include any additional amount that would be payable upon the occurrence or non-occurrence of such event or circumstance.

"***Deliverable Obligations***" has the meaning set out in the applicable Final Terms.

"***Delivery Date***" means:

(a) with respect to a Deliverable Obligation, the date such Deliverable Obligation is delivered and, with respect to a Commodity Linked Note, the date specified in the applicable Final Terms; and

(b) with respect to a Commodity Reference Price, the relevant date or month for delivery of the Relevant Commodity as specified in the applicable Final Terms.

"***Denomination***" means such denomination as specified in the relevant Final Terms.

"***Determination Agent***" means Barclays Bank PLC or Barclays Capital Securities Limited or such other person as may be appointed by the Issuer in accordance with the Master Agency Agreement. All determinations made by the Determination Agent pursuant to these Conditions will be notified to the Issue and Paying Agent in accordance with Condition 16.

"***Determination Date***" means the date on which the level of an Index is to be calculated.

"***Determination Period***" means the period from and including an Interest Payment Date to but excluding the next Interest Payment Date.

"***Disappearance of Commodity Reference Price***" means, in respect of a Commodity Linked Note, (A) the permanent discontinuation of trading, in the relevant Futures Contract on the relevant Exchange; (B) the disappearance of, or of trading in, the Relevant Commodity; or (C) the disappearance or permanent discontinuance or unavailability of a Commodity Reference Price, notwithstanding the availability of the related Price Source or the status of trading in the relevant Futures Contract or the Relevant Commodity.

"***Disrupted Day***" means (a) except with respect to a Multi-exchange Index, any Scheduled Trading Day on which a relevant Exchange or Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred and (b) with respect to any Multi-exchange Index, any Scheduled Trading Day on which (i) the Index Sponsor fails to publish the level of the Index; (ii) the Related Exchange fails to open for trading during its regular trading session; or (iii) a Market Disruption Event has occurred.

"***Disruption Event***" has the meaning set out in Condition 7.3.

"***Disruption Redemption Amount***" means the Redemption Amount or Early Redemption Amount (as the case may be), calculated by the Determination Agent in its absolute discretion following the occurrence of a Disruption Event taking into consideration all available information that it deems relevant less the cost to the Issuer of unwinding any underlying related hedging arrangements.

"***Distribution Compliance Period***" means, except as modified in the applicable Final Terms, the period that ends 40 days after the completion of the distribution of each Series of Notes, as certified by the relevant Dealer (in the case of a non-syndicated issue) or the relevant Lead Manager (in the case of a syndicated issue).

"***DTC***" means The Depository Trust Company.

"***Dual Exchange Rate***" means with respect to any Exchange Rate, that the Exchange Rate splits into dual or multiple currency exchange rates.

"***Due and Payable Amount***" means the amount that is due and payable under (and in accordance with the terms of) a Deliverable Obligation on the Delivery Date, whether by reason of acceleration, maturity, termination or otherwise (excluding sums in respect of default interest, indemnities, tax gross-ups and other similar amounts).

"***Early Closure***" means (a) except with respect to a Multi-exchange Index, the closure on any Exchange Business Day of the relevant Exchange (or in the case of a Single Index Note or Basket of Indices Note, any relevant Exchange(s) relating to securities that comprise 20 percent 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 any Related Exchange(s) at least one hour prior to the earlier of (a) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (b) the submission deadline of orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day and (b) with respect to any Multi-exchange Index, the closure on any Exchange Business Day of the Exchange in respect of any Component or the Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of: (i) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into such Exchange or Related Exchange System for execution at the relevant Determination Time on such Exchange Business Day.

"***Early Redemption Amount***" means:

(a) where the Issuer elects to redeem the Notes of any Series in accordance with Condition 5.4, an amount determined by the Determination Agent as the then market value of the Notes (taking into account the event triggering the early redemption), adjusted to take account of all costs, losses and expenses (if any) which the Issuer would incur in the early redemption of the Notes, including hedging unwind and funding breakage costs. In determining such amount, the Determination Agent may take into account prevailing market prices and/or proprietary pricing models, or where these pricing methods may not yield a commercially reasonable result, may determine such amount in good faith and in a commercially reasonable manner. For these purposes, the Early Redemption Amount will be determined by the Determination Agent on or as soon as reasonable practicable following the event giving triggering the early redemption;

(b) in all other cases, the amount specified in, or determined in the manner specified in, the applicable Final Terms, or, if not specified in the applicable Final Terms, at the sole discretion of the Determination Agent, which will always be rounded down to the nearest minimum unit of the currency in which the payment of the Early Redemption Amount is made or, in relation to the early redemption of Notes pursuant to Condition 8.1(a), the Merger Event Settlement Amount.

"***Early Redemption Date***" means:

(a) in relation to a particular series of Notes, subject to Conditions 7 and 8; or

(b) in relation to a redemption of Notes pursuant to Conditions 5.2, 5.3 and 5.4

the date specified in the relevant Final Terms (and in the absence of any such specification shall be deemed to be the second Business Day after the Early Redemption Notice, the Special Redemption Notice or the Issuer Redemption Notice (as the case may be) is received, unless otherwise stated in the relevant Final Terms) provided that the Early Redemption Date must fall no later than 2 Business Days prior to the Maturity Date.

"***Early Redemption Notice***" means the notice referred to in Condition 6.3(a)(i).

"***Early Redemption Payment Date***" means the date specified as such in the relevant Final Terms and if no such date is specified shall be the Early Redemption Date or the earliest practicable date thereafter.

"***Equity Basket Note***" means a Note, payments in respect of which will be calculated by reference to the Basket of Securities as specified in the relevant Final Terms.

"***Equity Linked Note***" means a Note, payments in respect of which will be calculated by reference to the Underlying Security or Securities as specified in the relevant Final Terms.

"***Euroclear***" means Euroclear Bank S.A./N.V. as operator of the Euroclear System.

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

"***Exchange***" means:

(a) (i) in respect of an Index relating to Single Index Notes or Basket of Indices Notes other than a Multi-exchange Index, each exchange or quotation system specified as such for such Index or Indices in the relevant Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the shares underlying such Index or Indices has temporarily relocated provided that the Determination Agent has determined that there is comparable liquidity relative to the shares underlying such Index or Indices on such temporary substitute exchange or quotation system as on the original Exchange, and (ii) with respect to any Multi-exchange Index, and in respect of each Component, the principal stock exchange on which such Component is principally traded, as determined by the Determination Agent;

(b) in respect of an Underlying Security relating to Equity Linked Notes or Equity Basket Notes, each Exchange or quotation system specified as such for each Underlying Security in the relevant Final

Terms, any successor to such Exchange or quotation system or any substitute exchange or quotation system to which trading in the Underlying Security has temporarily relocated provided that the Determination Agent has determined that there is comparable liquidity relative to such Underlying Security on such temporary substitute exchange or quotation system as on the original Exchange; and

(c) in respect of a Relevant Commodity relating to Commodity Linked Notes, each exchange or principal trading market specified in the relevant Final Terms or Commodity Reference Price.

"***Exchange Business Day***" means (a) except with respect to a Multi-exchange Index, any Scheduled Trading Day on which each Exchange is open for trading during its regular trading sessions, notwithstanding any such Exchange closing prior to its Scheduled Closing Time and (b) with respect to a Multi-exchange Index, any Scheduled Trading Day on which: (i) the Index Sponsor publishes the level of the Index; and (ii) the Related Exchange is open for trading during its regular trading session, notwithstanding any Exchange or the Related Exchange closing prior to its Scheduled Closing Time.

"***Exchange Disruption***" means (a) except with respect to a Multi-exchange Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Determination Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the Underlying Securities on the Exchange (or in the case of a Single Index or Basket of Indices Note, on any relevant Exchange(s) relating to securities that comprise 20 percent or more of the level of the relevant Index), or (ii) to effect transactions in, or obtain market values for, the Relevant Currency or the Underlying Security or the relevant Index (or any Component thereof) and (b) with respect to any Multi-exchange Index, any event (other

than an Early Closure) that disrupts or impairs (as determined by the Determination Agent) the ability of market participants in general to effect transactions in, or obtain market values for: (i) any Component on the Exchange in respect of such Component; or (ii) futures or options contracts relating to the Index on the Related Exchange.

"***Exchange Rate***" means the rate of exchange of the Currency of one country for the Currency of another country, as specified in the applicable Final Terms.

"***Exchange Rate Time***" means the time or times on the relevant Pricing Date at which the relevant exchange rate will be taken for conversion into the currency in which any Redemption Amount or Early Redemption Amount, as the case may be, in respect of an issue of Notes is to be paid.

"***Failure to Pay***" means, following the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations in accordance with the terms of such Obligations at the time of such failure.

"***Final Price***" means the price of the Reference Obligation, expressed as a percentage, determined in accordance with the Valuation Method specified in the applicable Final Terms.

"***Fixed Coupon Amount***" means in relation to a Fixed Rate Note the amount of interest payable on each Interest Payment Date.

"***Fixed Rate***" means interest determined at a fixed rate of interest.

"***Fixed Rate Note***" means Notes of any Series designated as such in the relevant Final Terms and "***Fixed Rate Note***" means any of them.

"***Floating Rate***" means interest determined at a floating rate of interest.

"***Floating Rate Notes***" means Notes of any Series designated as such in the relevant Final Terms, and "***Floating Rate Note***" means any of them.

"***Futures Contract***" means, in relation to a Commodity Linked Note, in respect of a Commodity Reference Price, the contract for future delivery of a contract size in respect of the relevant Delivery Date relating to the Relevant Commodity referred to in that Commodity Reference Price.

"***Futures*** or ***Options Exchange***" means the relevant exchange in options or futures contracts on the relevant Underlying Securities or the Relevant Index, as the case may be, as determined by the Determination Agent in its absolute discretion.

"***Global Note***" means a Temporary Global Note or a Permanent Global Note or any combination of the same as the case may be.

"***Governmental Authority***" means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial market (including the central bank) of the countries for which the Relevant Currencies are the lawful currencies.

"***Grace Period***" means:

(a) subject to paragraphs (b) and (c) below, the applicable grace period with respect to payments under the relevant Obligation under the terms of such Obligation in effect as of the later of the Issue Date and the date as of which such Obligation is issued or incurred;

(b) if Grace Period Extension is specified as applying in the applicable Final Terms, a Potential Failure to Pay has occurred on or prior to the Scheduled Maturity Date and the applicable grace period cannot, by its terms, expire on or prior to the Scheduled Maturity Date, the Grace Period shall be deemed to be the lesser of such grace period and the period specified as such in the applicable Final Terms or, if no period is specified in the applicable Final Terms, 30 calendar days; and

(c) if, at the later of the Issue Date and the date as of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Business Days is applicable under the terms of such Obligation, a Grace Period of three Business Days shall be deemed to apply to such Obligation; provided that, unless Grace Period Extension is specified as applying in the applicable Final Terms, such deemed Grace Period shall expire no later than the Scheduled Maturity Date.

"***Grace Period Extension Date***" means, if:

(a) Grace Period Extension is specified as applying in the applicable Final Terms, and

(b) a Potential Failure to Pay occurs on or prior to the Scheduled Maturity Date,

the day that is the number of days in the Grace Period after the date of such Potential Failure to Pay.

"***Group Company***" means any subsidiary of the Bank.

"***Guarantee***" means the master deed poll guarantee dated 27 March 2009 (as may be from time to time amended, supplemented or modified) granted by the Guarantor for the benefit of each Creditor (as defined therein) pursuant to which the Guarantor has agreed to guarantee the payment obligations of BCCL in respect of any Notes issued by it under the Programme.

"***Guarantor***" means the Bank or any entity which assumes the obligations of Guarantor pursuant to Condition 17.2.

"***Guarantor Tax Event***" has the meaning ascribed to it in Condition 12 unless otherwise specified in the applicable Final Terms.

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

"***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 Notes.

"***Illiquidity Disruption***" means in relation to an Exchange Rate the occurrence of an event whereby it becomes impossible to obtain a firm quote of the Settlement Rate for an amount to be determined by the Determination Agent on the Valuation Date (or, if different, the day on which rates for that Valuation Date would, in the ordinary course, be published or announced by the relevant price source).

"***Increased Cost of Hedging***" means that the Issuer would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk of issuing and performing its obligations with respect to the relevant Series of

Notes, 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 shall not be deemed an Increased Cost of Hedging.

"***Index***" means any Proprietary Index or such other index as is specified in the relevant Final Terms, all as more particularly described in the Final Terms pertaining to a particular Series of Notes.

"***Indices***" means more than one Index.

"***Insolvency***" means that by reason of the voluntary or involuntary liquidation, bankruptcy or insolvency of or any analogous proceeding affecting an Underlying Company, (A) all the Underlying Securities of that Underlying Company are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Underlying Securities of that Underlying Company become legally prohibited from transferring them.

"***Insolvency Filing***" means that an Underlying 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 judgment 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 Underlying Company shall not be deemed an Insolvency Filing.

"***Interest Amount***" means the amount of interest payable in respect of any Note and in the case of Fixed Rate Notes, means the Fixed Coupon Amount or Broken Coupon Amount, as the case may be.

"***Interest Basis***" means either Fixed Rate or Floating Rate or Zero Coupon, or any combination of Fixed Rate and Floating Rate, as specified in the applicable Final Terms.

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

"***Interest Payment Date***" means, in respect of any Series of Notes, the interest payment date as specified in the applicable Final Terms.

"***Interest Period***" means, in respect of any Series of Notes, the period from and including one Interest Payment Date (or, in the case of the first Interest Period, the Interest Commencement Date) up to but excluding the next (or first) Interest Payment Date or such other meaning as may be set out in the relevant Final Terms.

"***Interest Rate***" means, in respect of any Series of Notes, the rate or rates specified in the applicable Final Terms.

"***Issue and Paying Agent***" means The Bank of New York Mellon or such other person as may be appointed by the Issuer in accordance with the Master Agency Agreement.

"***Issue Date***" means, in respect of any Series of Notes, the date specified as such in the relevant Final Terms.

"***Issue Price***" means, in respect of any Series of Notes, the issue price of such Notes as specified in the applicable Final Terms.

"***Issuer***" means whichever of the Bank or BCCL is specified as Issuer in the applicable Final Terms.

"***Issuer Redemption Notice***" has meaning set out in Condition 6.3(a)(ii).

"***Issuer Tax Event***" has the meaning ascribed to it in Condition 12 unless otherwise specified in the applicable Final Terms.

"***London Stock Exchange***" means London Stock Exchange plc.

"***Manager***" means each of Barclays Bank PLC in its capacity as a manager and any other entity named as a manager in a set of Final Terms.

"***Margin***" means the percentage rate specified as the "Margin" in the relevant Final Terms.

"***Market Disruption Event***" means (a) in respect of any Note relating to an Underlying Security, a currency, a rate of exchange and/or a formula or any Note relating to an Index other than a Multi-exchange Index, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Determination Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, (iii) an Early Closure or (iv) any event which disrupts or impairs the ability of the Issuer or of any market participants to effect transactions in, or obtain market values for, future, options or derivative contract relating to the Underlying, the Relevant Currency or an Index (including a Proprietary Index) other than a Multi-exchange Index. For the purposes of determining whether any of a Trading Disruption, Exchange Disruption or Early Closure exists in respect of an Index which is not a Multi-Exchange Index at any time, if a Market Disruption Event occurs in respect of a security included in the Index at any time then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (x) the portion of the level of the index attributable to that security and (y) the overall level of the Index, in each case immediately before the Market Disruption Event occurred: and (b) with respect to a Multi-exchange Index either (i)(a) the occurrence or existence, in respect of any Component, of: (1) a Trading Disruption in respect of such Component Security, which the Determination Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component is principally traded; (2) an Exchange Disruption in respect of such Component , which the Determination Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component is principally traded; OR (3) an Early Closure in respect of such Component; AND (b) the aggregate of all Components in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20 per cent. or more of the level of the Index; OR (ii) the occurrence or existence, in respect of futures or options contracts relating to the Index, of: (a) a Trading Disruption; (b) an Exchange Disruption, which in either case the Determination Agent determines is material, at any time during the one hour period that ends at the Valuation Time in respect of the Related Exchange; or (c) an Early Closure, in each case in respect of such futures or options contracts.

With respect to a Multi-Exchange Index, for the purposes of determining whether a Market Disruption Event exists in respect of an Index at any time, if a Market Disruption Event occurs in respect of such Component at that time, then the relevant percentage contribution of that Component to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that Component to (y) the overall level of the Index, in each case using the official opening weightings as published by the Sponsor as part of the market "opening data".

"***Master Agency Agreement***" means an agreement dated on or about 27 March 2009 (as may be from time to time amended, supplemented or modified), and entered into by the Issuers, the Issue and Paying Agent, the Determination Agent, the New York Agent and the Guarantor (in its capacity as such).

"***Master Subscription Agreement***" means an agreement dated on or about 27 March 2009 (as may be from time to time amended, supplemented or modified), and entered into by the Issuers, the Manager and the Guarantor (in its capacity as such).

"***Material Change in Content***" means, in respect of a Commodity Linked Note, the occurrence since the Trade Date of a material change in the content, composition or constitution of the relevant Commodity or relevant Futures Contract.

"***Material Change in Formula***" means, in respect of a Commodity Linked Note, the occurrence since the Trade Date of a material change in the formula for or method of calculating the relevant Commodity Reference Price.

"***Maturity Date***" means in respect of any Series of Notes, the date specified in the relevant Final Terms as the Maturity Date subject to the Modified Following Business Day Convention unless otherwise specified in such Final Terms.

"***Maturity Notice Time***" has the meaning set out in the relevant Final Terms, in the absence of which it shall be deemed to be 10:00 am London time.

"***Merger Date***" means, in respect of a Merger Event, the date upon which all holders of the relevant Underlying Shares (other than, in the case of a takeover offer, Underlying Shares owned or controlled by the offeror) have agreed or have irrevocably become obliged to transfer their Underlying Shares.

"***Merger Event***" means in respect of any relevant Underlying Shares, any:

(a) reclassification or change of such Underlying Shares that results in a transfer of or an irrevocable commitment to transfer 20 per cent. or more of such Underlying Shares outstanding;

(b) consolidation, amalgamation, merger or binding share exchange of the Underlying Company with or into another entity (other than a consolidation, amalgamation, merger or binding share exchange in which such Underlying Company is the continuing entity and which results in a reclassification or change of less than 20 per cent. of the relevant Underlying Shares outstanding);

(c) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity for such Underlying Shares that results in a transfer of or an irrevocable commitment to transfer 20 per cent. or more of such Underlying Shares (other than such Underlying Shares owned or controlled by the offeror); or

(d) consolidation, amalgamation, merger or binding share exchange of the Underlying Company or its subsidiaries with or into another entity in which the Underlying Company is the continuing entity and which does not result in a reclassification or change of all such Underlying Shares outstanding but results in the outstanding Underlying Shares (other than Underlying Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50% of the outstanding Underlying Shares immediately following such event

if, in each case, the date on which the Determination Agent determines that such event occurs is on or before, in the case of a Physically Settled Transaction, the Maturity Date, or in any other case, the Valuation Date in respect of the relevant Note.

"***Merger Event Settlement Amount***" means an amount which the Determination Agent in its sole and absolute discretion, determines is the fair value to the Noteholder of a Note with terms that would preserve for the Noteholder the economic equivalent of any payment or delivery (assuming satisfaction of each applicable condition precedent) to which the Noteholder would have been entitled under the relevant Note after that date but for the occurrence of the Merger Event.

"***Multi-exchange Index***" means any Index specified as such in the relevant Final Terms.

"***Nationalisation***" means that all the Underlying Shares or all the assets or substantially all the assets of the Underlying Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority or entity.

"***New Issuer***" has the meaning given it in Condition 17.1.

"***New Guarantee***" has the meaning given it in Condition 17.2.

"***New Guarantor***" has the meaning given it in Condition 17.2.

"***New York Agent***" means The Bank of New York Mellon.

"***Notes***" means any notes which may from time to time be issued under the Programme.

"***Notice Delivery Period***" means the period from and including the Issue Date to and including (a) the Scheduled Maturity Date; (b) the Grace Period Extension Date if (i) Grace Period Extension is specified as applicable in the applicable Final Terms, (ii) the Credit Event that is the subject of the Credit Event Notice is a Failure to Pay that occurs after the Scheduled Maturity Date and (iii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the Scheduled Maturity Date; or (c) the Repudiation/Moratorium Evaluation Date if (i) the Credit Event that is the subject of the Credit Event Notice is a Repudiation/Moratorium that occurs after the Scheduled Maturity Date, (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the Scheduled Maturity Date and (iii) the Repudiation/Moratorium Extension Condition is satisfied.

"***Number of Underlying Securities***" means in the case of (i) an Equity Linked Note, the number of Underlying Securities specified as such in the relevant Final Terms and (ii) no Equity Basket Note, the number of Underlying Securities of each Underlying Company comprised in the Basket of Securities, as specified in the relevant Final Terms.

"***Obligations***" in respect of a Credit Linked Note has the meaning set out in the applicable Final Terms.

"***Paying Agents***" means the Issue and Paying Agent and/or the Luxembourg Paying Agent and/or the Irish Paying Agent and any other paying agent that may be appointed from time to time pursuant to the Master Agency Agreement.

"***Payment Day***" means any day which is:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:

  (i) the relevant place of presentation;

  (ii) London;

  (iii) any Additional Business Centre specified in the applicable Final Terms; and

(b) either:

  (i) in relation to any sum payable in a currency other than Euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant currency; or

(ii) in relation to any sum payable in Euro, a day on which the TARGET System is open;

"***Payment Requirement***" means the amount specified as such in the applicable Final Terms or, if a Payment Requirement is not specified in the applicable Final Terms, US$1,000,000, or its equivalent in the relevant currency as calculated by the Determination Agent, in either case, as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable.

"***Physical Delivery Date***" means, in relation to Reference Assets or the Deliverable Amount to be delivered, subject to Condition 6.6, in respect of any Note, the date following a Maturity Date or Early Redemption Date or Credit Event Determination Date, as the case may be, being the first day on which settlement of a sale of such Underlying Securities, Relevant Commodity, Deliverable Obligations, or any other Reference Asset comprising the Deliverable Amount executed on that Maturity Date or Early Redemption Date or Credit Event Determination Date, as the case may be, customarily would take place through the Relevant Clearing System, Exchange or Futures Exchange unless otherwise specified in the relevant Final Terms.

"***Physically Settled Transaction***" means, in relation to any particular Series of Notes, Notes in respect of which Reference Assets may, at the option of the Issuer or the Noteholder (as the case may be), be delivered to the Noteholder, the delivery of which amounts to "Physical Settlement".

"***Postponement***" in relation to Commodity Linked Notes has the meaning set out in Condition 7.7.

"***Potential Adjustment Event***" means any of the following:

(a) a subdivision, consolidation or reclassification of the relevant Underlying Securities (unless a Merger Event), or, a free distribution or dividend of any such Underlying Securities to existing holders by way of bonus, capitalization or similar issue;

(b) a distribution or dividend to existing holders of the relevant Underlying Securities of (i) such Underlying Securities, or (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Underlying Company equally or proportionately with such payments to holders of such Underlying Securities, or (iii) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other) at less than the prevailing market price as determined by the Determination Agent;

(c) an extraordinary dividend;

(d) a call by the Underlying Company in respect of the relevant Underlying Securities that are not fully paid;

(e) a repurchase by the Underlying Company or any of its subisidiaries of relevant Underlying Securities whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;

(f) in respect of the Underlying Company, 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 the Underlying Company 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, warrants, debt instruments or stock rights at a price below their market value, as determined by the Determination Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or

(g) any other similar event that may have a diluting or concentrative effect on the theoretical value of the relevant Underlying Securities.

"***Potential Failure to Pay***" means the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to such Obligations, in accordance with the terms of such Obligations at the time of such failure.

"***Pricing Date***" means, in respect of a Commodity Linked Note, in relation to a Commodity Reference Price, each date specified as such in the applicable Final Terms, which date is a day in respect of which a Relevant Commodity Price is to be determined.

"***Price Source***" means, in respect of a Commodity Linked Note, the publication (or such other origin of reference, including an Exchange) containing (or reporting) the Specified Price (or prices from which the Specified Price is calculated) as specified in the relevant Commodity Reference Price or the applicable Final Terms. **"*Price Source Disruption*"** means:(a) in relation to an Exchange Rate in respect of a Currency Linked Note, means it becomes impossible to obtain the Settlement Rate on the Valuation Date (or, if different, the day on which rates for that Valuation Date would, in the ordinary course, be published or announced by the relevant price source); and

(b) in respect of a Commodity Linked Note, means (A) the failure of the Price Source to announce or publish the Specified Price (or the information necessary for determining the Specified Price) for the relevant Commodity Reference Price; or (B) the temporary or permanent discontinuance or unavailability of the Price Source.

"***Proceedings***" has the meaning given it in Condition 18.

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

"***Proprietary Index***" means any proprietary index created by the Issuer or an associate of the Issuer and described in the relevant Final Terms.

"***Put***" means, in relation to a Physically Settled Transaction the right of the Issuer, if it so elects and subject to compliance with the Conditions, to transfer or procure the transfer of the Underlying Securities and Transfer Documentation to, or to the order of, the Noteholders in lieu of paying the Redemption Amount or Early Redemption Amount, as the case may be.

"***Rate Calculation Date***" means the Valuation Date or the Averaging Date, as appropriate.

"***Record Date***" has the meaning set out in Condition 10.2.

"***Redemption Amount***" means, in relation to a particular Series of Notes the amount specified in, or determined in the manner specified in, the relevant Final Terms, which will always be rounded down to the nearest minimum unit of the currency in which payment of the Redemption Amount is made.

"***Redemption Expenses***" means in respect of any Note or Notes, any expenses (other than in relation to Taxes) payable on or in respect of or in connection with the redemption of such Note or Notes.

"***Redemption Notice Time***" means, in relation to a particular Series of Notes the time specified in the relevant Final Terms as the time by which an Issuer Redemption Notice or Early Redemption Notice, as the case may be, has to be delivered to the Relevant Clearing System for that Issuer Redemption Notice or Early Redemption Notice, as the case may be, to be deemed to have been deposited with it/them on that Business Day and, in the absence of any such specification shall be deemed to be 10am London time.

"***Reference Asset***" means, in respect of any Note, any Underlying Security, Deliverable Obligation, Relevant Commodity or other non-cash asset, the price or level of which determines the Redemption Amount or the Early Redemption Amount of such Note.
"***Reference Entity***" means in respect of a Credit Linked Note, the entity named as such in the applicable Final Terms (if any are so specified or described).

"***Reference Obligation***" means, in respect of a Credit Linked Note, each obligation specified or of a type described as such in the applicable Final Terms (if any are so specified or described).

"***Reference Rate***" means the rate specified as such in the relevant Final Terms.

"***Register***" means the register of holders of Registered Notes maintained by the Registrar.

"***Registrar***" means The Bank of New York Mellon (or any successor Registrar).

"***Related Exchange***" means, subject to the proviso below, in respect of an Index relating to Single Index Notes, Basket of Indices Notes or an Underlying Security relating to Equity Linked Notes or Equity Basket Notes, each exchange or quotation system specified as such for such Index or Share in the relevant Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures and options contracts relating to such Index or such Share has temporarily relocated (provided that the Determination 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, however that where "All Relevant Stock Exchanges" is specified as the Related Exchange in the relevant Final Terms, "Related Exchange" shall mean each exchange or quotation system where trading has a material effect (as determined by the Determination Agent) on the overall market for futures or options contracts relating to such Index or such Share.

"***Relevant Clearing System***" means, as appropriate, Euroclear, Clearstream, Luxembourg, DTC and/or such other Relevant Clearing System, as the case may be, through which interests in Notes are to be held and through an account at which the Notes are to be cleared specified in the applicable Final Terms.

"***Relevant Commodity***" means, in respect of a Commodity Linked Note, the commodity specified in the applicable Final Terms.

"***Relevant Commodity Price***" means, in respect of a Commodity Linked Note, for any Pricing Date, the price, expressed as a price per unit of the Relevant Commodity or the price of the Commodity Index, determined with respect to that day for the specified Commodity Reference Price.

"***Relevant Currencies***" means those currencies specified in the relevant Final Terms which comprise each Exchange Rate.

"***Relevant Date***" means the earlier to occur of:

(a) the date on which all amounts due in respect of such Note have been paid; or

(b) five days after the date on which the full amount of the moneys payable have been recovered by the Issue and Paying Agent and notice to that effect has been given to Noteholders in accordance with Condition 16.

"***Relevant Index***" means in respect of a Single Index Note or a Basket of Indices Notes, the relevant index or indices identified in the applicable Final Terms as the Index or Indices pertaining to a particular Series of Notes.

"***Relevant Rules***" means the Rules of the Relevant Clearing System.

"***Relevant Stock Exchange***" means, in respect of any Series of Notes, the stock exchange upon which such Notes are listed as specified in the relevant Final Terms, if any.

"***Repudiation/Moratorium***", in respect of a Credit Linked Note, has the meaning set out in the applicable Final Terms.

"***Repudiation/Moratorium Evaluation Date***", in respect of a Credit Linked Note, has the meaning set out in the applicable Final Terms.

"***Repudiation/Moratorium Extension Condition***", in respect of a Credit Linked Note, has the meaning set out in the applicable Final Terms.

"***Rules***" means the Clearstream Rules, the Euroclear Rules and/or the terms and conditions governing the use of such other Relevant Clearing System as may be specified in the Final Terms relating to a particular issue of Notes.

"***Scheduled Closing Time***" means, in respect of any 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 other trading outside regular trading session hours.

"***Scheduled Maturity Date***", in respect of a Credit Linked Note, has the meaning specified in the applicable Final Terms.

"***Scheduled Trading Day***" means (a) except with respect to a Multi-exchange Index, any day on which each Exchange and each Related Exchange are scheduled to open for trading for their respective regular trading sessions and (b) with respect to any Multi-exchange Index, any day on which (i) the Index Sponsor is scheduled to publish the level of the Index and (ii) the Related Exchange is scheduled to be open for trading for its regular trading session.

"***Securities Account***" means the securities clearance account of a Noteholder at the Relevant Clearing System to which Notes are credited.

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

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

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

"***Settlement Disruption Event***" means in relation to an Underlying Security, an event beyond the control of the parties as a result of which the relevant Clearing System cannot clear the transfer of such Underlying Security.

"***Settlement Price***" means, for the purposes of Condition 9.4 the price of the Underlying Securities or Relevant Index as determined by the Determination Agent in its absolute discretion.

"***Settlement Rate***" means, in relation to an Exchange Rate, for any Valuation Date in respect of a Maturity Date or an Early Redemption Date (as the case may be) the currency exchange rate equal to (i) the Settlement Rate specified or otherwise determined as provide in the related Final Terms or, (ii) if a Settlement Rate or a means of determining a Settlement Rate is not so specified, the Spot Rate for that Valuation Date.

"***Share***" means an equity security.

"***Single Exchange Rate Note***" means a Note, payments in respect of which will be calculated by reference to a single Exchange Rate as specified in the relevant Final Terms.

"***Single Index Note***" means a Note, payments in respect of which will be calculated by reference to the particular Index as specified in the relevant Final Terms.

"***Special Redemption Notice***" has the meaning set out in Condition 6.3(a)(iii).

"Specified Denomination" has the meaning attributed thereto in the relevant Final Terms.

"***Specified Price***" means, in respect of a Commodity Linked Note, the price specified in the applicable Final Terms.

"***Sponsor***" means, in relation to an Index or a Commodity Index, the corporation or entity that is responsible for setting and reviewing the rules and procedures, and the methods of calculation and adjustments, if any, related to the relevant Index or the relevant Commodity Index.

"***Spot Rate***" means, for any date, the exchange rate(s) determined in accordance with the method specified in the relevant Final Terms, or if not specified, the exchange rate at the time at which such exchange rate(s) is/are to be determined for foreign exchange transactions in the relevant Currencies for value on that date as determined by the Determination Agent in its absolute discretion.

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

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

"***Taxes***" means any tax, duty, impost, levy, charge or contribution in the nature of taxation or any withholding or deduction for or on account thereof, including (but not limited to) any applicable stock exchange tax, turnover tax, stamp duty, stamp duty reserve tax and/or other Taxes chargeable or payable in connection with any redemption of a Note and/or payment of the Redemption Amount, the Early Redemption Amount, the Credit Event Redemption Amount, the Cash Settlement Amount or the Disruption Redemption Amount (as the case may be) and/or the transfer or delivery of Underlying Securities, Deliverable Amounts or Deliverable Obligations (as the case may be) and/or the relevant Transfer Documentation (including, in the case of an Underlying Security, Deliverable Amount or Deliverable Obligation that is an equity unit, the transfer or delivery of any security comprised in such equity unit).

"***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 Underlying Company as determined by the Determination Agent, based upon the making of filings with governmental of self-regulatory agencies or such other information as the Determination Agent deems relevant.

"***Tender Offer Date***" means, in respect of a Tender Offer, the date on which voting shares in the amount of the applicable percentage threshold are actually purchased or otherwise obtained (as determined by the Determination Agent).

"***Trading Disruption***" means:

(a) (1) except with respect to a Multi-exchange Index, any suspension of, impairment of or limitation imposed on trading by the Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the Exchange Related Exchange or otherwise (i) relating to the Underlying Security on the Exchange, or in the case of a Single Index Note or Basket of Indices Note on any relevant Exchange(s) relating to securities or any Component that comprise 20 per

cent or more of the level of the relevant Index or Indices, or (ii) in futures or options contracts relating to the Underlying Securities, the Relevant Currency or the relevant Index or Indices on any relevant Related Exchange; and (2) with respect to any Multi-exchange Index any suspension of or limitation imposed on trading by the Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the Exchange or Related Exchange or otherwise (i) relating to any Component on the Exchange in respect of such Component; or (ii) in futures or options contracts relating to the Index (or any Component thereof) on the Related Exchange; or

(b) in respect of Commodity Linked Notes, the material suspension of, or the material limitation imposed on, trading in the Futures Contract or the Relevant Commodity on the Exchange or in any additional futures contract, options contract or commodity on any Exchange as specified in the applicable Final Terms. For these purposes:

(A) a suspension of the trading in the Futures Contract or the Relevant Commodity on any Commodity Business Day shall be deemed to be material only if:

(i) all trading in the Futures Contract or the Relevant Commodity is suspended for the entire Pricing Date; or

(ii) all trading in the Futures Contract or the Relevant Commodity is suspended subsequent to the opening of trading on the Pricing Date, trading does not recommence prior to the regularly scheduled close of trading in such Futures Contract or such Relevant Commodity on such Pricing Date and such suspension is announced less than one hour preceding its commencement; and

(B) a limitation of trading in the Futures Contract or the Relevant Commodity on any Commodity Business Day shall be deemed to be material only if the relevant Exchange establishes limits on the range within which the price of the Futures Contract or the Commodity may fluctuate and the closing or settlement price of the Futures Contract or the Commodity on such day is at the upper or lower limit of that range.

"***Transaction***" means a particular Series of Notes.

"***Transfer Documentation***" means, for each Series of Notes, such documentation as is generally acceptable for settlement of transfer of Reference Assets or Deliverable Obligations on the relevant Exchange, through the Relevant Clearing System, on the relevant Futures Exchange or amongst dealers in the Relevant Commodity including, without limitation, stock notes and/or stock transfer forms in the case of settlement on the London Stock Exchange.

"***Undeliverable Obligation***" means a Deliverable Obligation included in the Deliverable Amount which on the settlement date for such Deliverable Obligation the Determination Agent determines for any reason it is impossible or illegal to deliver on such settlement date.

"***Underlying Company***" means the company which is the issuer of the Underlying Securities specified in the applicable Final Terms.

"***Underlying Security***" means, in relation to a particular Series of Notes as appropriate, an Underlying Share or the underlying bonds or debt securities to which such Notes relate specified as such in the applicable Final Terms.

"***Underlying Share***" means, in relation to a particular Series of Notes, a share or equity unit to which a Note relates or in the case of a Basket of Shares a share or equity unit forming part of a Basket of Shares to which such Note relates.

"***US Selling Restrictions***" means the various forms of selling restrictions in respect of the United States of America as set out in "Purchase and Sale — Selling Restrictions" below and in Appendix I of the Master Subscription Agreement.

"***Valid Date***" shall mean a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date in respect of the relevant Valuation Date does not or is not deemed to occur.

"***Valuation Date***" means, in relation to a particular Series of Notes, the date specified as such in the applicable Final Terms (or, if such date is not a Scheduled Trading Day the next following Scheduled Trading Day) unless there is a Disrupted Day in respect of any relevant Underlying Security or Index on that day in which event Condition 7 will apply and provided that such date is at least two Business Days prior to the Maturity Date (other than where the Notes are redeemed early pursuant to Condition 5.2, 5.3 or 5.4 in which case it will be the second Business Day preceding the Early Redemption Date).

"***Valuation Method***" means, in respect of a Credit Linked Note, the valuation method specified in the applicable Final Terms.

"***Valuation Time***" means the time specified as such in the relevant Final Terms, or if no such time is specified, Scheduled Closing Time on the relevant Exchange on the Valuation Date or Averaging Date, as the case may be, in relation to each Index or Underlying Security 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. In relation to a Multi-exchange Index, **"Valuation Time"** means (i) for the purposes of determining whether a Market Disruption Event has occurred: (a) in respect of any Component, the Scheduled Closing Time on the Exchange in respect of such Component, and (b) in respect of any options contracts or future contracts on the Index, the close of trading on the Related Exchange; and (ii) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor.

"***Volatility***" means, in respect of any Exchange Business Day, the volatility (calculated by referring to the closing price of the relevant Underlying Securities on the Exchange) for a period equal to the number of days between the Announcement Date and the Maturity Date.

"***Zero Coupon***" means non interest bearing.

"***Zero Coupon Notes***" means Notes of any Series designated as such in the relevant Final Terms.

BOOK-ENTRY PROCEDURES FOR RULE 144A GLOBAL NOTES DEPOSITED WITH DTC

The Rule 144A Global Notes will be issued in the form of registered notes in global form, without interest coupons. Upon issuance, one or more global notes will be deposited with either (i) the Agent as custodian for The Depository Trust Company ("***DTC***") and registered in the name of Cede & Co., as nominee of DTC, or (ii) a common depositary on behalf of Clearstream Banking, société anonyme and Euroclear Bank S.A./N.V.

Ownership of beneficial interests in a global note deposited with DTC will be limited to persons who have accounts with DTC ("***DTC Participants***") or persons who hold interests through DTC Participants. The Issuers expect that under procedures established by DTC:

- upon deposit of a global note with DTC's custodian, DTC will credit portions of the principal amount of the global note to the accounts of the DTC Participants designated by the Manager; and

- ownership of beneficial interests in a global note will be shown on, and transfer of ownership of those interests will be effected only through, records maintained by DTC (with respect to

interests of DTC Participants) and the records of DTC Participants (with respect to other owners of beneficial interests in the global note).

Beneficial interests in a global note may not be exchanged for notes in physical, certificated form except in the limited circumstances described below.

Any global note and beneficial interests in the global note will be subject to restrictions on transfer as described under "Transfer Restrictions for Registered Notes."

Book-Entry Procedures for Global Notes

All interests in global notes will be subject to the operations and procedures of DTC. The following summary of those operations and procedures are provided solely for the convenience of investors. The operations and procedures of DTC are controlled by DTC and may be changed at any time. Neither the Issuers nor the Manager is responsible for those operations or procedures.

DTC has advised the Issuers that it is:

- a limited purpose trust company organized under the New York Banking Law;
- a "banking organization" within the meaning of the New York Banking Law;
- a member of the Federal Reserve System;
- a "clearing corporation" within the meaning of the New York Uniform Commercial Code; and
- a "clearing agency" registered pursuant to the provisions of Section 17A of the US Securities Exchange Act of 1934, as amended (the "***Exchange Act***").

DTC was created to hold securities for its participants and to facilitate the clearance and settlement of securities transactions between its participants through electronic book-entry changes to the accounts of its participants, thereby eliminating the need for physical transfer and delivery of certificates. DTC's Participants include securities brokers and dealers, including the initial purchasers; banks and trust companies; clearing corporations and other organizations. Indirect access to DTC's system is also available to others such as banks, brokers, dealers and trust companies; these indirect participants clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly. Investors who are not DTC Participants may beneficially own securities held by or on behalf of DTC only through DTC Participants or indirect participants in DTC.

So long as DTC's nominee is the registered owner of a global note, that nominee will be considered the sole owner or holder of the notes represented by that global note for all purposes under the Master Agency Agreement. Except as provided below, owners of beneficial interests in a global note:

- will not be entitled to have notes represented by a global note registered in their names;
- will not receive or be entitled to receive physical, certificated notes; and
- will not be considered the owners or holders of the Notes under the Master Agency Agreement for any purpose, including with respect to the giving of any direction, instruction or approval to the Agent under the Master Agency Agreement.

As a result, each investor who owns a beneficial interest in a global note must rely on the procedures of DTC to exercise any rights of a holder of notes under the Master Agency Agreement (and, if the investor is not a participant or an indirect participant in DTC, on the procedures of the DTC Participant through which the investor owns its interest).

Payments of principal, premium (if any), additional amounts (if any) and interest (if any) with respect to the Notes represented by a Global Note will be made by the Agent to DTC's nominee as the registered holder of the Global Notes. Neither the Issuers nor the Agent will have any responsibility or

liability for the payment of amounts to owners of beneficial interests in a Global Note, for any aspect of the records relating to or payments made on account of those interests by DTC, or for maintaining, supervising or reviewing any records of DTC relating to those interests.

Payments by DTC Participants and indirect participants in DTC to the owners of beneficial interests in a Global Note will be governed by standing instructions and customary industry practice and will be the responsibility of those DTC Participants or indirect participants and DTC.

Transfers between in DTC Participants will be effected under DTC's procedures and will be settled in same-day funds.

Certificated Notes

Notes in physical, certificated form ("***certificates***") will be issued and delivered to each person that DTC identifies as a beneficial owner of the related notes only on the occurrence of one of the following events (for these purposes, an "***Exchange Event***"):

- DTC notifies the relevant Issuer at any time that it is unwilling or unable to continue as depositary for the Global Notes and a successor depositary is not appointed within 90 days;

- DTC ceases to be registered as a clearing agency under the Exchange Act and a successor depositary is not appointed within 90 days; or

- the relevant Issuer, at its option, notifies the Agent that it elects to cause the issuance of certificated notes.

The laws of some countries and some states in the United States require that certain persons take physical delivery in definitive form of securities that they own. Consequently, the ability to transfer beneficial interests in a Global Note to such persons may be limited to that extent. Because DTC can act only on behalf of DTC Participants, the ability of a person having beneficial interests in a Global Note deposited with DTC to pledge such interests to persons or entities that do not participate in the relevant clearing system, or otherwise take actions in respect of such interests, may be affected by the lack of a physical certificate evidencing such interests.

CERTIFICATES

The information in the following section of the Base Prospectus on pages 142 to 216 relates only to Certificates and does not relate to Notes or Warrants issued under the Programme.

PRO FORMA FINAL TERMS FOR CERTIFICATES

The Final Terms for each Series of Certificates will include such of the following information as is applicable with respect to such Certificates and such other information as may be required from time to time by the Relevant Stock Exchange.

Final Terms



BARCLAYS BANK PLC

(Incorporated with limited liability in England and Wales)

BARCLAYS CAPITAL (CAYMAN) LIMITED

(Incorporated with limited liability in the Cayman Islands)

STRUCTURED SECURITIES PROGRAMME

for the issue of Notes, Certificates and Warrants

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

[Title of Certificates]

Under the Structured Securities Programme

[Guaranteed by Barclays Bank PLC]

Issue Price: [issue price] of par

[*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]*

This document has been prepared for the purposes of giving information about the issue by [Barclays Bank PLC][Barclays Capital (Cayman) Limited] of the [title of the Certificates], Series [series number] (the "***Certificates***"). This document constitutes the Final Terms of the Certificates described herein and is prepared in connection with the Structured Securities Programme established by Barclays Bank PLC (the "***Bank***") and Barclays Capital (Cayman) Limited ("***BCCL***") and is supplemental to and should be read in conjunction with the Base Prospectus dated 27 March 2009, as supplemented and amended from time to time, which constitutes a base prospectus for the purpose of the Directive 2003/71/EC (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 office of the Issue and Paying Agent for the time being in London and copies may be obtained from such office. Words and expressions defined in the Base Prospectus and not defined in this document shall bear the same meanings when used herein.

[Subject as provided below,] the Issuer [and the Guarantor] accept[s] responsibility for the information contained in these Final Terms. To the best of [its/their] knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in these Final Terms is in accordance with the facts and does not contain anything likely to affect the import of such information. [The information relating to [●] [and ●] contained herein has been accurately extracted from [*insert information source(s)*]. [The Issuer [and the Guarantor] confirm that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by [●] [and ●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

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

This document has been prepared for the purposes of giving information about the issue by [Barclays Bank PLC] [Barclays Capital (Cayman) Limited] of the [title of the Certificates], Series [series number] (the "***Notes***"). This document constitutes the Final Terms of the Certificates described herein and is prepared in connection with the Structured Securities Programme established by Barclays Bank PLC (the "***Bank***") and Barclays Capital (Cayman) Limited ("***BCCL***") and is supplemental to and should be read in conjunction with the Base Prospectus dated 27 March 2009, as supplemented and amended from time to time, which constitutes a base prospectus for the purpose of the Directive 2003/71/EC (the "***Base Prospectus***"), save in respect of the Conditions which are extracted from the Base Prospectus dated [original date], as incorporated by refererence in the [Base Prospectus] [Offering Circular] dated 27 March 2009. 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 office of the Issue and Paying Agent for the time being in London and copies may be obtained from such office. Words and expressions defined in the Base Prospectus and not defined in this document shall bear the same meanings when used herein.

[Subject as provided below,] the Issuer [and the Guarantor] accept[s] responsibility for the information contained in these Final Terms. To the best of [its/their] knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in these Final Terms is in accordance with the facts and does not contain anything likely to affect the import of such information. [The information relating to [l] [and l] contained herein has been accurately extracted from [*insert information source(s)*]. [The Issuer [and the Guarantor] confirm that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by [l] [and l], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Investors should refer to "Risk Factors" in the Base Prospectus for a discussion of certain matters that should be considered when making a decision to invest in the Certificates.

Barclays Capital

[Issue Date]

The distribution of this document and the offer of the Certificates in certain jurisdictions may be restricted by law. Persons into whose possession these Final Terms come are required by the Bank to inform themselves about and to observe any such restrictions. Details of selling restrictions for various jurisdictions are set out in "Purchase and Sale" in the Base Prospectus. In particular, the Certificates have not been, and will not be, registered under the US Securities Act of 1933, as amended, and are subject to US tax law requirements. Trading in the Certificates has not been approved by the US Commodity Futures Trading Commission under the US Commodity Exchange Act of 1936, as amended. Subject to certain exceptions, the Certificates may not at any time be offered, sold or delivered in the United States or to US persons, nor may any US persons at any time trade or maintain a position in such Certificates.

[Relevant Risk Factors to be inserted] [N/A]

Part A
Terms and Conditions of the Certificates

The Certificates shall have the following terms and conditions, which shall complete, modify and/or amend the terms and conditions (the Conditions) set out in the Base Prospectus dated 27 March 2009.

[*When adding any other terms or information consideration should be given as to whether such terms or information constitute "signifcant 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] (*N.B. Only the Bank may issue US 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*)
[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 [Index Linked Certificates / Equity Linked Certificates / Debt Linked Certificates / Currency Linked Certificates / Commodity Linked Certificates / Fund Linked Certificates / Non-Standard 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 Linked Certificates, Currency Linked Certificates or Commodity Linked 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 US 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.	Determination Agent:	The Determination Agent is [Barclays Bank PLC]/[Barclays Capital Securities Limited]/[*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 Equity Linked 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 Linked 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 Equity Linked 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 Linked 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 Equity Linked Certificates]/[*specify other*]. (*N.B. Only applicable in relation to Cash Settled Certificates relating to a Basket*)]
25.	Debt Linked 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 Linked 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 Linked 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 Linked Certificates and Equity Linked Certificates, if no Relevant Time is specified, the Valuation Time will be the Scheduled Closing Time as defined in Condition 4*).

33.	Currency Linked 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 Linked Certificates*)
34.	Commodity Linked Certificates:	[*Specify applicable market disruption, general disruption, adjustment and/or termination provisions*]
35.	Fund Linked 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 Equity Linked Certificates*)
37.	Substitution of Shares:	Substitution of Shares [applies/does not apply]. (*N.B. Substitution of Shares is only applicable to Equity Linked Certificates relating to a Basket of Shares*)
38.	Additional Disruption Events and Asian Additional Disruption Events:	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 Linked Certificates or Equity Linked Certificates. Careful consideration should be given to whether Additional Disruption Events would apply for Debt Linked Certificates, Currency Linked Certificates, Commodity Linked Certificates or Index Linked Certificates relating to commodity indices and if so the relevant definitions will require amendment*) [Change in Law] [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 Equity Linked Certificates*)] [Loss of Stock Borrow]

		The following Asian Additional Disruption Events apply to the Certificates: (*Specify each of the following which applies*) [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*) [The Trade Date is [ ]. (*N.B. only applicable if Change in Law and/or Increased Cost of Hedging is applicable*)] [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*)] [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:*) (d) The Specified Currency is [insert relevant Specified Currency]. (e) 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 Equity Linked 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 Equity Linked 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 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-US 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-US persons; and [(e)] The DTC FX Rate is [ ] (*N.B. Only applicable if Settlement Currency is other than US dollars. If referring to a screen page, consider any fallback. [See Clause 9.9 of the Master Agency Agreement]*) [(f)] [*insert applicable US selling restrictions and specify details of any transfer restrictions and any necessary certifications, if different from those set out in the Conditions*].

45.	Additional US federal income tax consequences:	[*insert details/check with US 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*]

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 or around [the Issue Date].] / [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.][N/A]

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*][N/A]

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

(i)	[Reasons for the offer:	[General Funding] [*Specify if other reason*] (*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:	[●]

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 Linked 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.*] [N/A]

[*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.*] [N/A]

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]] (*Equity Linked 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.*] [N/A]

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 Linked 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.*] [N/A]

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 Linked 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.*] [N/A]

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 Linked 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.*] [N/A]

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 Linked 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.*] [N/A]

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)*]

12. [OFFER INFORMATION

[*If applicable, the following details should be included:*

(a) the time period, including any possible amendments, during which the offer will be open and description of the application process; (b) the minimum and/or maximum amount of application, (whether in number of securities or aggregate amount to invest; (c) the method and time limits for paying up the securities and for delivery of the securities; (d) a full description of the manner and date in which results of the offer are to be made public; and details of the Plan for Distribution (including the various categories of potential investors to which the securities are offered and the process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made).] [N/A]

[The offer price [•] includes a commission element shared with a third party which will be no more than [•]%. Further details of which are available upon request.] [Or if applicable [A distribution fee has been paid to a third party. The amount of this fee will not exceed [•]% of principal of each year of the products term. The fee will be paid at trade date/annually and is not refundable in the event of early redemption or sale on the secondary market.]] [N/A]

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 Agency Agreement dated 27 March 2009 (such Master Agency Agreement as amended and/or supplemented and/or restated from time to time, the "***Master Agency Agreement***") between BCCL as issuer, the Bank as issuer and (where the Issuer is BCCL) guarantor (in such capacity, the "***Guarantor***"), The Bank of New York Mellon as principal certificate agent (the "***Issue and Paying Agent***" which expression shall include any successor principal certificate agent), J.P. Morgan Bank Luxembourg S.A. as Luxembourg agent (the "***Luxembourg Agent***" which expression shall include any additional or successor Luxembourg agent) and as Luxembourg registrar (the "**Luxembourg Registrar**" which expression shall include any additional or successor Luxembourg registrar), The Bank of New York Mellon as New York agent (the "***New York Agent***" which expression shall include any additional or successor New York Agent and together with the Issue and Paying Agent and the Luxembourg Agent, the "***Certificate Agents***"). The Bank shall undertake the duties of determination agent (the "***Determination Agent***") in respect of the Certificates as set out below and in the applicable Final Terms unless another entity is so specified as determination agent in the applicable Final Terms. The expression Determination Agent shall, in relation to the relevant Certificates, include such other specified determination agent. The Certificates are constituted by the Master Agency 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-US 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 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 Luxembourg 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 or if the Issuer, at its option, elects to cause the Issuance of definitive certificates, 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 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 27 March 2009 executed by the Guarantor. The original of the Guarantee is held by the Issue and Paying Agent on behalf of the Holders (as defined in Condition 1) at its specified office.

Copies of the Master Agency 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 Issue and Paying Agent and the Luxembourg Registrar. Copies of the applicable Final Terms are available for viewing at the office of the Issue and Paying Agent at c/o The Bank of New York Mellon, One Canada Square, London, E14 5AL and copies may be obtained from the Issue and Paying Agent at c/o The Bank of New York Mellon, 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 Luxembourg Registrar, as the case may be, as to its holding of such Certificates and identity.

Words and expressions defined in the Master Agency 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 Agency 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 Linked Certificates, Equity Linked Certificates, Debt Linked Certificates, Currency Linked Certificates, Commodity Linked Certificates, Fund Linked 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 Linked Certificates, Equity Linked Certificates, Debt Linked Certificates, Currency Linked Certificates, Commodity Linked Certificates or Fund Linked 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 discretion to elect 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 discretion to elect 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 other than with respect to payments such Certificates, for which purpose the bearer of the Regulation S Global Certificate or Rule 144A Global Certificate, as the case may be, shall be treated by the Issuer (where the Issuer is BCCL), the Guarantor and the Certificate Agents as 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).

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 Luxembourg 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 Agency 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 Luxembourg Registrar a duly completed transfer certificate (a "***Transfer Certificate***") in the form set out in the Master Agency Agreement (copies of which are available from the Luxembourg Registrar) signed by or on behalf of the transferor and upon the Luxembourg 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 Agency Agreement, the Luxembourg 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 Issue and Paying Agent and the Luxembourg Registrar of a letter in the form of Schedule 9 to the Master Agency 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 Luxembourg Registrar's specified office is located.

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

Transfers of Certificates represented by a Rule 144A 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, in a transaction meeting the requirements of Regulation S under the Securities Act;

(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, only, upon certification (in the form from time to time available from any Certificate Agent) to the Issue and Paying Agent by the transferor thereof that such transfer is being made to a non-US person in an offshore transaction pursuant to Regulation S,

in each case, in accordance with any applicable rules and regulations of the Issue and Paying Agent, the New York 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 Issue and Paying 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 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 Issue and Paying 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 Issue and Paying 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 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 Issue and Paying Agent, the New York 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 Issue and Paying 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 Determination 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 Linked Certificates relating to a single Index or Equity Linked 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 Determination 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 and pursuant to sub-paragraph (c) of the definition of "Valuation Date" below the Issuer shall procure that notification is provided to Holders in accordance with Condition 10;

(ii) where the Certificates are Index Linked Certificates relating to a Basket of Indices or Equity Linked 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 Determination 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 pursuant to sub-paragraph (c) of the definition of "Valuation Date" below the Issuer shall procure that notification is provided to Holders in accordance with Condition 10; and

(iii) where the Certificates are Debt Linked Certificates or Currency Linked 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;

"***Basket of Commodities***" means, in relation to a particular Series of Certificates, a basket composed of Relevant Commodities and/or Commodity Indices in the relative proportions specified in the applicable Final Terms.

"***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 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 Determination Agent pursuant to the provisions set out in the applicable Final Terms;

"***Commodity Business Day***" means (a) in respect of any Commodity Linked Certificate for which the Commodity Reference Price is a price announced or published by an Exchange, a day that is (or would have been, but for the occurrence of a Commodity Market Disruption Event) a day on which that Exchange is open for trading during its regular trading session, notwithstanding any such Exchange closing prior to its scheduled closing time and (b) in respect of any Commodity Linked Certificate for which the Commodity Reference Price is not a price announced or published by an Exchange, a day in respect of which the relevant Price

Source published (or would have published, but for the occurrence of a Commodity Market Disruption Event) a price.

"***Commodity Business Day Convention***" means, in respect of a Commodity Linked Certificate:

(a) if any date applicable to a Commodity Linked Certificate is specified to be subject to adjustment in accordance with a Commodity Business Day Convention would otherwise fall on a day that is not a Commodity Business Day, such date will be adjusted according to the Commodity Business Day Convention specified in the applicable Final Terms.

(b) if the Commodity Business Day Convention is:

(i) the "***Following Business Day Convention***", such date shall be postponed to the next day that is a Commodity Business Day;

(ii) the "***Modified Following Business Day Convention***", such date shall be postponed to the next day that is a Commodity Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Commodity Business Day;

(iii) the "***Nearest Business Day Convention***", such date will be the first preceding day that is a Commodity Business Day if the relevant date otherwise falls on a day other than a Sunday or a Monday and will be the first following day that is a Commodity Business Day if the relevant date otherwise falls on a Sunday or a Monday; or

(iv) the "***Preceding Business Day Convention***", such date shall be brought forward to the immediately preceding Commodity Business Day.

"***Commodity Index***" means, in relation to a Commodity Linked Certificate, an index comprising one or more commodities or commodity futures contracts, as is specified in the applicable Final Terms.

"***Commodity Linked Certificate***" means a Certificate, payments in respect of which will be calculated by reference to the price of a Relevant Commodity, Commodity Index or a Basket of Commodities, each as specified in the applicable Final Terms.

"***Commodity Reference Price***" means, in respect of a Relevant Commodity or Commodity Index, the commodity reference price as specified in the applicable Final Terms. The Commodity Reference Price may be defined in the Final Terms or by reference to Sub-Annex A of the ISDA Commodity Definitions.

"***Delivery Date***" means, with respect to a Commodity Reference Price, the relevant date or month for delivery of the Relevant Commodity as specified in the applicable Final Terms.

"***Disappearance of Commodity Reference Price***" means, in respect to a Commodity Linked Certificate, (A) the permanent discontinuation of trading in the relevant Futures Contract on the relevant Exchange; (B) the disappearance of, or of trading in, the Relevant Commodity; or (C) the disappearance or permanent discontinuance or unavailability of a Commodity Reference Price, notwithstanding the availability of the related Price Source or the status of trading in the relevant Futures Contract or the Relevant Commodity.

"***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 Determination Agent, including any documents evidencing such Entitlement;

"***Exchange***" means:

(a) in respect of Index Linked 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 Determination 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);

(b) in respect of Equity Linked 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 Determination 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); and

(c) in respect of a Relevant Commodity relating to Commodity Linked Certificates, each exchange or principal trading market specified in the relevant Final Terms or Commodity Reference Price;

"***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;

"***Futures Contract***" means, in relation to a Commodity Linked Certificate, in respect of a Commodity Reference Price, the contract for future delivery of a contract size in respect of the relevant Delivery Date relating to the Relevant Commodity referred to in that Commodity Reference Price;

"***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;

"***Material Change in Content***" means, in respect of a Commodity Linked Certificate, the occurrence since the Trade Date of a material change in the content, composition or constitution of the relevant Commodity or relevant Futures Contract;

"***Material Change in Formula***" means, in respect of a Commodity Linked Certificate, the occurrence since the Trade Date of a material change in the formula for or method of calculating the relevant Commodity Reference Price;

"***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;

"***Price Source***" means, in respect of a Commodity Linked Certificate, the publication (or such other origin of reference, including an Exchange) containing (or reporting) the Specified Price (or prices from which the Specified Price is calculated) as specified in the relevant Commodity Reference Price or the applicable Final Terms;

"***Price Source Disruption***" means, in respect of a Commodity Linked Certificate, (A) the failure of the Price Source to announce or publish the Specified Price (or the information necessary for determining the Specified Price) for the relevant Commodity Reference Price; or (B) the temporary or permanent discontinuance or unavailability of the Price Source;

"***Pricing Date***" means, in respect of a Commodity Linked Certificate, in relation to a Commodity Reference Price, each date specified as such in the applicable Final Terms, which date is a day in respect of which a Relevant Commodity Price is to be determined;

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

"***Related Exchange***" means, in respect of Index Linked Certificates and in relation to an Index or in respect of Equity Linked 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 Determination 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 Determination Agent) on the overall market for futures or options contracts relating to such Index or such Share;

"***Relevant Commodity***" means, in respect of a Commodity Linked Certificate, the commodity specified in the applicable Final Terms.

"***Relevant Commodity Price***" means, in respect of a Commodity Linked Certificate, for any Pricing Date, the price, expressed as a price per unit of the Relevant Commodity or the price of the Commodity Index, determined with respect to that day for the specified Commodity Reference Price;

"***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 Linked Certificates, subject to Condition 15(A) and as referred to in "Valuation Date" below or "Averaging Date" above, as the case may be:

(i) in the case of Index Linked 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 Determination Agent or, if so specified in the applicable Final Terms, the level of each Index determined by the Determination 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 Linked 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 Determination Agent or, if so specified in the applicable Final Terms, the level of the Index determined by the Determination 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 Equity Linked 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 Equity Linked 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 Determination 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 Determination 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 Determination 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 Determination Agent) engaged in the trading of the relevant Share or on such other factors as the Determination 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 Determination Agent; and

(ii) in the case of Equity Linked 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 Determination 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 Determination 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 Determination 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 Determination Agent) engaged in the trading of the Share or on such other factors as the Determination 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 Determination Agent;

(c) in respect of Debt Linked Certificates, subject as referred to in "Valuation Date" below or "Averaging Date" above:

(i) in the case of Debt Linked 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 Determination 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 Determination 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 Linked 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 Determination 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 Determination 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 Linked Certificates:

(i) in the case of Currency Linked 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 Subject Currency for which one unit of the Base 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 Determination Agent of the bid and offer Base Currency/Subject 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 Determination Agent) on a foreign exchange market (as selected by the Determination Agent), multiplied by the relevant Multiplier; and

(ii) in the case of Currency Linked 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 Subject Currency for which one unit of the Base 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 Determination Agent of the bid and offer Base Currency/Subject 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 Determination Agent) on a foreign exchange market (as selected by the Determination Agent);

(e) in respect of Commodity Linked Certificates, the provisions relating to the calculation of the Settlement Price will be set out in the applicable Final Terms.

"***Specified Price***" means, in respect of a Commodity Linked Certificate, the price specified in the applicable Final Terms;

"***Sponsor***" means, in relation to a Commodity Index, the corporation or entity that is responsible for setting and reviewing the rules and procedures, and the methods of calculation and adjustments, if any, related to the relevant Commodity Index;

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

"***Trading Disruption***" means, in respect of Commodity Linked Certificates, the material suspension of, or the material limitation imposed on, trading in the Futures Contract or the

Relevant Commodity on the Exchange or in any additional futures contract, options contract or commodity on any Exchange as specified in the applicable Final Terms. For these purposes:

(A) a suspension of the trading in the Futures Contract or the Relevant Commodity on any Commodity Business Day shall be deemed to be material only if:

(i) all trading in the Futures Contract or the Relevant Commodity is suspended for the entire Pricing Date; or

(ii) all trading in the Futures Contract or the Relevant Commodity is suspended subsequent to the opening of trading on the Pricing Date, trading does not recommence prior to the regularly scheduled close of trading in such Futures Contract or such Relevant Commodity on such Pricing Date and such suspension is announced less than one hour preceding its commencement; and

(B) a limitation of trading in the Futures Contract or the Relevant Commodity on any Commodity Business Day shall be deemed to be material only if the relevant Exchange establishes limits on the range within which the price of the Futures Contract or the Commodity may fluctuate and the closing or settlement price of the Futures Contract or the Commodity on such day is at the upper or lower limit of that range, in relation to a Commodity Index, the corporation or entity that is responsible for setting and reviewing

"***US 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 Determination Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:

(a) where the Certificates are Index Linked Certificates relating to a single Index, Equity Linked Certificates relating to a single Share, Debt Linked Certificates relating to a single Debt Security or Commodity Linked 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 Determination 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 Linked 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(A)(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 determination 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 Equity Linked Certificates, Debt Linked Certificates or Commodity Linked Certificates, in accordance with its good faith

determination of the Settlement Price as of the Valuation Time on that eighth Scheduled Trading Day; or

(b) where the Certificates are Index Linked Certificates relating to a Basket of Indices, Equity Linked Certificates relating to a Basket of Shares, Debt Linked Certificates relating to a Basket of Debt Securities or Commodity Linked 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 Determination 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 determination 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 determination 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

(c) in each case, following any good faith determination or calculations made by the Determination Agent in connection with the determination of the Settlement Price on the eighth Scheduled Trading Day, the Issuer shall procure that notice is provided to Holders in accordance with Condition 10.

"***Valuation Time***" means the Relevant Time specified in the applicable Final Terms or, in the case of Index Linked Certificates or Equity Linked 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 county 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 Issue and Paying 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 Issue and Paying 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 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 US$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(A)(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 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 US dollars shall be paid by transfer by the New York Agent to an account in the relevant Settlement Currency of the New York Agent on behalf of DTC or its nominee for conversion into and payment in US dollars in accordance with the provisions of the Master Agency 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 Luxembourg 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 Luxembourg 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 Luxembourg Registrar in respect of any payments in respect of the Certificates.

None of the Issuer, the Guarantor, the Luxembourg 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 Issue and Paying Agent, a duly completed asset transfer notice (an "***Asset Transfer Notice***") in the form set out in the Master Agency 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 Linked 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 US person (as defined in the Asset Transfer Notice), the Certificate is not being redeemed within the United States or on behalf of a US 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 US 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 Agency 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 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 Issue and Paying Agent, a duly completed asset transfer notice (an "***Asset Transfer Notice***") in the form set out in the Master Agency 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 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 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 Agency 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 Luxembourg 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 Issue and Paying Agent, a duly completed Asset Transfer Notice (an "***Asset Transfer Notice***") in the form set out in the Master Agency 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 Luxembourg 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 Luxembourg 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 Linked 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 US person (as defined in the Asset Transfer Notice), the Certificate is not being redeemed within the United States or on behalf of a US 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 US 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 Agency 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 Luxembourg 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 Issue and Paying 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 Issue and Paying 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 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 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 Luxembourg Registrar shall verify that the person delivering the Asset Transfer Notice is the Holder according to the Register. Subject thereto, the Luxembourg Registrar shall confirm to the Issuer and the Issue and Paying 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 Luxembourg 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 Luxembourg 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 Agent, in each case, in consultation with the Issue and Paying Agent, and shall be conclusive and binding on the Issuer, (where the Issuer is BCCL) the Guarantor, the Certificate Agents, the Luxembourg 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 Issue and Paying Agent immediately after being delivered or sent to Clearstream, Luxembourg, Euroclear, the New York Agent or the Luxembourg 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 Agent or the Luxembourg Registrar, as the case may be, in consultation with the Issue and Paying 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 Agent or the Luxembourg Registrar, as the case may be, and the Issue and Paying Agent.

Clearstream, Luxembourg, Euroclear, the New York Agent or the Luxembourg 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 Issue and Paying 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 Issue and Paying Agent, Clearstream, Luxembourg, Euroclear, the New York Agent or the Luxembourg 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 Agent, the Luxembourg Registrar or the Issue and Paying 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 Agent or the Luxembourg Registrar, as the case may be, with a copy to the Issue and Paying 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 Issue and Paying 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 Determination 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 Determination 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 Linked 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 Determination 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 Determination Agent, delivery of the Entitlement using the method of delivery specified in the applicable Final Terms or such commercially reasonable manner as the Determination 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 Determination 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 Determination 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 Determination 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 Determination 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 Determination 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 suc h 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 Determination 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 Determination Agent in its sole and absolute discretion) of such other shares which the Determination 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 Determination 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 Determination 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 Determination Agent, the Luxembourg 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 Determination 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 Luxembourg Registrar

The specified offices of the Certificate Agents and the Luxembourg 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 Luxembourg Registrar and to appoint further or additional Certificate Agents or a further or additional Luxembourg Registrar, provided that no termination of appointment of any Certificate Agent or the Luxembourg Registrar shall become effective until a replacement Certificate Agent or a

replacement Luxembourg 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 Luxembourg Registrar and Provided Further That there shall be a New York Agent. Notice of any termination of appointment and of any changes in the specified office of any Certificate Agent or the Luxembourg Registrar will be given to Holders in accordance with Condition 10. In acting under the Master Agency Agreement, each Certificate Agent and the Luxembourg 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 Luxembourg 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) **Determination Agent**

In relation to each issue of Certificates, the Determination 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 Determination 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 Determination 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 Agency 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 Agency Agreement) of a modification of the Terms and Conditions or the Master Agency 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 Agency 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 Certificateholders, to substitute any other entity the identity of which shall be in the absolute discretion of the Bank in place of the Bank as Issuer or, in relation to Certificates issued by BCCL as Guarantor (the "***New Issuer***" or "***New Guarantor***" as the case may be) to act as issuer in respect of Certificates issued by it and as guarantor in respect of the obligations of BCCL under any Certificates issued by BCCL that are then outstanding under the Programme and any Certificates issued by BCCL thereafter, provided that (i) the New Issuer/New Guarantor's long term unsecured, unsubordinated and unguaranteed debt obligations are rated at least the same as the Bank's long term rating at the date on which the substitution is to take effect or the New Issuer/New Guarantor has an equivalent long term rating from another internationally recognised rating agency; (ii) the New Guarantor enters into a guarantee on substantially the same terms as the Master Deed Poll Guarantee (a "***New Guarantee***"); and (iii) the Bank irrevocably guarantees all amounts payable by the New Issuer or the New Guarantor, as the case may be.

In the event of any such substitution, any reference in these Conditions to the Bank as Issuer or as Guarantor shall be construed as a reference to the New Issuer/New Guarantor 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 of each Series then outstanding in accordance with Condition 10. In connection with such right of substitution, the Bank 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 as Issuer or as Guarantor or the New Issuer/New Guarantor any indemnification or payment in respect of any tax consequence of any such substitution upon such Holder.

14. GOVERNING LAW

The Certificates, the Global Certificate, the Master Agency Agreement and the Guarantee and any non-contractual obligations arising out of or in connection with any of them 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 LINKED CERTIFICATES, EQUITY LINKED CERTIFICATES, DEBT LINKED CERTIFICATES, COMMODITY LINKED CERTIFICATES AND FUND LINKED CERTIFICATES

(A) Index Linked 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 Determination 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 Determination 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.

(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 Determination Agent, or (ii) replaced by a successor index using, in the determination of the Determination 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 Determination 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 Determination 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 Determination 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 Determination Agent shall, as soon as practicable, notify the Issue and Paying Agent of any determination made by it pursuant to paragraph (b) above and the action proposed to be taken in relation thereto and the Issue

and Paying Agent shall make available for Holders copies of any such determinations.

(B) **Equity Linked 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 Determination 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 Determination 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.

(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 Determination Agent;

(iii) an extraordinary dividend as determined by the Determination 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, or any of such Basket Company's subisidiaries or Share Company's subsidiaries (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 Determination 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 Determination 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 Determination 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

Determination 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 Determination 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 Determination Agent, the Determination 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 Equity Linked 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 Determination 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 Determination 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 Determination Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Determination 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 Determination 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 Determination 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 Equity Linked 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 Determination Agent in its sole and absolute discretion; and (ii) require the Determination 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 Determination 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 Determination 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 Determination 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 Determination 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 Determination 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 Determination 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 Equity Linked 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 Determination Agent may (but is not obliged to) (i) substitute the Affected Share with a substitute share (the "***Substitute Share***") selected by the Determination 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 Determination 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 Determination 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 Equity Linked 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 Determination 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 Issue and Paying Agent a duly completed notice (a "***Cash Dividend Notice***") in the applicable form set out in Schedule 15 of the Master Agency 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 Agent with a copy to the Issue and Paying Agent a duly completed notice (a "***Cash Dividend Notice***") in the applicable form set out in Schedule 16 of the Master Agency 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 Luxembourg Registrar with a copy to the Issue and Paying Agent a duly completed notice (a "***Cash Dividend Notice***") in the applicable form set out in Schedule 17 of the Master Agency 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 Issue and Paying 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 Issue and Paying 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 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 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 Luxembourg Registrar shall verify that the person delivering the Cash Dividend Notice is the Holder according to the Register. Subject thereto, the Luxembourg 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 Agent or the Luxembourg 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 Determination 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 Determination 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 Determination 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 Determination 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 Determination Agent shall calculate (A) the relevant Share Number, (B) the relevant Ex-Dividend Date, and (C) the relevant Expected Stock Delivery Date.

(ii) The Determination 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 Issue and Paying Agent a duly completed notice (a "***Stock Dividend Notice***") in the applicable form set out in Schedule 15 of the Master Agency 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 Agent with a copy to the Issue and Paying Agent a duly completed notice (a "***Stock Dividend Notice***") in the applicable form set out in Schedule 16 of the Master Agency 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 Luxembourg Registrar with a copy to the Issue and Paying Agent a duly completed notice (a "***Stock Dividend Notice***") in the applicable form set out in Schedule 17 of the Master Agency 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 Issue and Paying 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 Issue and Paying 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 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 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 Luxembourg Registrar shall verify that the person delivering the Stock Dividend Notice is the Holder according to the Register. Subject thereto, the Luxembourg 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 Agent or the Luxembourg 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 Determination Agent equal to the market value of the Distributed Shares determined by the Determination 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 Determination 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 Determination Agent in its sole and absolute discretion.

"***New Certificate Amount***" means, in respect of each Certificate, an amount of Certificates calculated by the Determination Agent equal to (a) the Distributed Shares less (b) Shares with a market value determined by the Determination Agent in its sole and absolute discretion on such day selected by the Determination 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 Determination 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 Determination 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 Determination 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 Divided 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 Determination 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 Determination 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 Issue and Paying Agent a duly completed notice (a "***Rights Notice***") in the applicable form set out in out in Schedule 15 of the Master Agency 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 Agent with a copy to the Issue and Paying Agent a duly completed notice (a "***Rights Notice***") in the applicable form set out in out in Schedule 16 of the Master Agency 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 Luxembourg Registrar with a copy to the Issue and Paying Agent a duly completed notice (a "***Rights Notice***") in the applicable form set out in Schedule 17 of the Master Agency 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 Issue and Paying 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 Issue and Paying 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 Agent shall verify that the person delivering the Rights Notice is the Holder according to the records of DTC. Subject thereto, the New York 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 Luxembourg Registrar shall verify that the person delivering the Rights Notice is the Holder according to the Register. Subject thereto, the Luxembourg 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 Agent or the Luxembourg 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 Determination 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 Determination Agent.

"***Rights Amount***" means, in respect of a Certificate, an amount calculated by the Determination 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 Determination Agent equal to the market value of the Rights Share Number determined by the Determination 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 Determination Agent equal to (a) the Rights Share Number less (b) Shares with a market value determined by the Determination Agent in its sole and absolute discretion on such day selected by the Determination 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 Determination Agent is 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 Determination 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 Determination Agent in its sole and absolute discretion.

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

"***Rights Issue Event***" means, in the determination of the Determination 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 Determination 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 Determination 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 Agent or in the case of Certificates represented by a Registered Global Certificate, the Luxembourg Registrar, in each case, in consultation with the Issue and Paying 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 Issue and Paying Agent immediately after being delivered or sent to Clearstream, Luxembourg, Euroclear, the New York Agent or the Luxembourg 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 Agent or the Luxembourg Registrar, as the case may be, in consultation with the Issue and Paying 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 Agent or the Luxembourg Registrar, as the case may be, with a copy to the Issue and Paying Agent.

(iii) Clearstream, Luxembourg, Euroclear, the New York Agent or the Luxembourg 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 Issue and Paying 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 Issue and Paying Agent, Clearstream, Luxembourg, Euroclear, the New York Agent or the Luxembourg 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 Linked 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 Determination 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 Linked Certificates**

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

(E) **Commodity Linked Certificates**

(a) ISDA Determination for Commodity Linked Certificates

In relation to Commodity Linked Certificates, the Relevant Commodity Price for a Relevant Commodity or a Commodity Index, shall be the price equal to the "Relevant Price" that would be determined by the Determination Agent under a commodity transaction if the Determination Agent were acting as the "Calculation Agent" for that commodity transaction under the terms of an agreement incorporating the 2005 ISDA Commodity Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Certificates (the "***ISDA Commodity Definitions***"), and under which:

(i) the Commodity Reference Price is as specified in the applicable Final Terms;

(ii) the Specified Price is as specified in the applicable Final Terms;

(iii) the Delivery Date (if any) is as specified in the applicable Final Terms; and

(iv) the Pricing Date(s) is/are date(s) as specified in the applicable Final Terms.

(b) Commodity Market Disruption Event and Disruption Fallback

If, in the opinion of the Determination Agent, a Commodity Market Disruption Event (as defined below) has occurred and is continuing on any Pricing Date (or, if different, the day on which prices for that Pricing Date would, in the ordinary course, be published by the Price Source), the Relevant Commodity Price for that Pricing Date will be determined by the Determination Agent in accordance with the first applicable Disruption Fallback (as defined below) that provides a Relevant Commodity Price.

(c) Common Pricing

With respect to Certificates relating to a Basket of Commodities, if "***Common Pricing***" has been selected in the applicable Final Terms as:

(i) "Applicable" then, no date will be a Pricing Date unless such date is a day on which all referenced Commodity Reference Prices (for which such date would otherwise be a Pricing Date) are scheduled to be published or announced.

(ii) "Inapplicable" then, if the Determination Agent determines that a Commodity Market Disruption Event has occurred or exists on the Pricing Date in respect of any Relevant Commodity and/or Commodity Index in the basket (the "***Affected Commodity***"), the Relevant Commodity Price of each Relevant Commodity and/or Commodity Index within the basket which is not affected by the occurrence of a Commodity Market Disruption Event shall be determined on its scheduled Pricing Date and the Relevant Commodity Price for the Affected Commodity shall be determined in accordance with the first applicable Disruption Fallback that provides a Relevant Reference Price.

All determinations made by the Determination Agent pursuant to this Condition will be conclusive and binding on the Certificateholders, the Guarantor (where the Certificates are issued by BCCL) and the relevant Issuer except in the case of manifest error.

(d) Correction to Published Prices

For purposes of determining or calculating the Relevant Commodity Price, if the price published or announced on a given day and used or to be used by the Determination Agent to determine the Relevant Commodity Price is subsequently corrected and the correction is published or announced by the person responsible for that publication or announcement within 30 calendar days after the original publication or announcement, the Determination Agent may, in its sole discretion, recalculate relevant payment amount, using such corrected price. The Determination Agent shall notify the Issuer of any such correction, the revised Relevant Commodity Price and the relevant payment amount, as a result of that correction.

The Issuer reserves the right (such right to be exercised in the Issuer's sole and unfettered discretion and without any liability whatsoever) to make such adjustments as it believes appropriate in circumstances where an event or events occur that the Issuer believes, in its sole discretion, should, in the context of the issue of Certificates and the obligations of the Issuer thereunder, give rise to such adjustment as is necessary to preserve the economic equivalent of the obligations of the Issuer under the Certificates and to maintain the economic equilibrium of the Certificates.

(e) Adjustments to Commodity Index

With respect to a Commodity Index:

(i) if the Commodity Reference Price is permanently cancelled or is not calculated and announced by the sponsor of such Commodity Index or any of its affiliates (together the "***Sponsor***") but is (i) calculated and announced by a successor sponsor (the "***Successor Sponsor***") acceptable to the Determination Agent, or (ii) replaced by a successor index (the "***Successor Index***") using, in the determination of the Determination Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the Relevant Commodity Price, then the Relevant Commodity Price will be deemed to be the price so calculated and announced by that Successor Sponsor or that Successor Index, as the case may be.

(ii) if, on or prior to the Redemption Date, (i) the Sponsor makes a material change in the formula for or the method of calculating the Relevant Commodity Price or in any other way materially modifies such Commodity Index (other than a modification prescribed in that formula or method to maintain the Relevant Commodity Price in the event of changes in constituent commodities and weightings and other routine events), or (ii) the Sponsor permanently cancels the Commodity Index or (iii) the Sponsor fails to calculate and announce the Commodity Index for a continuous period of three Trading Days and the Determination Agent determines that there is no Successor Sponsor or Successor Index, then the Determination Agent may at its option (in the case of (i)) and shall (in the case of (ii) and (iii)) (such events (i) (ii) & (iii) to be collectively referred to as "Index Adjustment Events") calculate the Relevant Commodity Price using in lieu of the published level for that Commodity Index (if any), the level for that Commodity Index as at the relevant determination date as determined by the Determination Agent in accordance with the formula for and method of calculating that Commodity Index last in effect prior to the relevant Index Adjustment Event (as the case may be), but using only those futures contracts that comprised that Commodity Index immediately prior to the

relevant Index Adjustment Event (as the case may be) (other than those futures contracts that have ceased to be listed on any relevant exchange).

(f) Adjustments to payment dates or settlement dates

If, as a result of a delay pursuant to the occurrence of a Commodity Market Disruption Event or Index Adjustment Event, a Relevant Commodity Price is unavailable to determine any amount payable on any scheduled payment date or settlement date, that payment date or settlement date will be delayed to fall on the second Business Day following the determination of the Relevant Commodity Price under the Disruption Fallback provision or Adjustments to Commodity Index provision, as the case may be.

(g) Definitions for Commodity Linked Certificates

"***Determination Agent Determination***" in respect of Commodity Linked Certificates, means that the Determination Agent will determine the Relevant Commodity Price (or a method for determining the Relevant Commodity Price), taking into consideration the latest available quotation for the relevant Commodity Reference Price and any other information that in its sole discretion it deems relevant.

"***Commodity Market Disruption Event***" means the occurrence of any of the following events:

(A) with respect to a Relevant Commodity:

(i) Price Source Disruption;

(ii) Trading Disruption;

(iii) Disappearance of Commodity Reference Price;

(iv) Material Change in Formula;

(v) Material Change in Content; and

(vi) any additional Commodity Market Disruption Events specified in the applicable Final Terms.

(B) with respect to a Commodity Index:

(i) a temporary or permanent failure by the applicable exchange or other price source to announce or publish (a) the final settlement price for the Commodity Reference Price or (b) closing price for any futures contract included in the Commodity Reference Price;

(ii) a material limitation, suspension or disruption of trading in one or more of the futures contracts included in the Commodity Reference Price; or

(iii) the closing price for any futures contract included in the Commodity Reference Price is a "limit price", which means that the closing price for such contract for a day has increased or decreased from the previous day's closing price by the maximum amount permitted under applicable exchange rules.

"***Delayed Publication or Announcement***" in respect of Commodity Linked Certificates, means that the Relevant Commodity Price for a Pricing Date will be determined based on the Specified Price in respect of the original day scheduled as

such Pricing Date that is published or announced by the relevant Price Source retrospectively on the first succeeding Commodity Business Day on which the Commodity Market Disruption Event ceases to exist, unless that Commodity Market Disruption Event continues to exist (measured from and including the original day that would otherwise have been the Pricing Date) or the Relevant Commodity Price continues to be unavailable for [two] consecutive Commodity Business Days.

"***Disruption Fallback***" means a source or method that may give rise to an alternative basis for determining the Relevant Commodity Price in respect of a specified Commodity Reference Price when a Commodity Market Disruption Event occurs or exists on a day that is a Pricing Date. A Disruption Fallback is applicable if it is specified in the applicable Final Terms or, if no Disruption Fallback is specified in the applicable Final Terms, shall be deemed to mean:

(A) with respect to a Relevant Commodity, (in the following order):

(i) Fallback Reference Price (if applicable);

(ii) Delayed Publication or Announcement and Postponement (each to operate concurrently with the other and each subject to a period of two consecutive Commodity Business Days of disruption (measured from and including the original day that would otherwise have been the Pricing Date); provided, however, that the price determined by Postponement shall be the Relevant Commodity Price only if Delayed Publication or Announcement does not yield a Relevant Commodity Price within that two consecutive Commodity Business Days); and

(iii) Determination Agent Determination.

(B) with respect to a Commodity Index, the following fallback determination mechanism:

(i) with respect to each futures contract included in the Commodity Reference Price which is not affected by the Market Disruption Event, the Relevant Commodity Price will be based on the closing prices of each such contract on the applicable determination date;

(ii) with respect to each futures contract included in the Commodity Reference Price which is affected by the Market Disruption Event, the Relevant Commodity Price will be based on the closing prices of each such contract on the first day following the applicable determination date on which no Market Disruption Event is occurring with respect to such contract;

(iii) subject to Clause (iv) below, the Determination Agent shall determine the Relevant Commodity Price by reference to the closing prices determined in Clauses (i) and (ii) above using the then-current method for calculating the Relevant Commodity Price; and

(iv) where a Commodity Market Disruption Event with respect to one or more futures contracts included in the Commodity Reference Price continues to exist (measured from and including the first day following the applicable determination date) for five consecutive Trading Days, the Determination Agent shall determine the Relevant Commodity Price in good faith and in a commercially reasonable manner.

"***Fallback Reference Price***" in respect of Commodity Linked Certificates, means that the Determination Agent will determine the Relevant Commodity Price based on the price for that Pricing Date of the first alternate Commodity Reference Price, if any, specified in the applicable Final Terms and not subject to a Commodity Market Disruption Event.

"***Postponement***" in respect of Commodity Linked Certificates, means that the Pricing Date will be deemed, for purposes of the application of this Disruption Fallback, to be the first succeeding Commodity Business Day on which the Commodity Market Disruption Event ceases to exist, unless that Commodity Market Disruption Event continues to exist for [two] consecutive Commodity Business Days (measured from and including the original day that would otherwise have been the Pricing Date).

"***Trading Day***" means, for the purposes of "Disruption Fallback" and this Condition 15(E), a day when:

(i) the Determination Agent is open for business in London and New York; and

(ii) the exchanges of all futures contracts included in the Commodity Reference Price are open for trading.

(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 Hedging Disruption and/or an Asian Increased Cost of Hedging, in each case if specified in the applicable Final Terms.

"***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 for the Issuer and/or any of its Affiliates to hold, acquire or dispose of the Hedge Positions relating to the Certificates or (Y) the Issuer or any of its Affiliates it will incur a materially increased cost

in performing their 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 their tax position).

"***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 Equity Linked Certificates) or securities/commodities comprised in an Index (in the case of Index Linked 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 Equity Linked Certificates) or any security/commodity comprised in an Index (in the case of Index Linked Certificates) that is greater than the Initial Stock Loan Rate.

"***Initial Stock Loan Rate***" means, in respect of a Share (in the case of Equity Linked Certificates) or a security/commodity comprised in an Index (in the case of Index Linked 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.

"**L*oss 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 Equity Linked Certificates) or any securities/commodities comprised in an Index (in the case of Index Linked 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 Equity Linked Certificates) or a security/commodity comprised in an Index (in the case of Index Linked 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 Determination 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 the 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 amount determined by the Determination Agent as the market value of the Certificate (taking into account the Additional Disruption Event or an Asian Additional Disruption Event, as the case may be), adjusted to take account of all costs, losses and expenses (if any) which the Issuer and/or its Affiliates would incur in the early redemption of the Securities, including hedging unwind and funding breakage costs. In determining such amount, the Determination Agent may take into account prevailing market prices and/or proprietary pricing models, or where those pricing models may not yield a commercially reasonable result, may determine such amount in good faith and in a commercially reasonable manner. The amount determined in accordance with this Condition will be determined by the Determination Agent on or as soon as reasonably practicable following the Additional Disruption Event or Asian Additional Disruption Event. 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 including any redemption of the Certificates pursuant to sub-paragraph (F)(b)(ii) above.

(G) **FX Disruption Event**

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

(A) the determination by the Determination 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 Determination Agent determines that the government of the Specified Jurisdiction has given public notice of its intention to impose any capital controls which the Determination 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 Determination Agent in its sole and absolute discretion; or

(ii) deduct an amount calculated by the Determination 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 Determination 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 Determination 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 Determination Agent to conform them to conventions then applicable to instruments expressed in Euro; and/or

(ii) require that the Determination 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 Determination 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 Determination 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.

BOOK ENTRY PROCEDURES FOR RULE 144A GLOBAL CERTIFICATES DEPOSITED WITH DTC

The Rule 144A Certificates will be issued in the form of registered certificates in global form, without interest coupons. Upon issuance, one or more Global Certificates will be deposited either (1) with the Certificate Agent as custodian for The Depository Trust Company ("***DTC***") and registered in the name of Cede & Co., as nominee of DTC or (2) with a common depositary on behalf of Clearstream Banking, société anonyme, and Euroclear Bank S.A./N.V.

Ownership of beneficial interests in a Global Certificate deposited with DTC will be limited to persons who have accounts with DTC ("***DTC Participants***") or persons who hold interests through DTC Participants. The Issuers expect that under procedures established by DTC:

- upon deposit of a Global Certificate with DTC's custodian, DTC will credit portions of the principal amount of the Global Certificate to the accounts of the DTC Participants designated by the Manager; and

- ownership of beneficial interests in a Global Certificate will be shown on, and transfer of ownership of those interests will be effected only through, records maintained by DTC (with respect to interests of DTC Participants) and the records of DTC Participants (with respect to other owners of beneficial interests in the Global Certificate).

Beneficial interests in a Global Certificate may not be exchanged for certificates in physical, certificated form except in the limited circumstances described below.

Any Global Certificate and beneficial interests in the Global Certificate will be subject to restrictions on transfer as described under "Transfer Restrictions for Certificates."

Book-Entry Procedures for Global Certificates

All interests in Global Certificates will be subject to the operations and procedures of DTC. The following summary of those operations and procedures are provided solely for the convenience of investors. The operations and procedures of DTC are controlled by DTC and may be changed at any time. Neither the Issuers nor the Manager is responsible for those operations or procedures.

DTC has advised the Issuers that it is:

- a limited purpose trust company organized under the New York Banking Law;

- a "banking organization" within the meaning of the New York Banking Law;

- a member of the Federal Reserve System;

- a "clearing corporation" within the meaning of the New York Uniform Commercial Code; and

- a "clearing agency" registered pursuant to the provisions of Section 17A of the US Securities Exchange Act of 1934, as amended (the "***Exchange Act***").

DTC was created to hold securities for its participants and to facilitate the clearance and settlement of securities transactions between its participants through electronic book-entry changes to the accounts of its participants, thereby eliminating the need for physical transfer and delivery of certificates. DTC's Participants include securities brokers and dealers, including the initial purchasers; banks and trust companies; clearing corporations and other organizations. Indirect access to DTC's system is also available to others such as banks, brokers, dealers and trust companies; these indirect participants clear through or maintain a custodial relationship with a DTC Participant, either directly or indirectly. Investors who are not DTC Participants may beneficially own securities held by or on behalf of DTC only through DTC Participants or indirect participants in DTC.

So long as DTC's nominee is the registered owner of a Global Certificate, that nominee will be considered the sole owner or holder of the notes represented by that Global Certificate for all purposes under the Master Agency Agreement. Except as provided below, owners of beneficial interests in a Global Certificate:

- will not be entitled to have notes represented by a Global Certificate registered in their names;
- will not receive or be entitled to receive physical, certificated notes; and
- will not be considered the owners or holders of the Notes under the Master Agency Agreement for any purpose, including with respect to the giving of any direction, instruction or approval to the Agent under the Master Agency Agreement.

As a result, each investor who owns a beneficial interest in a Global Certificate must rely on the procedures of DTC to exercise any rights of a holder of notes under the Master Agency Agreement (and, if the investor is not a participant or an indirect participant in DTC, on the procedures of the DTC Participant through which the investor owns its interest).

Payments of principal, premium (if any), additional amounts (if any) and interest (if any) with respect to the Notes represented by a Global Certificate will be made by the Certificate Agent to DTC's nominee as the registered holder of the Global Certificates. Neither the Issuers nor the Certificate Agent will have any responsibility or liability for the payment of amounts to owners of beneficial interests in a Global Certificate, for any aspect of the records relating to or payments made on account of those interests by DTC, or for maintaining, supervising or reviewing any records of DTC relating to those interests.

Payments by DTC Participants and indirect participants in DTC to the owners of beneficial interests in a Global Certificate will be governed by standing instructions and customary industry practice and will be the responsibility of those DTC Participants or indirect participants and DTC.

Transfers between in DTC Participants will be effected under DTC's procedures and will be settled in same-day funds.

Certificated Certificates

Certificates in physical, certificated form ("***certificates***") will be issued and delivered to each person that DTC identifies as a beneficial owner of the related notes only on the occurrence of one of the following events (for these purposes, an "***Exchange Event***"):

- DTC notifies the relevant Issuer at any time that it is unwilling or unable to continue as depositary for the Global Certificates and a successor depositary is not appointed within 90 days;
- DTC ceases to be registered as a clearing agency under the Exchange Act and a successor depositary is not appointed within 90 days; or
- the relevant Issuer, at its option, notifies the Certificate Agent that it elects to cause the issuance of certificated notes.

The laws of some countries and some states in the United States require that certain persons take physical delivery in definitive form of securities that they own. Consequently, the ability to transfer beneficial interests in a Global Certificate to such persons may be limited to that extent. Because DTC can act only on behalf of DTC Participants, the ability of a person having beneficial interests in a Global Certificate to pledge such interests to persons or entities that do not participate in the relevant clearing system, or otherwise take actions in respect of such interests, may be affected by the lack of a physical certificate evidencing such interests.

WARRANTS

The following section of the Base Prospectus on pages 217 to 270 relates only to Warrants and does not relate to Notes or Certificates issued under the Programme.

General

A Linked Security is the tradable unit (for listing and trading purposes) comprising one Call Warrant and one Put Warrant. No separate terms and conditions apply to the Linked Securities as all of the rights pertaining to a Linked Security are as set out in the Conditions. Interests in Linked Securities will be transferable in accordance with the rules of Clearstream, Luxembourg or Euroclear, as the case may be. As described below under "Automatic Separation", in order to facilitate the exercise procedure with respect to the Warrants comprising the Linked Securities, all Linked Securities held at the time of exercise will be automatically separated into their component Warrants.

The Linked Securities will be given a separate common code and ISIN number by Clearstream, Luxembourg and Euroclear.

Separation of Linked Securities into component Warrants

An investor may separate a Linked Security into its component Call Warrant and Put Warrant. The minimum number of Linked Securities which can be separated is 50,000. In order to separate a Linked Security, an investor must comply with the following "Separation Requirements":

1. Non-Professional Investors holding Linked Securities through a Professional Investor with an account at Clearstream, Luxembourg or Euroclear and Professional Investors holding Linked Securities through another Professional Investor with an account at Clearstream, Luxembourg or Euroclear must request that the Professional Investor in whose Clearstream, Luxembourg or Euroclear account such Linked Securities are held send a notice of separation to Clearstream, Luxembourg or Euroclear, as appropriate.

2. Following such request, a non-Professional Investor will be sent, by the Professional Investor holding Linked Securities on its behalf, a "Separation Statement" as set out below.

3. Once the Separation Statement form has been signed and returned by the non-Professional Investor to the Professional Investor which is holding such Linked Securities, the Professional Investor will be able to submit a request for separation to Clearstream, Luxembourg or Euroclear, as appropriate, on behalf of such non-Professional Investor.

4. Following receipt of a request to separate a Linked Security and completion of the procedures in relation to non-Professional Investors described in paragraphs 1, 2 and 3 above, Professional Investors who are acting on behalf of such non-Professional Investors or Professional Investors or who are holders of Linked Securities for their own account will be required to submit a written request to Clearstream, Luxembourg or Euroclear, as appropriate. Such notice must contain the information required by Clearstream, Luxembourg or Euroclear, as appropriate, and must also contain the following statement:

   "Separation Requirements have been complied with."

   Such notice must be delivered to Euroclear or Clearstream, Luxembourg, as appropriate, in such manner as is acceptable to the relevant clearing system authenticated SWIFT.

5. At the same time as giving notice to Clearstream, Luxembourg or Euroclear, as the case may be, such Professional Investor shall confirm compliance with the "Separation Requirements" by sending to the Issue and Paying Agent a copy of the following notice duly completed:

"**Notice of Separation**

We [name of Professional Investor], being a "**Professional Investor**" (being a person whose ordinary activities involve it in acquiring, holding, managing or selling investments for the purpose of its business or an entity which is an authorised person under the Financial Services and Markets Act 2000, or an equivalent person or entity in a jurisdiction outside the United Kingdom) have requested a separation of [X] [*include details of relevant Linked Securities*] into their component Call Warrants and Put Warrants."

If we are making this request as a result of instructions received from one of our customers which is not a Professional Investor, we confirm that we have sent and received back a signed copy of the following Separation Statement from such non-Professional Investor:

"**Separation Statement**

Unlike a holding of Linked Securities, the separate holding of Call Warrants and Put Warrants will not guarantee payment of the aggregate Cash Settlement Amount payable or exercise of a Call Warrant and a Put Warrant. Only to the extent that an equal number of Call Warrants and Put Warrants are held on a Lock-In Date or the Final Exercise Date, as the case may be, will the holder be entitled to receive, as applicable, such aggregate amount on the Settlement Date. If a Linked Security is separated into its component Call Warrant and Put Warrant prior to a Lock-In Date, such Call Warrant and Put Warrant will each be exercisable only on the Lock-In Date and the holder of such Warrants will only be entitled to receive the Call Warrant Lock-In Amount and the Put Warrant Lock-In Amount.

The Warrants include a high degree of gearing, so that a relatively small movement in the price of any Share may result in a disproportionately large movement in the price of Warrants. The price of Warrants can therefore be volatile.

Terms used in this statement have the meanings given to them in the Conditions of the Warrants as amended and supplemented by the applicable Final Terms issued in respect of the Call Warrants and the Put Warrants, as applicable, copies of which are available free of charge from the Warrant Agents.

An investor should note that if it is not a Professional Investor, it will not be able to separate any Linked Securities held by it and trade the component Warrants independently of each other unless such investor has signed and returned to the Professional Investor through which it holds such Linked Security a form containing the Separation Statement wording set out above."

Automatic Separation

In the event that the automatic separation provisions apply as described above the "Separation Requirements" described above will not apply.

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PRO FORMA FINAL TERMS FOR WARRANTS

The Final Terms for each Series of Warrants will include such of the following information as is applicable with respect to such Warrants and such other information as may be required from time to time by the Relevant Stock Exchange.

Final Terms



BARCLAYS BANK PLC

(Incorporated with limited liability in England and Wales)

BARCLAYS CAPITAL (CAYMAN) LIMITED

(Incorporated with limited liability in the Cayman Islands)

STRUCTURED SECURITIES PROGRAMME

for the issue of Notes, Certificates and Warrants

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

[Title of Warrants]

Under the Structured Securities Programme

[Guaranteed by Barclays Bank PLC]

Issue Price: [issue price] of par

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

This document has been prepared for the purposes of giving information about the issue by [Barclays Bank PLC][Barclays Capital (Cayman) Limited] of the [title of the Warrants], Series [series number] (the "***Warrants***"). This document constitutes the Final Terms of the Certificates described herein and is prepared in connection with the Structured Securities Programme established by Barclays Bank PLC (the "***Bank***") and Barclays Capital (Cayman) Limited ("***BCCL***") and is supplemental to and should be read in conjunction with the Base Prospectus dated 27 March 2009, as supplemented and amended from time to time, which constitutes a base prospectus for the purpose of the Directive 2003/71/EC (the "***Base Prospectus***"). Full information on the Issuer and the offer of the Warrants 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 office of the Issue and Paying Agent for the time being in London and copies may be obtained from such office. Words and expressions defined in the Base Prospectus and not defined in this document shall bear the same meanings when used herein.

[Subject as provided below,] the Issuer [and the Guarantor] accept[s] responsibility for the information contained in these Final Terms. To the best of [its/their] knowledge and belief (having taken all reasonable care to ensure

that such is the case) the information contained in these Final Terms is in accordance with the facts and does not contain anything likely to affect the import of such information. [The information relating to [●] [and ●] contained herein has been accurately extracted from [*insert information source(s)*]. [The Issuer [and the Guarantor] confirm that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by [●] [and ●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

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

This document has been prepared for the purposes of giving information about the issue by [Barclays Bank PLC] [Barclays Capital (Cayman) Limited] of the [title of the Notes], Series [series number] (the "***Notes***"). This document constitutes the Final Terms of the Notes described herein and is prepared in connection with the Structured Securities Programme established by Barclays Bank PLC (the "***Bank***") and Barclays Capital (Cayman) Limited ("***BCCL***") and is supplemental to and should be read in conjunction with the Base Prospectus dated 27 March 2009, as supplemented and amended from time to time, which constitutes a base prospectus for the purpose of the Directive 2003/71/EC (the "***Base Prospectus***"), save in respect of the Conditions which are extracted from the [Base Prospectus] [Offering Circular] dated [original date], as incorporated by refererence in the Base Prospectus dated 27 March 2009. Full information on the Issuer and the offer of the Notes 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 office of the Issue and Paying Agent for the time being in London and copies may be obtained from such office. Words and expressions defined in the Base Prospectus and not defined in this document shall bear the same meanings when used herein.

[Subject as provided below,] the Issuer [and the Guarantor] accept[s] responsibility for the information contained in these Final Terms. To the best of [its/their] knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in these Final Terms is in accordance with the facts and does not contain anything likely to affect the import of such information. [The information relating to [l] [and l] contained herein has been accurately extracted from [*insert information source(s)*]. [The Issuer [and the Guarantor] confirm that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by [l] [and l], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Investors should refer to "Risk Factors" in the Base Prospectus for a discussion of certain matters that should be considered when making a decision to invest in the Warrants.

Barclays Capital

[Issue Date]

The distribution of this document and the offer of the Warrants in certain jurisdictions may be restricted by law. Persons into whose possession these Final Terms come are required by the Bank to inform themselves about and to observe any such restrictions. Details of selling restrictions for various jurisdictions are set out in “Purchase and Sale” in the Base Prospectus. In particular, the Warrants have not been, and will not be, registered under the US Securities Act of 1933, as amended, and are subject to US tax law requirements. Trading in the Warrants has not been approved by the US Commodity Futures Trading Commission under the US Commodity Exchange Act of 1936, as amended. Subject to certain exceptions, the Warrants may not at any time be offered, sold or delivered in the United States or to US persons, nor may any US persons at any time trade or maintain a position in such Warrants.

[Relevant Risk Factors to be inserted] [N/A]

Part A
Terms and Conditions of the Warrants

The Warrants shall have the following terms and conditions, which shall complete, modify and/or amend the terms and conditions (the Conditions) set out in the Base Prospectus dated 27 March 2009.

[*When adding any other terms or information consideration should be given as to whether such terms or information constitute "signifcant 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 Warrants 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]
2.	[Guarantor:	Barclays Bank PLC]
3.	Series Number:	The Series Number of the Warrants is [ ].
4.	Consolidation:	The Warrants are to be consolidated and form a single Series with the [*insert title of relevant series of Warrants*] issued on [*insert issue date*].
5.	Type of Warrants:	
	(i)	The Warrants are [Index Linked Warrants / Equity Linked Warrants / Debt Linked Warrants / Currency Linked Warrants / Commodity Linked Warrants / Fund Linked Warrants / Non-Standard Warrants)].
	(ii)	The Warrants are [European/American/(*specify other*)] Style Warrants.
	(iii)	The Warrants are [Call Warrants/Put Warrants/(*specify other*)].
	(iv)	The Warrants relate to [*describe relevant Index/Indices/Shares/Debt Instruments/Currencies/ Commodities/Funds*].
	(v)	Automatic Exercise [applies/does not apply]. *(N.B. Automatic Exercise may only apply to Cash Settled Warrants)*
6.	Averaging:	Averaging [applies/does not apply] to the Warrants. [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 Linked Warrants, Currency Linked Warrants, Commodity Linked Warrants or Fund Linked Warrants*)]

7.	Number of Warrants being issued:	The number of Warrants being issued is [ ].
8.	Units:	Warrants must be exercised in Units. Each Unit consists of [ ] Warrants. (*N.B. This is in addition to any requirements relating to "Minimum Exercise Number" or "Maximum Exercise Number" set out below*)
9.	Issue Price:	The issue price per [Warrant/Unit] is [ ].
10.	Exercise Price:	The exercise price per [Warrant/Unit] (which may be subject to adjustment in accordance with Condition 16(B)) in the case of Equity Linked Warrants) is [ ]. *(N.B. This should take into account any relevant Multiplier and, in the case of an Index Linked Warrant, must be expressed as a monetary value. The exercise price for a Warrant which may be exchanged for preference shares in BCCL shall not be less than the par value of the share being obtained.)*
11.	Issue Date:	The issue date of the Warrants is [ ].
12.	Exercise Date:	The exercise date of the Warrants is [ ], provided that, if such date is not an Exercise Business Day, the Exercise Date shall be the immediately [preceding/succeeding] Exercise Business Day. *(N.B. Only applicable in relation to European Style Warrants)*
13.	Exercise Period:	The exercise period in respect of the Warrants is from and including [ ] to and including [ ] [, or if [ ] is not an Exercise Business Day, the immediately [succeeding] Exercise Business Day]. (*N.B. Only applicable in relation to American Style Warrants*)
14.	Settlement Date:	[(i)] The settlement date for the Warrants is [ ]. (*N.B. Applicable for Physical Delivery Warrants. Only applicable for Cash Settled Warrants if Settlement Date is different from the definition in Condition 4*) [(ii) "***Settlement Business Day***" for the purposes of Condition 5(C)(ii) means [ ]. (*N.B. Only applicable in the case of Physical Delivery Warrants*)]
15.	Exchange Business Day	[ ] (*N.B. Only applicable if different from the definition in Condition 4*)
16.	Business Day Centre(s):	The applicable Business Day Centre[s] for the purposes of the definition of "Business Day" in Condition 4 [is/are] [ ].
17.	Settlement:	Settlement will be by way of [cash payment ***("Cash Settled Warrants")***] [and/or] [physical delivery (***"Physical Delivery Warrants"***)].
18.	Issuer's option to vary settlement:	The Issuer [has/does not have] the option to vary settlement in respect of the Warrants.
19.	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*].

20.	Settlement Currency:	The settlement currency for the payment of [the Cash Settlement Amount] (*in the case of Cash Settled Warrants*)/[the Disruption Cash Settlement Price] [or the Failure to Deliver Settlement Price] (*in the case of Physical Delivery Warrants*) is [ ].
21.	Determination Agent:	The Determination Agent is [Barclays Bank PLC]/[Barclays Capital Securities Limited]/[*specify other*].
22.	Exchange(s):	[For the purposes of Condition 4 and Condition 16(B), the relevant Exchange[s] [is/are] [ ]. *(N.B. Only applicable in relation to Equity Linked Warrants)*]
23.	Exchange(s) and Index Sponsor:	[For the purposes of Condition 16(A): (a) the relevant Exchange[s] [is/are] [ ] and; (b) the relevant Index Sponsor is [ ].] *(N.B. Only applicable in relation to Index Linked Warrants)*]
24.	Related Exchange(s):	[For the purposes of Condition 4 and Condition 16(B), the relevant Related Exchange(s) [is/are] [ ] /[All Exchanges] (*N.B. Only applicable in relation to Equity Linked Warrants*)]/[For the purposes of Condition 16(A), the relevant Related Exchange(s) [is/are] [ ] /[All Exchanges] (*N.B. Only applicable in relation to Index Linked Warrants*)]
25.	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 16(B) in the case of Equity Linked Warrants]/[*specify other*]. (*N.B. Only applicable in relation to Cash Settled Warrants relating to a Basket*)
26.	Nominal Amount:	The nominal amount which is to be used to determine the Cash Settlement Amount pursuant to Condition 5 is [ ] and the relevant screen page ("***Relevant Screen Page***") is [ ]. (*N.B. Only applicable in relation to Cash Settled Warrants relating to Debt Securities)*
27.	Relevant Asset(s):	The relevant asset to which the Warrants relate [is/are] [ ]. (*N.B. Only applicable in relation to Physical Delivery Warrants*)
28.	Entitlement:	
	(i)	The Entitlement (as defined in Condition 4) in relation to each Warrant is [ ].
	(ii)	The Entitlement will be evidenced by [*insert details of how the Entitlement will be evidenced*].
	(iii)	The Entitlement will be delivered [*insert details of the method of delivery of the Entitlement*]. (*N.B. Only applicable in relation to Physical Delivery Warrants*)
29.	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 Warrants issued by BCCL)
30.	Minimum Exercise Number:		The minimum number of Warrants that may be exercised (including automatic exercise) on any day by any Warrantholder is [ ] [and Warrants may be exercised (including automatic exercise) in integral multiples of [ ] Warrants in excess thereof].
31.	Maximum Exercise Number:		The maximum number of Warrants that may be exercised on any day by any Warrantholder or group of Warrantholders (whether or not acting in concert) is [ ]. (*N.B. not applicable for European Style Warrants*)
32.	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*]. *(N.B. If nothing is included here provisions in the Terms and Conditions will apply)*
33.	Redemption of Debt Securities:		Where one or more of the relevant Debt Securities is redeemed (or otherwise ceases to exist) before the expiration of the relevant Warrants, [*insert appropriate fallback provisions*]. (*N.B. Only applicable in relation to Debt Linked Warrants*)
34.	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 Linked Warrants and Equity Linked Warrants, if no Relevant Time is specified, the Valuation Time will be the Scheduled Closing Time as defined in Condition 4)*.
35.	Currency Linked Warrants:		The Relevant Screen Page is [ ].
	(i)		The relevant base currency (the "***Base Currency***") is [ ].
	(ii)		The relevant subject [currency/currencies] (each a "***Subject Currency***") [is/are] [ ].
	(iii)		(*N.B. Only applicable in relation to Currency Linked Warrants)*
36.	Commodity Linked Warrants		
	(i)	Trade Date:	The Trade Date is [ ]
	(ii)	Relevant Commodity/ies or Commodity Index/Indices:	[ ]
	(iii)	Settlement Price:	[*Specify how Settlement Price is calculated by reference to Commodity Reference Price, Specified Price and Pricing Date*]
	(iv)	Commodity Reference Price:	[*specify Commodity Reference Price*] [as defined in the 2005 ISDA Commodity Derivative Definitions] (*N.B. consider whether reference to ISDA Definitions appropriate in context of investor base*)
	(v)	Price Source:	[ ] [ ]

	(vi)	Exchange:	[ ]
	(vii)	Specified Price:	[ ]
	(viii)	Delivery Date:	[ ], subject to adjustment in accordance with the Commodity Business Day Convention.
	(ix)	Pricing Date:	
	(x)	Common Pricing:	[Applicable] [Not Applicable] *(N.B. include only if Basket of Commodities)*
	(xi)	Commodity Market Disruption Events:	[As set out in Condition 16(D) of the Base Prospectus] [(*specify any applicable additional Commodity Market Disruption Events*)]
		Additional provisions for Trading Disruption:	[Not Applicable] [*If Trading Disruption applies, specify any additional futures contracts, options contracts or commodities and the related exchange to which Trading Disruption relates*]
		Disruption Fallback(s):	[As set out in Condition 16(D) of the Base Prospectus] [(*specify any applicable additional Disruption Fallback(s)*)]
	(xii)	Commodity Business Day(s):	[ ]
	(xiii)	Commodity Business Day Convention:	[Following] [Modified Following] [Nearest] [Preceding] [ ] *(N.B. Only applicable to Commodity Linked Warrants)*
37.	Fund Linked Warrants:		[*Specify Settlement Price, applicable market disruption, adjustment and/or termination provisions*]
38.	Tender Offer:		Tender Offer [applies/does not apply]. *(N.B. Tender Offer is only applicable to Equity Linked Warrants)*

39.	Additional Disruption Events:	[(a)] The following Additional Disruption Events apply to the Warrants: (Specify each of the following which applies. N.B. Additional Disruption Events are applicable to certain Index Linked Warrants or Equity Linked Warrants. Careful consideration should be given to whether Additional Disruption Events would apply for Debt Linked Warrants, Currency Linked Warrants, Commodity Linked Warrants, Fund Linked Warrants or Index Linked Warrants relating to commodity indices and if so the relevant definitions will require amendment) [Change in Law] [Hedging Disruption] [Increased Cost of Hedging] [Increased Cost of Stock Borrow] [Insolvency Filing *(N.B. Only applicable in the case of Equity Linked Warrants)*] [Loss of Stock Borrow] [(b)] [The Trade Date is [ ]. *(N.B. only applicable if Change in Law and/or Increased Cost of Hedging is applicable)*] [(c)] [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)*] [(d)] [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)*]
40.	Failure to Deliver due to Illiquidity:	Failure to Deliver due to Illiquidity applies to the Warrants. *(N.B. Only applicable in the case of Physical Delivery Warrants - Failure to Deliver due to Illiquidity is applicable to certain Equity Linked Warrants. Careful consideration should be given to whether Failure to Deliver due to Illiquidity would apply to other Physical Delivery Warrants)*
41.	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.*)

Distribution

42.	Syndication:	The Warrants will be distributed on a [non-]syndicated basis
43.	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.)
44.	Date of Subscription Agreement:	[ ]
45.	If non-syndicated, name and address of Manager:	[*Name and address*]
46.	[Total commission and concession:	[ ]]
47.	Additional selling restrictions:	[Not Applicable/*give details*]

Part B
Other Information

1. LISTING

(i)	Listing:	[London/other (*specify*)/None]
(ii)	Admission to trading:	[Application has been made for the Warrants to be admitted to trading on or around [the issue Date].] / [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.] [N/A/]

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 Warrants has an interest material to the offer. - *Amend as appropriate if there are other interests*] [N/A]

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:	[ ]

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 Linked Warrants 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.*] [N/A]

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]] (*Equity Linked Warrants 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.*] [N/A/]

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 Linked Warrants Only*)

[*Need to include details of the name of [the/each] 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.*] [N/A]

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 Linked Warrants 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.*] [N/A/]

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 Linked Warrants 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.*] [N/A/]

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 Linked Warrants 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.*] [N/A/]

11. OPERATIONAL INFORMATION

(i)	ISIN Code:	[ ]
(ii)	Common Code:	[ ]
(iii)	[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)*]

12. OFFER INFORMATION

[*If applicable, the following details should be included:*

(a) the time period, including any possible amendments, during which the offer will be open and description of the application process; (b) the minimum and/or maximum amount of application, (whether in number of securities or aggregate amount to invest; (c) the method and time limits for paying up the securities and for delivery of the securities; (d) a full description of the manner and date in which results of the offer are to be made public; and details of the Plan for Distribution (including the various categories of potential investors to which the securities are offered and the process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made).]

[The offer price [•] includes a commission element shared with a third party which will be no more than [•]%. Further details of which are available upon request.] [Or if applicable [A distribution fee has been paid to a third party. The amount of this fee will not exceed [•]% of principal of each year of the products term. The fee will be paid at trade date/annually and is not refundable in the event of early redemption or sale on the secondary market.]] [N/A/]

TERMS AND CONDITIONS OF THE WARRANTS

The following is the text of the Terms and Conditions of the Warrants which will be attached to each Global Warrant (as defined below). The applicable Final Terms in relation to any issue of Warrants 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 Warrants. The applicable Final Terms (or the relevant provisions thereof) will be attached to each Global Warrant.

The Warrants of this Series (such Warrants being hereinafter referred to as the "***Warrants***") are constituted by a global warrant (the "***Global Warrant***") and 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 Warrants are issued pursuant to an amended and restated Master Agency Agreement dated 27 March 2009 (the "***Master Agency Agreement***") between BCCL as issuer, the Bank as issuer and (where the Issuer is BCCL) guarantor (in such capacity, the "***Guarantor***"), The Bank of New York Mellon as principal warrant agent (the "***Issue and Paying Agent***", which expression shall include any successor principal warrant agent) and The Bank of New York Mellon (Luxembourg) S.A. as Luxembourg warrant agent (the "***Luxembourg Agent***", which expression shall include any additional or successor Luxembourg warrant agent and together with the Issue and Paying Agent, the "**Warrant Agents**"). The Bank shall undertake the duties of determination agent (the "***Determination Agent***") in respect of the Warrants as set out below and in the applicable Final Terms unless another entity is so specified as determination agent in the applicable Final Terms. The expression Determination Agent shall, in relation to the relevant Warrants, include such other specified determination agent.

No Warrants in definitive form will be issued. The Global Warrant has been deposited with a depositary (the "***Common Depositary***") common to Clearstream Banking, société anonyme ("***Clearstream, Luxembourg***") and Euroclear Bank S.A./N.V. ("**Euroclear**").

The applicable Final Terms for the Warrants are attached to the Global Warrant and supplement 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 Warrants.

References herein to the "***applicable Final Terms***" are to Part A of the Final Terms or each Final Terms (in the case of any further warrants issued pursuant to Condition 13 and forming a single Series with the Warrants) attached to the Global Warrant.

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 27 March 2009 executed by the Guarantor. The original of the Guarantee is held by the Issue and Paying Agent on behalf of the Warrantholders (as defined in Condition 1(B)) at its specified office.

Copies of the Master Agency Agreement and the Guarantee are available for inspection during normal business hours at the registered office of the Issuer and the specified office of the Issue and Paying Agent. Copies of the applicable Final Terms are available for viewing at the office of the Issue and Paying Agent at c/o The Bank of New York Mellon, One Canada Square, London, E14 5AL and copies may be obtained from the Issue and Paying Agent at c/o The Bank of New York Mellon, One Canada Square, London, E14 5AL save that, if this Warrant 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 Warrantholder holding one or more Warrants and such Warrantholder must produce evidence satisfactory to the Issuer and the relevant Warrant Agent as to its holding of such Warrants and identity.

Words and expressions defined in the Master Agency 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 Warrantholders are entitled to the benefit of and are deemed to have notice of and are bound by all the provisions of the Master Agency Agreement (insofar as they relate to the Warrants) and the applicable Final Terms, which are binding on them.

1. TYPE, TITLE AND TRANSFER

(A) Type

The Warrants are Index Linked Warrants, Equity Linked Warrants, Debt Linked Warrants, Currency Linked Warrants, Commodity Linked Warrants, Fund Linked Warrants or any other or further type of warrants as is specified in the applicable Final Terms. Certain terms which will, unless otherwise varied in the applicable Final Terms, apply to Index Linked Warrants, Equity Linked Warrants, Debt Linked Warrants, Currency Linked Warrants, Commodity Linked Warrants or Fund Linked Warrants are set out in Condition 16.

The applicable Final Terms will indicate whether the Warrants are American style Warrants ("***American Style Warrants***") or European style Warrants ("***European Style Warrants***") or such other type as may be specified in the applicable Final Terms, whether automatic exercise ("***Automatic Exercise***") applies to the Warrants, whether settlement shall be by way of cash payment ("***Cash Settled Warrants***") or physical delivery ("***Physical Delivery Warrants***"), whether the Warrants are call Warrants ("***Call Warrants***") or put Warrants ("***Put Warrants***"), or such other type as may be specified in the applicable Final Terms, whether the Warrants may only be exercised in Units and whether Averaging ("***Averaging***") will apply to the Warrants. If Units are specified in the applicable Final Terms, Warrants must be exercised in Units and any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect. 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 Warrants shall be deemed to include references to Physical Delivery Warrants, which include an option (as set out in the applicable Final Terms) at the Issuer's discretion to elect cash settlement of such Warrant and where settlement is to be by way of cash payment, and references in these Terms and Conditions, unless the context otherwise requires, to Physical Delivery Warrants shall be deemed to include references to Cash Settled Warrants which include an option (as set out in the applicable Final Terms) at the Issuer's discretion to elect physical delivery of the relevant underlying asset in settlement of such Warrant and where settlement is to be by way of physical delivery.

Warrants 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 Warrants where the holder has elected for cash payment will be Cash Settled Warrants and those Warrants where the holder has elected for physical delivery will be Physical Delivery Warrants. 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.

(B) Title to Warrants

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 Warrants (in which regard any warrant or other document issued by Clearstream, Luxembourg or Euroclear as to the amount of Warrants standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, (where the Issuer is BCCL) the Guarantor and the Warrant Agents as the holder of such amount of Warrants for all purposes (and the expressions "***Warrantholder***" and "***holder of Warrants***" and related expressions shall be construed accordingly).

(C) **Transfers of Warrants**

All transactions (including transfers of Warrants) 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. Transfers of Warrants may not be effected after the exercise of such Warrants pursuant to Condition 6.

Any reference herein to Clearstream, Luxembourg and/or Euroclear shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system, specified in the applicable Final Terms or as may otherwise be approved by the Issuer and Issue and Paying Agent, and notified to the Warrantholders in accordance with Condition 11.

2. STATUS OF THE WARRANTS AND GUARANTEE

The Warrants 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 Warrantholder, all obligations of BCCL to such Warrantholder under the Warrants 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 Warrantholder Provided That (A) in the case of Physical Delivery Warrants that are Call Warrants, notwithstanding that BCCL had the right to vary settlement in respect of such Physical Delivery Warrants in accordance with Condition 5(D) 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 Warrants, but in lieu thereof, to make payment in respect of each such Physical Delivery Warrant 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 Warrants where the obligations of BCCL which fall to be satisfied by the Guarantor constitute the delivery of the Entitlement to the holders of such Warrants the Guarantor will as soon as practicable following BCCL's failure to satisfy its obligations under such Warrants 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 5(C)(ii)) 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 5(C)(iii)), in lieu of such delivery the Guarantor will make payment in respect of each such Warrant 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 5(C)(iii)). Any payment of the Guaranteed Cash Settlement Amount or the Failure to Deliver Settlement Price, as the case may be in respect of a Warrant shall constitute a complete discharge of the Guarantor's obligations in respect of such Warrant.

4. DEFINITIONS

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

"***Actual Exercise Date***" means the Exercise Date (in the case of European Style Warrants) or, subject to Condition 7(A)(ii), the date during the Exercise Period on which the Warrant is actually or is deemed exercised or, if Automatic Exercise is specified as applying in the applicable Final Terms, is automatically exercised (in the case of American Style Warrants (as more fully set out in Condition 5(A)(i)));

"***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, in respect of an Actual Exercise Date, each date specified as an Averaging Date in the applicable Final Terms or (except in the case of Commodity Linked Warrants), if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day unless, in the opinion of the Determination 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 in respect of such Actual Exercise Date, then the provisions of the definition of "Valuation Date" will apply for purposes of determining the relevant level, price or amount on the final Averaging Date with respect to that Actual Exercise 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 Warrants are Index Linked Warrants relating to a single Index or Equity Linked Warrants 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 in respect of such Actual Exercise 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 Determination 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 and pursuant to sub-paragraph (c) of the definition of "Valuation Date" below the Issuer shall procure that notification is provided to the Holders in accordance with Condition 11;

(ii) where the Warrants are Index Linked Warrants relating to a Basket of Indices or Equity Linked Warrants 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 in respect of such Actual Exercise 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 Determination 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 pursuant to sub-paragraph (c) of the definition of "Valuation Date" below the Issuer shall procure that notification is provided to the Holders in accordance with Condition 11; and

(iii) where the Warrants are Debt Linked Warrants or Currency Linked Warrants, 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 in relation to the Actual Exercise Date does not or is not deemed to occur;

"***Basket of Commodities***" means, in relation to a particular Series of Warrants, a basket composed of Relevant Commodities and/or Commodity Indices in the relative proportions specified in the applicable Final Terms;

"***Business Day***" means (i) 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 Clearstream, Luxembourg and Euroclear are open for business and (ii) for the purposes of making payments in Euro, any day on which the TARGET System is open;

"***Cash Settlement Amount***" means, in relation to Cash Settled Warrants, the amount to which the Warrantholder is entitled in the Settlement Currency in relation to each such Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, as determined by the Determination Agent pursuant to Condition 5;

"***Commodity Business Day***" means (a) in respect of any Commodity Linked Warrant for which the Commodity Reference Price is a price announced or published by an Exchange, a day that is (or would have been, but for the occurrence of a Commodity Market Disruption Event) a day on which that Exchange is open for trading during its regular trading session, notwithstanding any such Exchange closing prior to its scheduled closing time and (b) in respect of any Commodity Linked Warrant for which the Commodity Reference Price is not a price announced or published by an Exchange, a day in respect of which the relevant Price Source published (or would have published, but for the occurrence of a Commodity Market Disruption Event) a price;

"***Commodity Business Day Convention***" means, in respect of a Commodity Linked Warrant:

(a) if any date applicable to a Commodity Linked Warrant is specified to be subject to adjustment in accordance with a Commodity Business Day Convention would otherwise fall on a day that is not a Commodity Business Day, such date will be adjusted according to the Commodity Business Day Convention specified in the applicable Final Terms.

(b) if the Commodity Business Day Convention is:

(i) the "***Following Business Day Convention***", such date shall be postponed to the next day that is a Commodity Business Day;

(ii) the "***Modified Following Business Day Convention***", such date shall be postponed to the next day that is a Commodity Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Commodity Business Day;

(iii) the "***Nearest Business Day Convention***", such date will be the first preceding day that is a Commodity Business Day if the relevant date otherwise falls on a day other than a Sunday or a Monday and will be the first following day that is a Commodity Business Day if the relevant date otherwise falls on a Sunday or a Monday; or

(iv) the "***Preceding Business Day Convention***", such date shall be brought forward to the immediately preceding Commodity Business Day.

"***Commodity Index***" means, in relation to a Commodity Linked Warrant, an index comprising one or more commodities or commodity futures contracts, as is specified in the applicable Final Terms;

"***Commodity Linked Warrant***" means a Warrant, payments in respect of which will be calculated by reference to the price of a Relevant Commodity, Commodity Index or a Basket of Commodities, each as specified in the applicable Final Terms;

"***Commodity Reference Price***" means, in respect of a Relevant Commodity or Commodity Index, the commodity reference price as specified in the applicable Final Terms. The Commodity Reference Price may be defined in the Final Terms or by reference to Sub-Annex A of the ISDA Commodity Definitions;

"***Delivery Date***" means, with respect to a Commodity Reference Price, the relevant date or month for delivery of the Relevant Commodity as specified in the applicable Final Terms;

"***Disappearance of Commodity Reference Price***" means, in respect to a Commodity Linked Warrant, (A) the permanent discontinuation of trading in the relevant Futures Contract on the relevant Exchange; (B) the disappearance of, or of trading in, the Relevant Commodity; or (C) the disappearance or permanent discontinuance or unavailability of a Commodity Reference Price, notwithstanding the availability of the related Price Source or the status of trading in the relevant Futures Contract or the Relevant Commodity;

"***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 Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, the quantity of the Relevant Asset or the Relevant Assets, as the case may be, which a Warrantholder is entitled to receive on the Settlement Date in respect of each such Warrant or Unit, as the case may be, following payment of the Exercise Price (and any other sums payable) rounded down as provided in Condition 5(C)(i), as determined by the Determination Agent including any documents evidencing such Entitlement;

"***Exchange***" means:

(a) in respect of Index Linked Warrants 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 Determination 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);

(b) in respect of Equity Linked Warrants and in relation to a Share, 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 Determination 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); and

(c) in respect of a Relevant Commodity relating to Commodity Linked Warrants, each exchange or principal trading market specified in the relevant Final Terms or Commodity Reference Price;

"***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;

"***Exercise Business Day***" means:

(a) in the case of Cash Settled Warrants, a day that is a Business Day; and

(b) in the case of Physical Delivery Warrants, a day that is a Business Day and a Scheduled Trading Day;

"***Futures Contract***" means, in relation to a Commodity Linked Warrant, in respect of a Commodity Reference Price, the contract for future delivery of a contract size in respect of the relevant Delivery Date relating to the Relevant Commodity referred to in that Commodity Reference Price;

"***Material Change in Content***" means, in respect of a Commodity Linked Warrant, the occurrence since the Trade Date of a material change in the content, composition or constitution of the relevant Commodity or relevant Futures Contract;

"***Material Change in Formula***" means, in respect of a Commodity Linked Warrant, the occurrence since the Trade Date of a material change in the formula for or method of calculating the relevant Commodity Reference Price;

"***Price Source***" means, in respect of a Commodity Linked Warrant, the publication (or such other origin of reference, including an Exchange) containing (or reporting) the Specified Price (or prices from which the Specified Price is calculated) as specified in the relevant Commodity Reference Price or the applicable Final Terms;

"***Price Source Disruption***" means, in respect of a Commodity Linked Warrant, (A) the failure of the Price Source to announce or publish the Specified Price (or the information necessary for determining the Specified Price) for the relevant Commodity Reference Price; or (B) the temporary or permanent discontinuance or unavailability of the Price Source;

"***Pricing Date***" means, in respect of a Commodity Linked Warrant, in relation to a Commodity Reference Price, each date specified as such in the applicable Final Terms, which

date is a day in respect of which a Relevant Commodity Price is to be determined;"***Related Exchange***" means, in respect of Index Linked Warrants and in relation to an Index or in respect of Equity Linked Warrants 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 Determination 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 Determination Agent) on the overall market for futures or options contracts relating to such Index or such Share;

"***Relevant Commodity***" means, in respect of a Commodity Linked Warrant, the commodity specified in the applicable Final Terms.
"***Relevant Commodity Price***" means, in respect of a Commodity Linked Warrant, for any Pricing Date, the price, expressed as a price per unit of the Relevant Commodity or the price of the Commodity Index, determined with respect to that day for the specified Commodity Reference Price;
"***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 Date***" means:

(a) in relation to Cash Settled Warrants:

(x) in respect of Index Linked Warrants, Equity Linked Warrants, Debt Linked Warrants or Fund Linked Warrants, in relation to each Actual Exercise Date, (i) where Averaging is not specified in the applicable Final Terms, the fifth Business Day following the Valuation Date provided that if the Warrants are Index Linked Warrants relating to a Basket of Indices, Equity Linked Warrants relating to a Basket of Shares, Debt Linked Warrants relating to a Basket of Debt Securities or Fund Linked Warrants relating to a Basket of Funds and the occurrence of a Disrupted Day has resulted in a Valuation Date for one or more Indices, Shares or Debt Securities, as the case may be, being adjusted as set out in the definition of **Valuation Date** below, the Settlement Date shall be the fifth Business Day next following the last occurring Valuation Date in relation to any Index, Share, Debt Security, or Fund, as the case may be, or (ii) where Averaging is specified in the applicable Final Terms, the fifth Business Day following the last occurring Averaging Date provided that where the Warrants are Index Linked Warrants relating to a Basket of Indices, Equity Linked Warrants relating to a Basket of Shares, Debt Linked Warrants relating to a basket of Debt Securities or Fund Linked Warrants relating to a Basket of Funds and the occurrence of a Disrupted Day has resulted in an Averaging Date for one or more Indices, Shares, Debt Securities or Funds, as the case may be, being adjusted as set out in the definition of **Averaging Date** above, the Settlement Date shall be the fifth Business Day next following the last occurring Averaging Date in relation to any Index, Share or Debt Security, as the case may be, or such other date as is specified in the applicable Supplement; or

(y) in respect of Commodity Linked Warrants, in relation to each Actual Exercise Date, the second Business Day following the date on which the Settlement Price is calculated; and

(b) in relation to Physical Delivery Warrants:

the date specified as such in the applicable Final Terms;

"***Settlement Price***" means, in relation to each Cash Settled Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be:

(a) in respect of Index Linked Warrants, subject to Condition 16(A) and as referred to in "Valuation Date" below or "Averaging Date" above, as the case may be:

(i) in the case of Index Linked Warrants relating to a Basket of Indices, an amount (which shall be deemed to be a monetary value on the same basis as the Exercise Price) equal to the sum of the values calculated for each Index as the official closing level for each Index as determined by the Determination Agent or, if so specified in the applicable Final Terms, the level of each Index determined by the Determination 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 Linked Warrants relating to a single Index, an amount (which shall be deemed to be a monetary value on the same basis as the Exercise Price) equal to the official closing level of the Index as determined by the Determination Agent or, if so specified in the applicable Final Terms, the level of the Index determined by the Determination 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 Equity Linked Warrants, subject to Condition 16(B) and as referred to in "Valuation Date" below or "Averaging Date" above, as the case may be:

(i) in the case of Equity Linked Warrants 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 16(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 Determination 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 Determination 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 Determination 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 Determination Agent) engaged in the trading of the relevant Share or on such other factors as the Determination 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 Determination Agent; and

(ii) in the case of Equity Linked Warrants 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 (as defined in Condition 16(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 subsequent published correction (or if, in the opinion of the Determination 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 Determination 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 Determination 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 Determination Agent) engaged in the trading of the Share or on such other factors as the Determination 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 Determination Agent;

(c) in respect of Debt Linked Warrants, subject as referred to in "Valuation Date" below or "Averaging Date" above:

(i) in the case of Debt Linked Warrants 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 Determination 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 Determination Agent) in such Debt Security, such bid prices to be expressed as a percentage of the nominal amount of such Debt Security, multiplied by the relevant Multiplier;

(ii) in the case of Debt Linked Warrants 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 Determination 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 Determination Agent) in such Debt Security, such bid prices to be expressed as a percentage of the nominal amount of the Debt Security;

(d) in respect of Currency Linked Warrants:

(i) in the case of Currency Linked Warrants 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 Subject Currency for which one unit of the Base 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 Determination Agent of the bid and offer Base Currency/Subject 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 Determination Agent) on a foreign exchange market (as selected by the Determination Agent), multiplied by the relevant Multiplier; and

(ii) in the case of Currency Linked Warrants 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 Subject Currency for which one unit of the Base 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 Determination Agent of the bid and offer Base Currency/Subject 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 Determination Agent) on a foreign exchange market (as selected by the Determination Agent);

(e) in respect of Commodity Linked Warrants, the provisions relating to the calculation of the Settlement Price will be set out in the applicable Final Terms; and

(f) in respect of Fund Linked Warrants, the provisions relating to the calculation of the Settlement Price will be set out in the applicable Final Terms.

"***Specified Price***" means, in respect of a Commodity Linked Warrant, the price specified in the applicable Final Terms;

"***Sponsor***" means, in relation to a Commodity Index, the corporation or entity that is responsible for setting and reviewing the rules and procedures, and the methods of calculation and adjustments, if any, related to the relevant Commodity Index;

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

"***Trading Disruption***" means, in respect of Commodity Linked Warrants, the material suspension of, or the material limitation imposed on, trading in the Futures Contract or the Relevant Commodity on the Exchange or in any additional futures contract, options contract or commodity on any Exchange as specified in the applicable Final Terms. For these purposes:

(A) a suspension of the trading in the Futures Contract or the Relevant Commodity on any Commodity Business Day shall be deemed to be material only if:

(i) all trading in the Futures Contract or the Relevant Commodity is suspended for the entire Pricing Date; or

(ii) all trading in the Futures Contract or the Relevant Commodity is suspended subsequent to the opening of trading on the Pricing Date, trading does not recommence prior to the regularly scheduled close of trading in such Futures Contract or such Relevant Commodity on such Pricing Date and such suspension is announced less than one hour preceding its commencement; and

(B) a limitation of trading in the Futures Contract or the Relevant Commodity on any Commodity Business Day shall be deemed to be material only if the relevant Exchange establishes limits on the range within which the price of the Futures Contract or the Commodity may fluctuate and the closing or settlement price of the Futures Contract or the Commodity on such day is at the upper or lower limit of that range, in relation to a Commodity Index, the corporation or entity that is responsible for setting and reviewing.

"***Valuation Date***" means the Actual Exercise Date of the relevant Warrant or, if that is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless, in the opinion of the Determination Agent, such day is a Disrupted Day. If such day is a Disrupted Day, then:

(a) where the Warrants are Index Linked Warrants relating to a single Index, Equity Linked Warrants relating to a single Share or Debt Linked Warrants relating to a single Debt Security, 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 Determination 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 Linked Warrants, by determining the level of the Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with (subject to Condition 16(A)(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 comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on that eighth Scheduled Trading Day, its good faith determination of the value for the relevant security as of the Valuation Time on that eighth Scheduled Trading Day); or

(y) in the case of Equity Linked Warrants, Debt Linked Warrants or Fund Linked Warrants, in accordance with its good faith determination of the Settlement Price as of the Valuation Time on that eighth Scheduled Trading Day; or

(b) where the Warrants are Index Linked Warrants relating to a Basket of Indices, Equity Linked Warrants relating to a Basket of Shares or Debt Linked Warrants relating to a Basket of Debt Securities, the Valuation Date for each Index, Share or Debt Security, 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 or Debt Security 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 Determination 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 Fund 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 comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on that eighth Scheduled Trading Day, its good faith determination of the value for the relevant security as of the Valuation Time on that eighth Scheduled Trading Day); or

(y) in the case of a Share or Debt Security, its good faith determination 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

(c) in each case, following any good faith determination or calculations made by the Determination Agent in connection with the determination of the Settlement Price on the eighth Scheduled Trading Day, the Issuer shall procure that notice is provided to Holders in accordance with Condition 11.

"***Valuation Time***" means the Relevant Time specified in the applicable Final Terms or, in the case of Index Linked Warrants or Equity Linked Warrants, 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. EXERCISE RIGHTS

(A) Exercise Period

(i) *American Style Warrants*

American Style Warrants are exercisable on any Exercise Business Day during the Exercise Period.

If Automatic Exercise is not specified as applying in the applicable Final Terms, any American Style Warrant with respect to which no Exercise Notice (as defined below) has been delivered in the manner set out in Condition 6, at or prior to 10.00 a.m., Luxembourg or Brussels time, as the case may be, on the last Exercise Business Day of the Exercise Period (the "***Expiration Date***"), shall become void.

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms any such American Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 6, at or prior to 10.00 a.m., Luxembourg or Brussels time, as the case may be, on the Expiration Date shall be automatically exercised on the Expiration Date and the provisions of Condition 6(G) shall apply.

The Exercise Business Day during the Exercise Period on which an Exercise Notice is delivered prior to 10.00 a.m., Luxembourg or Brussels time (as appropriate), to Clearstream, Luxembourg or Euroclear, as the case may be, and the copy thereof so received by the Issue and Paying Agent or, if the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms and no Exercise Notice has been delivered at or prior to 10.00 a.m., Luxembourg or Brussels time (as appropriate) on the Expiration Date, the Expiration Date, is referred to herein as the "***Actual Exercise Date***". If any Exercise Notice is received by Clearstream, Luxembourg or Euroclear, as the case may be, or if the copy thereof is received by the Issue and Paying Agent, in each case, after 10.00 a.m., Luxembourg or Brussels time (as appropriate), on any Exercise Business Day during the Exercise Period, such Exercise Notice will be deemed to have been delivered on the next Exercise Business Day, which Exercise Business Day shall be deemed to be the Actual Exercise Date, provided that any such Warrant in respect of which no Exercise Notice has been delivered in the manner set out in Condition 6 at or prior to 10.00 a.m. Luxembourg or Brussels time (as appropriate) on the Expiration Date shall (i) if Automatic Exercise is not specified as applying in the applicable Final Terms, become void or (ii), if the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, be automatically exercised on the Expiration Date as provided above.

(ii) *European Style Warrants*

European Style Warrants are only exercisable on the Exercise Date.

If Automatic Exercise is not specified as applying in the applicable Final Terms, any European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 6, at or prior to 10.00 a.m., Luxembourg or Brussels time (as appropriate) on the Actual Exercise Date, shall become void.

If the Warrants are Cash Settled Warrants and Automatic Exercise is specified as applying in the applicable Final Terms, any such European Style Warrant with respect to which no Exercise Notice has been delivered in the manner set out in Condition 6, at or prior to 10.00 a.m., Luxembourg or Brussels time (as appropriate) on the Actual Exercise Date, shall be automatically exercised on the Actual Exercise Date and the provisions of Condition 6(F) shall apply.

(B) **Cash Settlement**

If the Warrants are Cash Settled Warrants, each such Warrant or, if Units are specified in the applicable Final Terms, each Unit entitles its holder, upon due exercise and subject to certification as to non-US beneficial ownership, to receive from the Issuer on the Settlement Date a Cash Settlement Amount calculated by the Determination Agent (which shall not be less than zero) equal to:

(i) where Averaging is not specified in the applicable Final Terms:

(a) if such Warrants are Call Warrants,

(Settlement Price less Exercise Price) multiplied by, in the case of Debt Linked Warrants only, the Nominal Amount;

(b) if such Warrants are Put Warrants,

(Exercise Price less Settlement Price) multiplied by, in the case of Debt Linked Warrants only, the Nominal Amount; and

(c) if such Warrants are neither Call Warrants nor Put Warrants, settlement will be as specified in the applicable Final Terms;

(ii) where Averaging is specified in the applicable Final Terms:

(a) if such Warrants are Call Warrants,

(the arithmetic mean of the Settlement Prices for all the Averaging Dates less Exercise Price) multiplied by, in the case of Debt Linked Warrants only, the Nominal Amount;

(b) if such Warrants are Put Warrants,

(Exercise Price less the arithmetic mean of the Settlement Prices for all the Averaging Dates) multiplied by, in the case of Debt Linked Warrants only, the Nominal Amount; and

(c) if such Warrants are neither Call Warrants nor Put Warrants, settlement will be as specified in the applicable Final Terms.

Any amount determined pursuant to the above, if not an amount in the Settlement Currency, will be converted into the Settlement Currency at the Exchange Rate specified in the applicable Final Terms for the purposes of determining the Cash Settlement Amount. The Cash Settlement Amount will be rounded to the nearest two decimal places (or, in the case of Japanese Yen, the nearest whole unit) in the relevant Settlement Currency, 0.005 (or, in the case of Japanese Yen, half a unit) being rounded upwards, with Warrants exercised at the same time by the same Warrantholder being aggregated for the purpose of determining the aggregate Cash Settlement Amounts payable in respect of such Warrants or Units, as the case may be.

(C) **Physical Settlement**

(i) *Exercise Rights in relation to Physical Delivery Warrants*

If the Warrants are Physical Delivery Warrants, each such Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, entitles its holder, upon due exercise and subject to certification as to non-US beneficial ownership, to receive from the Issuer on the Settlement Date the Entitlement subject to payment of the relevant Exercise Price and any other sums payable. The method of delivery of the Entitlement is set out in the applicable Final Terms.

Warrants or Units, as the case may be, exercised at the same time by the same Warrantholder will be aggregated for the purpose of determining the aggregate Entitlements in respect of such Warrants or Units, as the case may be, PROVIDED THAT the aggregate Entitlements in respect of the same Warrantholder 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 Determination 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 exercise of a Equity Linked Warrant which is a Physical Delivery Warrant, 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 relevant Actual Exercise Date and to be delivered in the same manner as such relevant Shares. Any such dividends to be paid to a Warrantholder will be paid to the account specified by the Warrantholder in the relevant Exercise Notice as referred to in Condition 6(A)(2)(vi).

(ii) *Settlement Disruption*

If, following the exercise of Physical Delivery Warrants, in the opinion of the Determination Agent, delivery of the Entitlement using the method of delivery specified in the applicable Final Terms is not practicable by reason of a Settlement Disruption Event (as defined below) having occurred and continuing on any Settlement Date, then such Settlement Date for such Warrants 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 Warrant or Unit, as the case may be, by delivering the Entitlement using such other commercially reasonable manner as it may select and in such event the Settlement 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 Settlement Date for the Relevant Assets not affected by the Settlement Disruption Event will be the originally designated Settlement Date. In the event that a Settlement Disruption Event will result in the delivery on a Settlement Date of some but not all of the Relevant Assets comprising the Entitlement, the Determination Agent shall determine in its discretion the appropriate *pro rata* portion of the Exercise Price to be paid by the relevant Warrantholder in respect of that partial settlement. For so long as delivery of the Entitlement is not practicable 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 Warrant or Unit, as the case may be, by payment to the relevant Warrantholder 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 Warrantholders in accordance with Condition 11. Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 11. The Determination Agent shall give notice as soon as practicable to the Warrantholders in accordance with Condition 11 that a Settlement Disruption Event has occurred. No Warrantholder shall be entitled to any payment in respect of the relevant Warrant or Unit, as the case may be, 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.

For the purposes hereof:

"***Disruption Cash Settlement Price***" means, in respect of any relevant Warrant or Unit, as the case may be, the fair market value of such Warrant or Unit, as the case may be (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, plus, if already paid, the Exercise

Price (or, where as provided above some Relevant Assets have been delivered, and a *pro rata* portion thereof has been paid, such *pro rata* portion); and

Settlement Disruption Event" means, in the opinion of the Determination 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.

(iii) *Failure to Deliver due to Illiquidity*

If "Failure to Deliver due to Illiquidity" is specified as applicable in the applicable Final Terms and, following the exercise of Physical Delivery Warrants, in the opinion of the Determination 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 Settlement Date in accordance with Condition 5(C)(i) and the Determination Agent shall determine in its discretion the appropriate *pro rata* portion of the Exercise Price to be paid by the relevant Warrantholder in respect of that partial settlement; 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 Warrant or Unit, as the case may be, by payment to the relevant Warrantholder 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 Warrantholders in accordance with Condition 11. Payment of the Failure to Deliver Settlement Price will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 11. The Determination Agent shall give notice as soon as practicable to the Warrantholders in accordance with Condition 11 that the provisions of this Condition 5(C)(iii) apply.

For the purposes hereof:

"***Failure to Deliver Settlement Price***" means, in respect of any relevant Warrant or Unit, as the case may be, the fair market value of such Warrant or Unit, as the case may be (taking into account, the Relevant Assets comprising the Entitlement which have been duly delivered as provided above), 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, plus, if already paid, the Exercise Price (or, where as provided above some Relevant Assets have been delivered, and a *pro rata* portion thereof has been paid, such *pro rata* portion).

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

If the applicable Final Terms indicates that the Issuer has an option to vary settlement in respect of the Warrants, upon a valid exercise of Warrants in accordance with these Terms and Conditions, the Issuer may at its sole and unfettered discretion in respect of each such Warrant or, if Units are specified in the applicable Final Terms, each Unit, elect not to pay the relevant Warrantholders the Cash Settlement Amount or to deliver or procure delivery of the Entitlement to the relevant Warrantholders, 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 Settlement Date to the relevant Warrantholders, as the case may be. Notification of such election will be given to Warrantholders no later than 10.00 a.m. (London time) on the second Business Day following the Actual Exercise Date.

(E) **General**

In relation to any Cash Settled Warrants where Automatic Exercise is specified as applying in the applicable Final Terms, the expressions "exercise", "due exercise" and related expressions shall be construed to apply to any such Warrants which are automatically exercised in accordance with the above provisions.

None of the Issuer, (where the Issuer is BCCL) the Guarantor, the Determination Agent and the Warrant Agents shall have any responsibility for any errors or omissions in the calculation of any Cash Settlement Amount or of any Entitlement.

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

All references in this Condition to "Luxembourg or Brussels time" shall, where Warrants are cleared through an additional or alternative clearing system, be deemed to refer as appropriate to the time in the city where the relevant clearing system is located.

6. EXERCISE PROCEDURE

(A) **Exercise Notice**

Warrants may only be exercised by the delivery, or the sending by tested telex (confirmed in writing), of a duly completed exercise notice (an "***Exercise Notice***") in the form set out in the Master Agency Agreement (copies of which form may be obtained from Clearstream, Luxembourg, Euroclear and the Warrant Agents) to Clearstream, Luxembourg or Euroclear, as the case may be, with a copy to the Issue and Paying Agent in accordance with the provisions set out in Condition 5 and this Condition.

(1) In the case of Cash Settled Warrants, the Exercise Notice shall:

(i) specify the Series Number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;

(ii) specify the number of the Warrantholder's account at Clearstream, Luxembourg or Euroclear, as the case may be, to be debited with the Warrants being exercised;

(iii) irrevocably instruct Clearstream, Luxembourg or Euroclear, as the case may be, to debit on or before the Settlement Date the Warrantholder's account with the Warrants being exercised;

(iv) specify the number of the Warrantholder's account at Clearstream, Luxembourg or Euroclear, as the case may be, to be credited with the Cash Settlement Amount (if any) for each Warrant or Unit, as the case may be, being exercised;

(v) include an undertaking to pay all taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising in connection with the exercise of such Warrants ("***Exercise Expenses***") and an authority to Clearstream, Luxembourg or Euroclear to deduct an amount in respect thereof from any Cash Settlement Amount due to such Warrantholder and/or to debit a specified account of the Warrantholder at Clearstream, Luxembourg or Euroclear, as the case may be, in respect thereof and to pay such Exercise Expenses;

(vi) certify, *inter alia*, that the beneficial owner of each Warrant being exercised is not a US person (as defined in the Exercise Notice); and

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

all as provided in the Master Agency Agreement.

(2) In the case of Physical Delivery Warrants, the Exercise Notice shall:

(i) specify the Series Number of the Warrants and the number of Warrants being exercised and, if Units are specified in the applicable Final Terms, the number of Units being exercised;

(ii) specify the number of the Warrantholder's account at Clearstream, Luxembourg or Euroclear, as the case may be, to be debited with the Warrants being exercised;

(iii) irrevocably instruct Clearstream, Luxembourg or Euroclear, as the case may be, to debit on or before the Settlement Date the Warrantholder's account with the Warrants being exercised;

(iv) irrevocably instruct Clearstream, Luxembourg or Euroclear, as the case may be, to debit on the Actual Exercise Date a specified account of the Warrantholder with Clearstream, Luxembourg or Euroclear, as the case may be, with the aggregate Exercise Prices in respect of such Warrants or Units, as the case may be, (together with any other amounts payable);

(v) include an undertaking to pay all taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising from the exercise of such Warrants and/or the delivery or transfer of the Entitlement pursuant to the terms of such Warrants ("***Exercise Expenses***") and an authority to Clearstream, Luxembourg or Euroclear to debit a specified account of the Warrantholder at Clearstream, Luxembourg or Euroclear, as the case may be, in respect thereof and to pay such Exercise Expenses;

(vi) 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 the number of the Warrantholder'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, as applicable;

(vii) in the case of Currency Linked Warrants only, specify the number of the Warrantholder's account at Clearstream, Luxembourg or Euroclear, as the case may be, to be credited with the amount due upon exercise of the Warrants;

(viii) certify, *inter alia*, that the beneficial owner of each Warrant being exercised is not a US person (as defined in the Exercise Notice); and

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

all as provided in the Master Agency Agreement.

(3) If Condition 5(D) applies, the form of Exercise Notice required to be delivered will be different from that set out above. Copies of such Exercise Notice may be obtained from Clearstream, Luxembourg, Euroclear and the Warrant Agents during normal office hours.

(B) **Verification of the Warrantholder**

Upon receipt of an Exercise Notice, Clearstream, Luxembourg or Euroclear, as the case may be, shall verify that the person exercising the Warrants is the holder thereof 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 Issue and Paying Agent the Series Number and number of Warrants being exercised and the account details, if applicable, for the payment of the Cash Settlement Amount or, as the case may be, the details for the delivery of the Entitlement of each Warrant or Unit, as the case may be, being exercised. Upon receipt of such confirmation, the Issue and Paying Agent will inform the Issuer thereof. Clearstream, Luxembourg or Euroclear, as the case may be, will on or before the Settlement Date debit the account of the relevant Warrantholder with the Warrants being exercised. If the Warrants are American Style Warrants, upon exercise of less than all the Warrants constituted by the Global Warrant, the Common Depositary will, on the instructions of, and on behalf of, the Issue and Paying Agent, note such exercise on the Schedule to the Global Warrant and the number of Warrants so constituted shall be reduced by the cancellation *pro tanto* of the Warrants so exercised.

(C) **Settlement**

(i) *Cash Settled Warrants*

The Issuer shall on the Settlement Date pay or cause to be paid the Cash Settlement Amount (if any) for each duly exercised Warrant or Unit, as the case may be, to the Warrantholder's account specified in the relevant Exercise Notice for value on the Settlement Date less any Exercise Expenses.

(ii) *Physical Delivery Warrants*

Subject to payment of the aggregate Exercise Prices and payment of any Exercise Expenses with regard to the relevant Warrants or Units, as the case may be, the Issuer shall on the Settlement Date deliver, or procure the delivery of, the Entitlement for each duly exercised Warrant or Unit, as the case may be, pursuant to the details specified in the Exercise Notice. Subject as provided in Condition 5(C), the Entitlement shall be delivered and evidenced in such manner as set out in the applicable Final Terms.

(D) **Determinations**

Any determination as to whether an Exercise Notice is duly completed and in proper form shall be made by Clearstream, Luxembourg or Euroclear, as the case may be, in consultation with the Issue and Paying Agent, and shall be conclusive and binding on the Issuer, the Warrant Agents and the relevant Warrantholder. Subject as set out below, any Exercise Notice so determined to be incomplete or not in proper form, or which is not copied to the Issue and Paying Agent immediately after being delivered or sent to Clearstream, Luxembourg or Euroclear, as the case may be, as provided in Condition 6(*A*) above, shall be null and void.

If such Exercise Notice is subsequently corrected to the satisfaction of Clearstream, Luxembourg or Euroclear, as the case may be, in consultation with the Issue and Paying Agent, it shall be deemed to be a new Exercise Notice submitted at the time such correction

was delivered to Clearstream, Luxembourg or Euroclear, as the case may be, and the Issue and Paying Agent.

If Automatic Exercise is not specified as applying in the applicable Final Terms, any Warrant with respect to which the Exercise Notice has not been duly completed and delivered in the manner set out above by the cut-off time specified in Condition 5(A)(i), in the case of American Style Warrants, or Condition 5(A)(ii), in the case of European Style Warrants, shall become void.

Clearstream, Luxembourg or Euroclear, as the case may be, shall use its best efforts promptly to notify the Warrantholder submitting an Exercise Notice if, in consultation with the Issue and Paying Agent, it has determined that such Exercise 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 Warrant Agents, Clearstream, Luxembourg or Euroclear 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 Warrantholder.

(E) **Delivery of an Exercise Notice**

Delivery of an Exercise Notice shall constitute an irrevocable election by the relevant Warrantholder to exercise the Warrants specified. After the delivery of such Exercise Notice, such exercising Warrantholder may not transfer such Warrants.

(F) **Automatic Exercise**

This paragraph only applies if the Warrants are Cash Settled Warrants, Automatic Exercise is specified as applying in the applicable Final Terms and the Warrants are automatically exercised as provided in Condition 5(A)(i) or Condition 5(A)(ii).

In order to receive the Cash Settlement Amount, if the Warrants are Cash Settled Warrants, or the Entitlement, if the Warrants are Physical Delivery Warrants, in respect of a Warrant, or if Units are specified in the applicable Final Terms, a Unit, as the case may be, the relevant Warrantholder must deliver or send by tested telex (confirmed in writing) a duly completed Exercise Notice to Clearstream, Luxembourg or Euroclear, as the case may be, with a copy to the Agent on any Business Day until not later than 10.00 a.m., Luxembourg or Brussels time (as appropriate), on the day (the "***Cut-off Date***") falling 180 days after (i) the Expiration Date, in the case of American Style Warrants or (ii) the Actual Exercise Date, in the case of European Style Warrants. The Exercise Notice shall include the applicable information set out in the Exercise Notice referred to in Condition 6(A)(1), Condition 6(A)(2) or Condition 6(A)(3), as applicable. The Business Day during the period from the Expiration Date or the Actual Exercise Date, as the case may be, until the Cut-off Date on which an Exercise Notice is delivered to Clearstream, Luxembourg or Euroclear, as the case may be, and a copy thereof delivered to the Agent is referred to in this Condition 6(F) as the "***Exercise Notice Delivery Date***", Provided That, if the Exercise Notice is received by Clearstream, Luxembourg or Euroclear, as the case may be, or if the copy thereof is received by the Agent, in each case, after 10.00 a.m., Luxembourg or Brussels time (as appropriate), on any Business Day, such Exercise Notice shall be deemed to have been delivered on the next Business Day, which Business Day shall be deemed to be the Exercise Notice Delivery Date.

Subject to the relevant Warrantholder performing its obligations in respect of the relevant Warrant or Unit, as the case may be, in accordance with these Conditions, the Settlement Date for such Warrants or Units, as the case may be, shall be (i) in the case of Cash Settled Warrants, the fifth Business Day following the Exercise Notice Delivery Date and (ii) in the case of Physical Delivery Warrants and subject to Condition 6(C)(ii), the fifth Settlement Business Day following the Exercise Notice Delivery Date. In the event that a Warrantholder does not so deliver an Exercise Notice in accordance with this Condition 6(F) prior to 10.00 a.m., Luxembourg or Brussels time (as appropriate), on the Cut-off Date, the Issuer's obligations in respect of such Warrants shall be discharged and no further liability in respect thereof shall attach to the Issuer or (where the Issuer is BCCL) the Guarantor.

(G) **Exercise Risk**

Exercise of the Warrants is subject to all applicable laws, regulations and practices in force on the relevant Exercise Date and none of the Issuer, (where the Issuer is BCCL) the Guarantor and the Warrant Agents shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. None of the Issuer, (where the Issuer is BCCL) the Guarantor and the Warrant Agents shall under any circumstances be liable for any acts or defaults of Clearstream, Luxembourg or Euroclear in relation to the performance of its duties in relation to the Warrants.

7. MINIMUM AND MAXIMUM NUMBER OF WARRANTS EXERCISABLE

(A) **American Style Warrants**

This Condition 7(A) applies only to American Style Warrants.

(i) The number of Warrants exercisable by any Warrantholder on any Actual Exercise Date or, in the case of Automatic Exercise, the number of Warrants held by any Warrantholder on any Actual Exercise Date, in each case, as determined by the Issuer, must not be less than the Minimum Exercise Number specified in the applicable Final Terms and, if specified in the applicable Final Terms, if a number greater than the Minimum Exercise Number, must be an integral multiple of the number specified in the applicable Final Terms. Any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.

(ii) If the Issuer determines that the number of Warrants being exercised on any Actual Exercise Date by any Warrantholder or a group of Warrantholders (whether or not acting in concert) exceeds the Maximum Exercise Number (a number equal to the Maximum Exercise Number being the "***Quota***"), the Issuer may deem the Actual Exercise Date for the first Quota of such Warrants, selected at the discretion of the Issuer, to be such day and the Actual Exercise Date for each additional Quota of such Warrants (and any remaining number thereof) to be each of the succeeding Exercise Business Days until all such Warrants have been attributed with an Actual Exercise Date, provided, however, that the deemed Actual Exercise Date for any such Warrants which would thereby fall after the Expiration Date shall fall on the Expiration Date. In any case where more than the Quota of Warrants are exercised on the same day by Warrantholder(s), the order of settlement in respect of such Warrants shall be at the sole discretion of the Issuer.

(B) **European Style Warrants**

This Condition 7(B) applies only to European Style Warrants.

The number of Warrants exercisable by any Warrantholder on the Exercise Date, as determined by the Issuer, must be equal to the Minimum Exercise Number specified in the applicable Final Terms and, if specified in the applicable Final Terms, if a number greater than the Minimum Exercise Number, must be an integral multiple of the number specified in the applicable Final Terms. Any Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.

8. ILLEGALITY

If the Issuer determines that the performance of its obligations under the Warrants has become illegal in whole or in part for any reason, the Issuer may cancel the Warrants by giving notice to Warrantholders in accordance with Condition 11.

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.

If the Issuer cancels the Warrants then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Warrantholder in respect of each Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, held by such holder, which amount shall be the fair market value of a Warrant or Unit, as the case may be, notwithstanding such illegality less the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements plus, if already paid by or on behalf of the Warrantholder, the Exercise Price, all as determined by the Determination Agent in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 11.

9. PURCHASES

The Issuer or any Affiliate may, but is not obliged to, at any time purchase Warrants at any price in the open market or by tender or private treaty. Any Warrants so purchased may be held or resold or surrendered for cancellation.

10. AGENTS, DETERMINATIONS, MEETINGS PROVISIONS AND MODIFICATIONS

(A) Warrant Agents

The specified office of the Warrant Agents 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 Warrant Agent and to appoint further or additional Warrant Agents, provided that no termination of appointment of the Issue and Paying Agent shall become effective until a replacement Issue and Paying Agent shall have been appointed and provided that, so long as any of the Warrants are listed on a stock exchange, there shall be a Warrant Agent having a specified office in each location required by the rules and regulations of the relevant stock exchange or admitted to trading or listing by any other relevant authority. Notice of any termination of appointment and of any changes in the specified office of any Warrant Agent will be given to Warrantholders in accordance with Condition 11. In acting under the Master Agency Agreement, each Warrant Agent 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 Warrantholders and any determinations and calculations made in respect of the Warrants by any Warrant 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 Warrantholders.

(B) Determination Agent

In relation to each issue of Warrants, the Determination Agent (whether it be the Bank or another entity) acts solely as agent of the Issuer, (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 Warrantholders. All calculations and determinations made in respect of the Warrants by the Determination 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 Warrantholders.

The Determination 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 or the Guarantor

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

(D) **Meetings of Warrantholders**

The Master Agency Agreement contains provisions for convening meetings of the Warrantholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Master Agency Agreement) of a modification of the Terms and Conditions or the Master Agency 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 Warrantholders. Such a meeting may be convened by the Issuer, (where the Issuer is BCCL) the Bank or Warrantholders holding not less than 5 per cent. (by number) of the Warrants for the time being remaining unexercised. The quorum at a meeting of the Warrantholders (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 Warrants for the time being remaining unexercised, or at any adjourned meeting two or more persons being or representing Warrantholders whatever the number of Warrants so held or represented. The quorum at a meeting of Warrantholders 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 Warrants for the time being remaining unexercised or at any adjourned meeting two or more persons being holding or representing not less than 10 per cent. (by number) of the Warrants for the time being remaining unexercised. 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 Warrantholders at such meeting as, being entitled to do so, vote in person or by proxy. An Extraordinary Resolution passed at any meeting of the Warrantholders shall be binding on all the Warrantholders, whether or not they are present at the meeting, save for those Warrants remaining unexercised but for which an Exercise Notice shall have been received as described in Condition 6 prior to the date of the meetingWarrants which have not been exercised but in respect of which an Exercise Notice has been received as described in Condition 6 will not confer the right to attend or vote at, or join in convening, or be counted in the quorum for, any meeting of the Warrantholders. Resolutions can be passed in writing if passed unanimously.

(E) **Modifications**

The Issuer may modify these Terms and Conditions and/or the Master Agency Agreement without the consent of the Warrantholders in any manner which the Issuer may deem necessary or desirable provided that such modification is not materially prejudicial to the interests of the Warrantholders 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 Warrantholders in accordance with Condition 11 but failure to give, or non-receipt of, such notice will not affect the validity of any such modification.

11. NOTICES

All notices to Warrantholders shall be valid if delivered (i) to Clearstream, Luxembourg and Euroclear for communication by them to the Warrantholders and (ii) if and so long as the Warrants 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.

12. EXPENSES AND TAXATION

(A) A holder of Warrants must pay all Exercise Expenses relating to such Warrants 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, exercise or enforcement

of any Warrant 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.

13. FURTHER ISSUES

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

14. 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 Warrantholder, 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 Warrants issued by it, provided that (i) the New Issuer shall assume all obligations of the Issuer in relation to the Warrantholders under or in relation to the Warrants 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 Warrantholders in accordance with Condition 11. 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 Warrantholders 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 Warrantholder 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 Warrantholder.

(B) The Bank as Issuer and Guarantor shall be entitled at any time, without the consent of the Warrantholders, to substitute any other entity the identity of which shall be in the absolute discretion of the Bank in place of the Bank as Issuer or, in relation to Warrants issued by BCCL as Guarantor (the "***New Issuer***" or "***New Guarantor***" as the case may be) to act as issuer in respect of Warrants issued by it and as guarantor in respect of the obligations of BCCL under any Warrants issued by BCCL that are then outstanding under the Programme and any Warrants issued by BCCL thereafter, provided that (i) the New Issuer/New Guarantor's long term unsecured, unsubordinated and unguaranteed debt obligations are rated at least the same as the Bank's long term rating at the date on which the substitution is to take effect or the New Issuer/New Guarantor has an equivalent long term rating from another internationally recognised rating agency; (ii) the New Guarantor enters into a guarantee on substantially the same terms as the Master Deed Poll Guarantee (a ***"New Guarantee"***); and (iii) the Bank irrevocably guarantees all amounts payable by the New Issuer or the New Guarantor, as the case may be.

In the event of any such substitution, any reference in these Conditions to the Bank as Issuer or as Guarantor shall be construed as a reference to the New Issuer/New Guarantor and any reference to the Guarantee shall be construed as a reference to the New Guarantee. Such substitution shall be promptly notified to the Warrantholders of each Series then outstanding in accordance with Condition 11. In connection with such right of substitution, the Bank as Issuer or as Guarantor shall not be obliged to have regard to the consequences of the exercise of such right for individual Warrantholders 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 Warrantholder shall be entitled to claim from the Bank as Issuer or as Guarantor or the New Issuer/New Guarantor any indemnification or payment in respect of any tax consequence of any such substitution upon such Warrantholder.

15. GOVERNING LAW

The Warrants, the Global Warrant, the Master Agency Agreement and the Guarantee and any non-contractual obligations arising out of or in connection with any of them 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 Warrantholder that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Warrants and that accordingly any suit, action or proceeding (together in this Condition referred to as "***Proceedings***") arising out of or in connection with the Warrants may be brought in such courts. Nothing contained in this Condition 15 shall limit the right of any Warrantholder 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.

16. TERMS FOR INDEX LINKED WARRANTS, EQUITY LINKED WARRANTS, DEBT LINKED WARRANTS, COMMODITY LINKED WARRANTS AND FUND LINKED WARRANTS

(A) Index Linked Warrants

For the purposes of this Condition 16(A):

"***Indices***" and "***Index***" mean, subject to adjustment in accordance with this Condition 16(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 Warrants 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 Determination Agent) the ability of market participants in general (A) to effect transactions in, or 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 Determination 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.

(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 Determination Agent, or (ii) replaced by a successor index using, in the determination of the Determination 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 Determination Agent shall determine if such Index Adjustment Event has a material effect on the Warrants and, if so, shall calculate the relevant Settlement Price 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 Determination 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) the Issuer shall cancel the Warrants by giving notice to Warrantholders in accordance with Condition 11. If the Warrants are so cancelled the Issuer

will pay an amount to each Warrantholder in respect of each Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, held by him which amount shall be the fair market value of a Warrant or a Unit, as the case may be, 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 Determination Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 11.

(c) Notice

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

(B) **Equity Linked Warrants**

For the purposes of this Condition 16(B):

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

"***Shares***" and "***Share***" mean, subject to adjustment in accordance with this Condition 16(B), in the case of an issue of Warrants relating to a Basket of Shares, each share and, in the case of an issue of Warrants 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 Warrants relating to a single Share, the company that has issued such share.

(1) *Market Disruption*

"***Market Disruption Event***" means, in relation to Warrants 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 Determination 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 Determination 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 Determination Agent shall give notice as soon as practicable to the Warrantholders in accordance with Condition 11 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 warrants 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 Determination Agent;

(iii) an extraordinary dividend as determined by the Determination 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 its subsidiaries or Share Company or its subsidiaries, 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; or

(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, warrants, debt instruments or stock rights at a price below their market value as determined by the Determination Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; and

(vii) any other event that may have, in the opinion of the Determination 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 Determination 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 Exercise Price and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Determination 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 Determination 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 Determination Agent, the Determination Agent shall give notice as soon as practicable to the Warrantholders in accordance with Condition 11, stating the adjustment to any Relevant Asset and/or the Entitlement and/or the Exercise Price 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.

(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 Determination 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 Warrants, the last occurring Valuation Date or where Averaging is specified in the applicable Final Terms, the final Averaging Date in respect of the relevant Warrant or (b) in the case of Physical Delivery Warrants, the relevant Settlement 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 Determination Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Determination 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 Determination 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 Exercise Price 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 Warrants. The Determination 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 Equity Linked Warrants relating to a Basket of Shares cancel part of the Warrants by giving notice to Warrantholders in accordance with Condition 11. If the Warrants are so cancelled in part the portion (the "***Cancelled Amount***") of each Warrant or if Units are specified in the applicable Final Terms each Unit representing the affected Share(s) shall be cancelled and the Issuer will (i) pay to each Warrantholder in respect of each Warrant or Units, as the case may be, held by him an amount equal to the fair market value of the Cancelled 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 Determination Agent in its sole and absolute discretion; and (ii) require the Determination 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 Exercise Price 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 cancellation in part. For the avoidance of doubt the remaining part of each Warrant or Unit, as the case may be, 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 Warrantholders in accordance with Condition 11; or

(iii) cancel the Warrants by giving notice to Warrantholders in accordance with Condition 11. If the Warrants are so cancelled the Issuer will pay an amount to each Warrantholder in respect of each Warrant or, if Units are specified in the applicable Final Terms, each Unit, as the case may be, held by him which amount shall be the fair market value of a Warrant or a Unit, as the case may be, 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 plus, if already paid, the Exercise Price, all as determined by the Determination Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Warrantholders in accordance with Condition 11; 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 Determination Agent to make a corresponding adjustment to any one or more of any Relevant Asset and/or the Entitlement and/or the Exercise Price 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 Determination 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 Determination Agent will make such adjustment, if any, to any one or more of any Relevant Asset and/or the Entitlement and/or the Exercise Price and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the applicable Final Terms as the Determination 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 Determination Agent would have given rise to an adjustment by the Options Exchange if such options were so traded.

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 Warrantholders in accordance with Condition 11 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.

(C) **Debt Linked Warrants**

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 Determination Agent, such suspension or limitation is material.

The Issuer shall give notice as soon as practicable to the Warrantholders in accordance with Condition 11 that a Market Disruption Event has occurred.

(D) **Commodity Linked Warrants**

(a) ISDA Determination for Commodity Linked Warrants

In relation to Commodity Linked Warrants, the Relevant Commodity Price for a Relevant Commodity or a Commodity Index, shall be the price equal to the "Relevant Price" that would be determined by the Calculation Agent under a commodity transaction if the Determination Agent were acting as the "Calculation Agent" for that commodity transaction under the terms of an agreement incorporating the 2005 ISDA Commodity Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Warrants (the "***ISDA Commodity Definitions***"), and under which:

(i) the Commodity Reference Price is as specified in the applicable Final Terms;

(ii) the Specified Price is as specified in the applicable Final Terms;

(iii) the Delivery Date (if any) is as specified in the applicable Final Terms; and

(iv) the Pricing Date(s) is/are date(s) as specified in the applicable Final Terms.

(b) Commodity Market Disruption Event and Disruption Fallback

If, in the opinion of the Determination Agent, a Commodity Market Disruption Event (as defined below) has occurred and is continuing on any Pricing Date (or, if different, the day on which prices for that Pricing Date would, in the ordinary course, be published by the Price Source), the Relevant Commodity Price for that Pricing Date will be determined by the Determination Agent in accordance with the first applicable Disruption Fallback (as defined below) that provides a Relevant Commodity Price.

(c) Common Pricing

With respect to Warrants relating to a Basket of Commodities, if "***Common Pricing***" has been selected in the applicable Final Terms as:

(i) "Applicable" then, no date will be a Pricing Date unless such date is a day on which all referenced Commodity Reference Prices (for which such date would otherwise be a Pricing Date) are scheduled to be published or announced.

(ii) "Inapplicable" then, if the Determination Agent determines that a Commodity Market Disruption Event has occurred or exists on the Pricing Date in respect of any Relevant Commodity and/or Commodity Index in the basket (the "***Affected Commodity***"), the Relevant Commodity Price of each Relevant Commodity and/or Commodity Index within the basket which is not affected by the occurrence of a Commodity Market Disruption Event shall be determined on its scheduled Pricing Date and the Relevant Commodity Price for the Affected Commodity shall be determined in accordance with the first applicable Disruption Fallback that provides a Relevant Reference Price.

All determinations made by the Determination Agent pursuant to this Condition 16 will be conclusive and binding on the Warrantholders, the Guarantor (where the Warrants are issued by BCCL) and the relevant Issuer except in the case of manifest error.

(d) Correction to Published Prices

For purposes of determining or calculating the Relevant Commodity Price, if the price published or announced on a given day and used or to be used by the Determination Agent to determine the Relevant Commodity Price is subsequently corrected and the correction is published or announced by the person responsible for that publication or announcement within 30 calendar days after the original publication or announcement, the Determination Agent may, in its sole discretion, recalculate relevant payment amount, using such corrected price. The Determination Agent shall notify the Issuer of any such correction, the revised Relevant Commodity Price and the relevant payment amount, as a result of that correction.

The Issuer reserves the right (such right to be exercised in the Issuer's sole and unfettered discretion and without any liability whatsoever) to make such adjustments as it believes appropriate in circumstances where an event or events occur that the Issuer believes, in its sole discretion, should, in the context of the issue of Warrants and the obligations of the Issuer thereunder, give rise to such adjustment as is necessary to preserve the economic equivalent of the obligations of the Issuer under the Warrants and to maintain the economic equilibrium of the Warrants.

(e) Adjustments to Commodity Index

With respect to a Commodity Index:

(i) if the Commodity Reference Price is permanently cancelled or is not calculated and announced by the sponsor of such Commodity Index or any of its affiliates (together the "***Sponsor***") but is (i) calculated and announced by a successor sponsor (the "***Successor Sponsor***") acceptable to the Determination Agent, or (ii) replaced by a successor index (the "***Successor Index***") using, in the determination of the Determination Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the Relevant Commodity Price, then the Relevant Commodity Price will be deemed to be the price so calculated and announced by that Successor Sponsor or that Successor Index, as the case may be.

(ii) if, on or prior to the Settlement Date, (i) the Sponsor makes a material change in the formula for or the method of calculating the Relevant Commodity Price or in any other way materially modifies such Commodity Index (other than a modification prescribed in that formula or method to maintain the Relevant Commodity Price in the event of changes in constituent commodities and weightings and other routine events), or (ii) the Sponsor permanently cancels the Commodity Index or (iii) the Sponsor fails to calculate and announce the Commodity Index for a continuous period of three Trading Days and the Determination Agent determines that there is no Successor Sponsor or Successor Index, then the Determination Agent may at its option (in the case of (i)) and shall (in the case of (ii) and (iii)) (such events (i) (ii) & (iii) to be collectively referred to as "Index Adjustment Events") calculate the Relevant Commodity Price using in lieu of the published level for that Commodity Index (if any), the level for that Commodity Index as at the relevant determination date as determined by the Determination Agent in accordance with the formula for and method of calculating that Commodity Index last in effect prior to the relevant Index Adjustment Event (as the case may be), but using only those futures contracts that comprised that Commodity Index immediately prior to the relevant Index Adjustment Event (as the case may be) (other than those futures contracts that have ceased to be listed on any relevant exchange).

(f) Adjustments to payment dates or settlement dates

If, as a result of a delay pursuant to the occurrence of a Commodity Market Disruption Event or Index Adjustment Event, a Relevant Commodity Price is unavailable to determine any amount payable on any scheduled payment date or

settlement date, that payment date or settlement date will be delayed to fall on the second Business Day following the determination of the Relevant Commodity Price under the Disruption Fallback provision or Adjustments to Commodity Index provision, as the case may be.

(g) Definitions for Commodity Linked Warrants

"***Determination Agent Determination***" in respect of Commodity Linked Warrants, means that the Determination Agent will determine the Relevant Commodity Price (or a method for determining the Relevant Commodity Price), taking into consideration the latest available quotation for the relevant Commodity Reference Price and any other information that in its sole discretion it deems relevant.

"***Commodity Market Disruption Event***" means the occurrence of any of the following events:

(A) with respect to a Relevant Commodity:

(i) Price Source Disruption;

(ii) Trading Disruption;

(iii) Disappearance of Commodity Reference Price;

(iv) Material Change in Formula;

(v) Material Change in Content; and

(vi) any additional Commodity Market Disruption Events specified in the applicable Final Terms.

(B) with respect to a Commodity Index:

(i) a temporary or permanent failure by the applicable exchange or other price source to announce or publish (a) the final settlement price for the Commodity Reference Price or (b) closing price for any futures contract included in the Commodity Reference Price;

(ii) a material limitation, suspension or disruption of trading in one or more of the futures contracts included in the Commodity Reference Price; or

(iii) the closing price for any futures contract included in the Commodity Reference Price is a "limit price", which means that the closing price for such contract for a day has increased or decreased from the previous day's closing price by the maximum amount permitted under applicable exchange rules.

"***Delayed Publication or Announcement***", in respect of Commodity Linked Warrants, means that the Relevant Commodity Price for a Pricing Date will be determined based on the Specified Price in respect of the original day scheduled as such Pricing Date that is published or announced by the relevant Price Source retrospectively on the first succeeding Commodity Business Day on which the Commodity Market Disruption Event ceases to exist, unless that Commodity Market Disruption Event continues to exist (measured from and including the original day that would otherwise have been the Pricing Date) or the Relevant Commodity Price continues to be unavailable for [two] consecutive Commodity Business Days.

"***Disruption Fallback***" means a source or method that may give rise to an alternative basis for determining the Relevant Commodity Price in respect of a specified Commodity Reference Price when a Commodity Market Disruption Event occurs or exists on a day that is a Pricing Date. A Disruption Fallback is applicable if it is specified in the applicable Final Terms or, if no Disruption Fallback is specified in the applicable Final Terms, shall be deemed to mean:

(A) with respect to a Relevant Commodity, (in the following order):

(i) Fallback Reference Price (if applicable);

(ii) Delayed Publication or Announcement and Postponement (each to operate concurrently with the other and each subject to a period of two consecutive Commodity Business Days of disruption (measured from and including the original day that would otherwise have been the Pricing Date); provided, however, that the price determined by Postponement shall be the Relevant Commodity Price only if Delayed Publication or Announcement does not yield a Relevant Commodity Price within that two consecutive Commodity Business Days); and

(iii) Determination Agent Determination.

(B) with respect to a Commodity Index, the following fallback determination mechanism:

(i) with respect to each futures contract included in the Commodity Reference Price which is not affected by the Market Disruption Event, the Relevant Commodity Price will be based on the closing prices of each such contract on the applicable determination date;

(ii) with respect to each futures contract included in the Commodity Reference Price which is affected by the Market Disruption Event, the Relevant Commodity Price will be based on the closing prices of each such contract on the first day following the applicable determination date on which no Market Disruption Event is occurring with respect to such contract;

(iii) subject to Clause (iv) below, the Determination Agent shall determine the Relevant Commodity Price by reference to the closing prices determined in Clauses (i) and (ii) above using the then-current method for calculating the Relevant Commodity Price; and

(iv) where a Commodity Market Disruption Event with respect to one or more futures contracts included in the Commodity Reference Price continues to exist (measured from and including the first day following the applicable determination date) for five consecutive Trading Days, the Determination Agent shall determine the Relevant Commodity Price in good faith and in a commercially reasonable manner.

"***Fallback Reference Price***", in respect of Commodity Linked Warrants, means that the Determination Agent will determine the Relevant Commodity Price based on the price for that Pricing Date of the first alternate Commodity Reference Price, if any, specified in the applicable Final Terms and not subject to a Commodity Market Disruption Event.

"***Postponement***", in respect of Commodity Linked Warrants, means that the Pricing Date will be deemed, for purposes of the application of this Disruption Fallback, to

be the first succeeding Commodity Business Day on which the Commodity Market Disruption Event ceases to exist, unless that Commodity Market Disruption Event continues to exist for [two] consecutive Commodity Business Days (measured from and including the original day that would otherwise have been the Pricing Date).

"***Trading Day***" means, for the purposes of "Disruption Fallback" and this Condition 16(D), a day when:

(i) the Determination Agent is open for business in London and New York; and

(ii) the exchanges of all futures contracts included in the Commodity Reference Price are open for trading.

(E) **Fund Linked Warrants**

Any market disruption, adjustment and/or termination provisions relating to Fund Linked Warrants 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.

"***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 Determination Agent determines in its sole and absolute discretion that (X) it has become illegal for the Issuer or any of its Affiliates to hold, acquire or dispose of any relevant Share (in the case of Equity Linked Warrants) or any relevant security/commodity comprised in an Index (in the case of Index Linked Warrants) or (Y) the Issuer or any of its Affiliates will incur a materially increased cost in performing their obligations in relation to the Warrants (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on their tax position.

"***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 Warrants, 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 Equity Linked Warrants) or securities/commodities comprised in an Index (in the case of Index Linked Warrants) that the Determination Agent deems necessary to hedge the equity or other price risk of entering into and performing its obligations with respect to the Warrants.

"***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 Warrants, 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 Equity Linked Warrants) or any

security/commodity comprised in an Index (in the case of Index Linked Warrants) that is greater than the Initial Stock Loan Rate.

"***Initial Stock Loan Rate***" means, in respect of a Share (in the case of Equity Linked Warrants) or a security/commodity comprised in an Index (in the case of Index Linked Warrants), 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 Equity Linked Warrants) or any securities/commodities comprised in an Index (in the case of Index Linked Warrants) 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 Equity Linked Warrants) or a security/commodity comprised in an Index (in the case of Index Linked Warrants), the Maximum Stock Loan Rate specified in the applicable Final Terms.

(b) If an 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 Determination 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 Exercise Price 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 and determine the effective date of that adjustment; or

(ii) on giving notice to the Holders in accordance with Condition 11, redeem all but not some only of the Warrants, each Warrant being redeemed by payment of an amount equal to the amount determined by the Determination Agent as the market value of the Warrant (taking into account the Additional Disruption Event or an Asian Additional Disruption Event, as the case may be), adjusted to take account of all costs, losses and expenses (if any) which the Issuer and/or its Affiliates would incur in the early redemption of the Securities, including hedging unwindand funding breakage costs. In determining such amount, the Determination Agent may take into account prevailing market prices and/or proprietary pricing models, or where those pricing models may not yield a commercially reasonable result, may determine such amount in good faith and in a commercially reasonable manner. The amount determined in accordance with this Condition will be determined by the Determination Agent on or as soon as reasonably practicable following the Additional Disruption Event or Asian Additional Disruption Event. Payments will be made in such manner as shall be notified to the Holders in accordance with Condition 11.

(c) Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Warrantholders in accordance with Condition 11 stating the occurrence of the Additional Disruption Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

17. ADJUSTMENTS FOR EUROPEAN MONETARY UNION

The Issuer may, without the consent of the Warrantholders, on giving notice to the Warrantholders in accordance with Condition 11:

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

The election will have effect as follows:

(A) where the Settlement Currency of the Warrants 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 Determination 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 Warrants will be made solely in Euro as though references in the Warrants 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 Determination Agent to conform them to conventions then applicable to instruments expressed in Euro; and/or

(ii) require that the Determination Agent make such adjustments to the Multiplier and/or the Settlement Price and/or the Exercise Price and/or any other terms of these Terms and Conditions and/or the Final Terms as the Determination 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 the Exercise Price and/or such other terms of these Terms and Conditions.

Notwithstanding the foregoing, none of the Issuer, the Determination Agent and the Warrant Agents shall be liable to any Warrantholder 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 17, the following expressions have the following meanings:

"***Adjustment Date***" means a date specified by the Issuer in the notice given to the Warrantholders pursuant to this Condition 17 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 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.

18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

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

TAXATION

TAXATION RELATING TO THE NOTES

General Taxation Information

The information provided below does not purport to be a complete summary of tax law and practice currently applicable to the Notes. Transactions involving Notes (including purchases, transfers or redemptions), the accrual or receipt of any interest or premium payable on the Notes and the death of a holder of any Note may have tax consequences for potential purchasers which may depend, amongst other things, upon the tax residence and/or status of the potential purchaser. Potential purchasers of Notes are therefore advised to consult their own tax advisers as to the tax consequences of transactions involving Notes and the effect of any tax laws in any jurisdiction in which they may be tax resident or otherwise liable to tax.

The following summaries do not consider the tax treatment of payments in respect of Underlying Securities, Reference Assets, Deliverable Amounts or Deliverable Obligations. The taxation provisions applicable to such items may be different (and in some cases significantly different) from those described in the summary below.

Purchasers and/or sellers of Notes may be required to pay stamp taxes and other charges in addition to the issue price or purchase price (if different) of the Notes and in connection with the transfer or delivery of Underlying Securities Reference Assets, Deliverable Amounts or Deliverable Obligations.

United Kingdom Taxation

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

1. Payment of interest on Notes

(i) Payments of interest by the Bank

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

(ii) Payments of interest in respect of Notes which are listed on a recognised stock exchange

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

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

(iii) Payments of interest to certain Noteholders

Interest on the Notes may also be paid without withholding or deduction for or on account of United Kingdom tax where interest on the Notes is paid to a person whose usual place of abode is in the United Kingdom and, at the time the payment is made, the Issuer reasonably believes (and any person by or through whom interest on the Notes is paid reasonably believes) that either:

(a) the person beneficially entitled to the interest payable on the Notes is within the charge to United Kingdom corporation tax as regards the payment of such interest; or

(b) the payment is made to one of the classes of exempt bodies or persons set out in section 936 of the Act,

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

(iv) Notes with a maturity of less than 365 days

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

(v) Other withholdings

In other cases, an amount may have to be withheld from payments of interest on the Notes for or on account of United Kingdom income tax at the savings rate (currently 20 per cent.), subject to the availability of other exemptions or reliefs or to any direction to the contrary from HM Revenue and Customs in respect of such relief as may be available under an applicable double taxation treaty. Noteholders who are individuals may wish to note that HM Revenue and Customs has power to obtain information (including the name and address of the beneficial owner of the interest) from any person in the United Kingdom who either pays interest to, or receives interest on behalf of another person. Interest as defined for relevant tax purposes includes discounts derived from money debts. Any information obtained may, in certain circumstances, be exchanged by HM Revenue and Customs with the tax authorities of other jurisdictions.

2. **Reporting requirements**

Persons in the United Kingdom paying interest to, or receiving interest on behalf of, another person may be required to provide certain information to HM Revenue & Customs regarding the identity of the payee or the person entitled to the interest. In certain circumstances, such information may be exchanged with tax authorities in other countries.

The provisions referred to above may also apply, in certain circumstances, to payments of amounts due on redemption of Notes that constitute "deeply discounted securities" (as defined in the Income Tax (Trading and Other Income) Act 2005). However, HMRC's published practice indicates that no such information will be required in relation to such redemption amounts where they are paid before 5 April 2008.

Certain US Federal Income Tax Consequences

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, PROSPECTIVE INVESTORS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF UNITED STATES FEDERAL TAX ISSUES IN THIS BASE PROSPECTUS IS NOT INTENDED OR WRITTEN TO BE USED OR RELIED UPON, AND CANNOT BE USED OR RELIED UPON, BY PROSPECTIVE INVESTORS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON THEM UNDER THE US INTERNAL REVENUE CODE OF 1986, AS AMENDED (the "***Code***"); **(B) SUCH DISCUSSION IS INCLUDED HEREIN BY THE ISSUERS IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE ISSUERS OF THE**

TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) PROSPECTIVE INVESTORS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

THIS SUMMARY IS OF A GENERAL NATURE AND IS INCLUDED HEREIN SOLELY FOR INFORMATIONAL PURPOSES. IT IS NOT INTENDED TO BE, NOR SHOULD IT BE CONSTRUED TO BE, LEGAL OR TAX ADVICE. NO REPRESENTATION WITH RESPECT TO THE CONSEQUENCES TO ANY PARTICULAR INVESTOR OF THE NOTES IS MADE HEREBY. PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISERS WITH RESPECT TO THEIR PARTICULAR CIRCUMSTANCES AND THE EFFECTS OF NATIONAL, STATE, OR LOCAL TAX LAWS TO WHICH THEY MAY BE SUBJECT.

The following discussion summarizes certain United States federal income tax ("***US tax***") consequences of the purchase, beneficial ownership, and disposition of the Notes.

This summary is based on the US Treasury Regulations issued under the Code, judicial authority, and administrative rulings and practice, all of which are subject to change, possibly with retroactive effect. This summary addresses only US tax consequences to a prospective investor who purchases the Notes in the initial offering and holds the Notes as capital assets within the meaning of section 1221 of the Code and not as part of a hedging, straddle, or a conversion transaction for US tax purposes, or as part of some other integrated investment. This summary does not discuss all of the US tax consequences that may be relevant to a prospective investor in light of its individual investment circumstances or the US tax consequences to a prospective investor that is subject to special treatment under US tax laws, such as:

- an insurance company;
- a financial institution;
- a tax-exempt organization;
- a retirement plan;
- a regulated investment company;
- a dealer in securities or non-US currency;
- a regulated investment trust;
- a pass-through entity or an investor in a pass-through entity such as a partnership;
- a broker;
- a trader in securities that elects to mark to market the Notes;
- a former citizen or former long-term resident of the United States, in certain circumstances; or
- a person whose functional currency for US tax purposes is not the United States dollar.

Each prospective investor should consult its own tax advisor concerning the application of US tax laws as well as state, local, non-US, and other tax laws or any applicable tax treaty to its particular situation.

This discussion does not address United States federal alternative minimum tax consequences, and does not describe any tax consequences arising under United States federal gift and estate tax laws or under the tax laws of any state, local, or non-US jurisdiction. The US tax consequences to a partnership may depend on the status of the partners and the activities of the partnership. A prospective investor that is a partner in a partnership and such partnerships should consult their tax advisor with regard to the application of the US tax laws to their particular situation.

Characterization of the Notes

The Notes may be treated as debt or as equity for US tax purposes or to the extent provided in the applicable supplement, as some other type of financial instrument . The applicable supplement will specify how the Issuer intends to treat the Notes. The following discussion addresses some of the material US tax rules with respect to registered Notes that are treated as debt for US tax purposes, subject to the discussion set forth in the applicable supplement. If the Issuer intends to treat a particular issuance of Notes as equity or as some other type of financial instrument for such purposes, the applicable supplement will discuss the material US tax rules relating to that issuance.

US Tax Considerations of the Notes Treated as Debt

US Holders

This subsection describes the material US tax consequences to a US Holder of a Note. For purposes of this discussion, a "***US Holder***" is a beneficial owner of a Note that is, for US tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation or other entity taxable as a corporation for US tax purposes that was created or organized in or under the laws of the United States or any political subdivision thereof;
- an estate whose income is subject to US tax regardless of its source; or
- a trust if a court within the United States is able to exercise primary supervision over its administration and one or more US persons have the authority to control all of its substantial decisions, or if the trust has elected validly to be treated as a US person.

Payments of Interest

Except as described below in "Original Issue Discount," a US Holder will be taxed on any interest on a Note as ordinary income at the time the US Holder receives the interest or it accrues, depending on the US Holder's method of accounting for tax purposes. Interest paid on the Notes and original issue discount, if any, accrued with respect to the Note (as described below under "Original Issue Discount – Taxation of OID") constitutes income from sources outside the United States and will be "passive category income" or "general category income" for the purposes of computing the foreign tax credit limitation.

Cash Basis US Holder. A US Holder that uses the cash receipts and disbursements method of accounting for US tax purposes and receives an interest payment that is denominated in, or determined by reference to, a non-US currency, must recognize income equal to the US dollar value of the interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether the US Holder actually converts the payment to US dollars.

Accrual Basis US Holder. A US Holder that uses an accrual method of accounting for US tax purposes may determine the US dollar value of income that is recognized with respect to an interest payment denominated in, or determined by reference to, a non-US currency by using one of two methods. Under the first method, a US Holder will determine the amount of income accrued based on the average exchange rate in effect during the interest accrual period or, with respect to an accrual period that spans two taxable years, that part of the period within the taxable year.

If the US Holder elects the second method, it will determine the US dollar value of income accrued on the basis of the exchange rate in effect on the last day of the accrual period or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within the taxable year. Additionally, under this second method, if the US Holder receives a payment of interest within five business days of the last day of its accrual period or taxable year, it may instead translate the interest accrued into US dollars at the exchange rate in effect on the day that the interest payment is paid or received. If the US Holder elects the second method, it must be applied consistently from year to year and cannot be revoked without the consent of the IRS.

When a US Holder actually receives an interest payment, including a payment attributable to accrued but unpaid interest upon the sale or retirement of a Note, denominated in, or determined by reference

to, a non-US currency for which it accrued an amount of income, it will recognize ordinary income or loss measured by the difference, if any, between the exchange rate that was used to accrue interest income and the exchange rate in effect on the date of receipt, regardless of whether the payment was converted into US dollars. However, the US Holder may not treat this ordinary income gain or loss as an adjustment to the interest income that was received.

Original Issue Discount

General. A US Holder will be treated as owning a discount debt security with original issue discount ("***OID***") if the amount by which the Note's "stated redemption price at maturity" exceeds its "issue price" is more than a de minimis amount and the Note has a term of more than one year. Generally, a Note's issue price will be the first price at which a substantial amount of the Notes included in the issue of which the Note is a part is sold to persons other than bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers. A Note's stated redemption price at maturity is the total of all payments provided by the debt instrument that are not payments of "qualified stated interest." Generally, an interest payment on a Note is qualified stated interest if it is one of a series of stated interest payments on a Note that is unconditionally payable at least annually at a single fixed rate, with certain exceptions for lower rates paid during some periods, applied to the outstanding principal amount of the Note.

In general, a Note will not be considered to have been issued with OID if the amount by which its stated redemption price at maturity exceeds its issue price is less than one quarter of one percent of its stated redemption price at maturity multiplied by the number of complete years to its maturity ("***de minimis OID***"). If the Note has de minimis OID, the US Holder must include the de minimis amount in income as stated principal payments are made on the Note, unless the US Holder has made an election to treat all interest as OID (described in "Original Issue Discount – Election to Treat All Interest as OID" below).

Taxation of OID. A US Holder of a Note issued with OID is required to include in gross income for US tax purposes an amount equal to the sum of the "daily portions" of such OID for all days during the taxable year on which the US Holder holds the Note. The daily portions of OID required to be included in a US Holder's gross income in a taxable year will be determined on a constant yield basis by allocating to each day during the taxable year on which the US Holder holds the Note a pro-rata portion of the OID on such Note which is attributable to the "accrual period" in which such day is included. Accrual periods with respect to a Note issued with OID may be of any length and may vary in length over the term of the Note as long as (i) no accrual period is longer than one year and (ii) each scheduled payment of interest or principal on the Note occurs on either the final or the first day of an accrual period. The amount of OID attributable to each accrual period will be the product of the "adjusted issue price" at the beginning of such accrual period and the "yield to maturity" of the Note, less the amount of any qualified stated interest allocable to the accrual period. The yield to maturity is the discount rate that, when used in computing the present value of all payments to be made under the Note, produces an amount equal to the issue price of the Note. The adjusted issue price of the Note at the beginning of the accrual period generally will equal the issue price of the Note plus the aggregate amount of OID that accrued in all prior accrual periods and decreased by the amount of any payments previously made on the Notes other than a payment of qualified stated interest.

Non-US Currency Denominated Notes. A US Holder of a Note issued with OID will be required to include in income the US dollar value of the amount of OID that has accrued during the accrual period. The US dollar value of such accrued income will be determined in the same manner discussed above with respect to US Holders of Notes that are on an accrual method of tax accounting (see "Payments of Interest – Accrual Basis US Holder" above). At the time the interest so accrued in a prior accrual period is received, the US Holder will realize exchange gain or loss equal to the difference, if any, between the amount of the non-US currency received by the US Holder translated into US dollars at the spot rate on the date of receipt and the amount of interest income previously accrued for such period. Such exchange gain or loss, if any, will be ordinary gain or loss and generally will not be treated as interest income or expense.

Election to Treat All Interest as OID. A US Holder may elect to include in gross income all interest that accrues on a Note using the constant yield method described above under "Original Issue Discount – Taxation of OID," with certain modifications. For purposes of this election, interest will include stated interest, acquisition discount, OID, de minimis OID, market discount, de minimis market

discount, and unstated interest, as adjusted for any acquisition premium or amortizable bond premium (as described below under "Notes Purchased at a Premium"). Generally, this election will apply only to a Note for which the election is made; however, if the Note for which the election is made has amortizable bond premium, the US Holder will be deemed to have made an election to apply amortizable bond premium against interest for all Notes with amortizable bond premium, other than Notes the interest on which is excludible from gross income, that are held as of the beginning of the taxable year to which the election applies or any taxable year thereafter. A US Holder cannot revoke any election to apply the constant yield method to all interest on a Note or a deemed election with respect to amortizable bond premium without the consent of the IRS.

Notes Purchased at a Premium

If a Note is purchased for an amount in excess of its principal amount, a US Holder may elect to treat the excess as amortizable bond premium. If this election is made, the US Holder must reduce the amount required to be included in its income each year with respect to interest on the Notes by the amount of amortizable bond premium allocable to that year, based on the Note's yield to maturity. If the Note is denominated in, or determined by reference to, a non-US currency, the US Holder must compute its amortizable bond premium in units of the non-US currency and its amortizable bond premium will reduce the US Holder's interest income in units of the non-US currency. Gain or loss that is recognized that is attributable to changes in exchange rates between the time of the US Holder's amortizable bond premium offsets interest income and the time of the acquisition of the Note is generally taxable as ordinary income or loss. If a US Holder elects to amortize bond premium, it will apply to all debt instruments, other than debt instruments the interest on which is excludable from gross income, that the US Holder holds at the beginning of the first taxable year to which the election applies or thereafter acquires, and the election cannot be revoked without the consent of the IRS. See "Original Issue Discount – Election to Treat All Interest as OID" above.

Disposition of Notes

In general, upon the sale, exchange, retirement or redemption of a Note, a US Holder will recognize taxable gain or loss equal to the difference between (i) the amount of cash proceeds and the fair market value of any property received on the sale, exchange, retirement or redemption (not including any amount attributable to accrued but unpaid qualified stated interest) and (ii) the US Holder's "adjusted tax basis" in the Note. A US Holder's adjusted tax basis in a Note generally will be equal to the US dollar cost of the Note to such US Holder, increased by the amount of any market discount and OID previously taken into income by the US Holder and reduced by the amount of any amortized bond premium and all payments received by the US Holder (other than payments of qualified stated interest).

Generally, gain or loss realized on the sale, exchange, retirement or redemption of a Note will be capital gain or loss.

Non-US Currency Denominated Notes. If a Note is denominated in a non-US currency, gain or loss on its sale or other disposition will be ordinary to the extent attributed to exchange rate fluctuations and otherwise will be capital gain or loss. Such non-US currency gain or loss will be realized only to the extent of the total gain or loss realized by the US Holder on the sale, exchange, or redemption of the Note. A US Holder will have a tax basis in any non-US currency received on the sale, exchange, or redemption of a Note equal to the US dollar value of such non-US currency, determined at the time of such sale, exchange, or redemption.

Variable Rate Notes

In some cases, a Note may be offered that is subject to the US Treasury Regulations governing variable rate debt instruments. In that case, the applicable supplement will discuss the material US tax rules with respect to such variable rate Notes.

Contingent Payment Notes

In some cases, a Note may be offered that is subject to Regulations governing contingent payment debt instruments. The applicable supplement will discuss any material US tax rules with respect to contingent non-US currency debt Notes, Notes the payments on which are determined by reference to

the value of any index or stock, and other Notes that are subject to the US tax rules governing contingent payment instruments.

Non-US Holders

This subsection describes the material US tax consequences to a Non-US Holder of a Note. For purposes of this discussion, a "***Non-US Holder***" is a beneficial owner of a Note that is, for US tax purposes:

- a nonresident alien individual;
- a foreign corporation; or
- an estate or trust that in either case is not subject to US tax on a net income basis on income or gain from a debt security.

If you are a US Holder, this subsection does not apply to you.

Payments of Interest

Under current US tax law, and subject to the discussion of backup withholding below, principal and interest on the Notes paid by the Issuer to a Non-US Holder, and OID, if any, accrued with respect to the Notes, generally will not be subject to US withholding tax, provided that in the case of interest (including OID, if any), the Non-US Holder certifies to the Issuer or its agent that it is a non-United States person (which certification may generally be made on an Internal Revenue Service Form W-8BEN or other applicable form or a successor form for registered Notes). Interest, including any OID, may be subject to a 30 percent US withholding tax (or less under an applicable treaty, if any) to the extent that the payments of interest (including OID) are treated as US source and the requirements set forth above are not met.

Disposition of Notes

In general, a Non-US Holder generally will not be subject to US tax on gain realized on the sale, exchange, retirement or redemption of a Note, unless

- the gain is effectively connected with the Non-US Holder's conduct of a trade or business in the United States, and, if an income tax treaty applies, the gain is attributable to a permanent establishment that the Non-US Holder maintains in the United States; or
- the Non-US Holder is an individual, and is present in the United States for 183 or more days during the taxable year in which the gain is realized and certain other conditions exist.

Gains that a corporate Non-US Holder recognizes that are "effectively connected" with the conduct of a trade or business in the United States may also, under certain circumstances, be subject to an additional "branch profits tax" at a 30 percent rate or at a lower rate if the corporate Non-US Holder is eligible for the benefits of an income tax treaty that provides for a lower rate.

Information Reporting and Backup Withholding

Under current US tax law, information reporting requirements may apply to certain payments of principal, interest, and sales proceeds received with respect to a Note by a non-corporate US Holder. In addition, backup withholding generally will apply to a non-corporate US Holder who:

- fails to furnish a taxpayer identification number ("***TIN***"), which, for an individual, is a social security number;
- furnishes an incorrect TIN;
- is notified by the IRS as being subject to backup withholding for failure to report interest or dividend payments; or
- under certain circumstances fails to certify, under penalties of perjury, that such person has furnished a correct TIN.

A Non-US Holder is generally exempt from backup withholding and information reporting requirements with respect to:

- payments of principal and interest (that is not treated as US source) on a Note that are made outside the United States by the Issuer or another non-US payor.

- payments of principal and interest on a Note effected at a US office of a broker, as long as the income associated with such payments is otherwise exempt from US tax and the payor or broker does not have actual knowledge or reason to know that the holder is a US person and the Non-US Holder furnishes to the payor or broker:

    - an IRS Form W-8BEN or other applicable form or an acceptable substitute form upon which the Non-US Holder certifies, under penalties of perjury, that the holder is a non-US person; or

    - other documentation upon which the payor or broker may rely to treat the payments as made to a non-US person in accordance with US Treasury regulations; or

    - the Non-US Holder otherwise establishes an exemption.

However, payments of interest (including OID) that are treated as US source on registered Notes are generally required to be reported to the IRS and to the Non-US Holder on IRS Form 1042-S even if the payments are not otherwise subject to US tax or information reporting;

Payment of the proceeds from the sale by a Non-US Holder of a Note effected at a foreign office of a broker generally will not be subject to information reporting or backup withholding. However, a sale of a Note that is effected at a foreign office of a broker will be subject to information reporting and backup withholding if:

- the proceeds are transferred to an account maintained by the Non-US Holder in the United States;

- the payment of proceeds or the confirmation of the sale is mailed to the Non-US Holder at a US address; or

- the sale has some other specified connection with the United States as provided in US Treasury regulations;

unless the broker does not have actual knowledge or reason to know that the Non-US Holder is a US person and the documentation requirements described above are met or the Non-US Holder otherwise establishes an exemption.

In addition, the proceeds from the sale by a Non-US Holder of a Note effected at a foreign office of a broker will be subject to information reporting if the broker is:

- a US person;

- a controlled foreign corporation for US tax purposes;

- a foreign person 50 percent or more of whose gross income is effectively connected with the conduct of a US trade or business for a specified three-year period;

- a foreign partnership, if at any time during its tax year:

    - one or more of its partners are "US persons", as defined in US Treasury regulations, who in the aggregate hold more than 50 percent of the income or capital interest in the partnership; or

    - such foreign partnership is engaged in the conduct of a US trade or business,

unless the broker does not have actual knowledge or reason to know that the Non-US Holder is a US person and the documentation requirements described above are met or the Non-US Holder otherwise establishes an exemption.

A prospective investor should consult its tax advisor regarding qualification for exemption from backup withholding and the procedure for obtaining such an exemption, if applicable. The rate for backup withholding is 28% until 2011, when the rate will rise to 31% unless the statutory rate is amended by Congress.

Any amounts withheld from a payment in respect of a Note under the backup withholding rules will be allowed as a credit against the investor's US tax liability and may entitle the investor to a refund, provided that a US tax return is filed and the required documentation is furnished to the IRS in a timely manner.

The US tax discussion set forth above is included for general information only and may not be applicable depending upon the particular situation of the investor. A prospective investor should consult its tax advisor with respect to the tax consequences to it of the purchase, beneficial ownership, and disposition of the Notes, including the tax consequences under federal, state, local, non-US, and other tax laws, including any applicable income tax treaty, and the possible effects of changes in federal or other tax laws.

Disclosure Regulations

Pursuant to recently enacted legislation, a penalty in the amount of US$10,000 in the case of a natural person and US$50,000 in any other case is imposed on any taxpayer that fails to timely disclose its participation in a "reportable transaction" (as defined in US Treasury Regulations promulgated under Section 6011 of the Code (the "***Disclosure Regulations***")). A taxpayer complies with this disclosure obligation by attaching IRS Form 8886 (Reportable Transaction Disclosure Statement) to its US tax return for each taxable year during which the taxpayer participated in the reportable transaction. The Disclosure Regulations provide that, in addition to certain other transactions, a "loss transaction" constitutes a "reportable transaction." A "loss transaction" is any transaction resulting in the taxpayer claiming a loss under section 165 of the Code in an amount equal to or in excess of certain threshold amounts. The Disclosure Regulations specifically provide that a loss resulting from certain foreign currency transactions will constitute a loss transaction. The Disclosure Regulations provide, however, that the fact that a transaction is a reportable transaction does not affect the legal determination of whether the taxpayer's treatment of the transaction is proper.

Persons considering the purchase of Notes should consult their own tax advisors concerning the application of the rules contained in the Disclosure Regulations with respect to an investment in the Notes and to determine their own tax return disclosure obligations, if any, with respect to an investment in the Notes, including any requirement to file IRS Form 8886 (Reportable Transaction Disclosure Statement).

Cayman Islands Taxation

The following is a discussion on certain Cayman Islands income tax consequences of an investment in the Notes. 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 of interest and principal on the Notes will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of interest and principal to any holder of the Notes, nor will gains derived from the disposal of the Notes 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 Notes in bearer form. Notes 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 Notes in registered form. An instrument of transfer in respect of a Note 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 with limited liability 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 Concessions 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.

TAXATION RELATING TO THE CERTIFICATES

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.

Condition 11 ("***Expenses and Taxation***") of the Terms and Conditions of the Certificates on page 171 should be considered carefully by all potential purchasers of any Certificates.

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 Bank's understanding of current law and practice in the United Kingdom relating to certain aspects of United Kingdom taxation. Prospective holders of Certificates 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

Prospective holders of Certificates are referred to the disclosure at paragraph 2 on page 246 above of the section entitled "Taxation relating to the Notes." The same reporting requirements may apply to Certificates. Prospective holders of Certificates are also directed to the disclosure at page 261 in respect of the EU Directive on the Taxation of Saving Income.

United States Federal Income Tax Considerations

General

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

THIS SUMMARY IS OF A GENERAL NATURE AND IS INCLUDED HEREIN SOLELY FOR INFORMATIONAL PURPOSES. IT IS NOT INTENDED TO BE, NOR SHOULD IT BE CONSTRUED TO BE, LEGAL OR TAX ADVICE. NO REPRESENTATION WITH RESPECT TO THE CONSEQUENCES TO ANY PARTICULAR INVESTOR OF THE CERTIFICATES IS MADE HEREBY. PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISERS WITH RESPECT TO THEIR PARTICULAR CIRCUMSTANCES AND THE EFFECTS OF NATIONAL, STATE, OR LOCAL TAX LAWS TO WHICH THEY MAY BE SUBJECT.

The following is a general summary of certain US 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 US federal income tax considerations of US 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 US 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 US 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 US dollar; (ix) real estate investment trusts; (x) S corporations; and (xi) persons who have ceased to be taxed as US 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 US Internal Revenue Code of 1986, as amended (the "***Code***"), US 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 US federal income tax consequences, if any, applicable to particular Certificates will be set forth in the applicable Final Terms. **Further, any Certificate that (i) is issued in bearer form with a maturity of more than 182 days, and (ii) is treated as debt for US federal income tax purposes ("Bearer Indebtedness Certificates") will not be offered, sold or delivered within the United States or its possessions or to a United States person except as permitted under US Treasury Regulation section 1.163-5(c)(2)(i)(D). The specific US tax requirements and the terms and conditions of the Bearer Indebtedness Certificates will be set forth in the Final Terms. For a general discussion of these provisions as they relate to the Notes in bearer form, see "Form of the Notes - Bearer Notes", "Terms and Conditions of the Notes -- Bearer Notes" and "Purchase and Sale - Selling Restrictions – United States of America - US Tax Selling Restrictions."**

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

For the purposes of this summary, a "***US Holder***" is a beneficial owner of a Certificate that is, for US 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 organised 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 US 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 US 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-US Holder***" is a beneficial owner of a Certificate that is not a United States person for US 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 US federal income tax purposes. **Prospective investors should consult their own tax advisors concerning the US 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 US Holder fails to furnish the US Holder's taxpayer identification number, to certify that such US Holder is not subject to backup withholding, or otherwise to comply with the applicable requirements of the backup withholding rules. Certain US Holders (including, among others, corporations) are not subject to the backup withholding and information reporting requirements. Non-US Holders may be required to comply with applicable certification procedures to establish that they are not US Holders in order to avoid the application of such information reporting requirements and backup withholding. Non-U.S. holders should consult their tax advisors regarding the application of information reporting and backup withholding in their particular situations, the availability of an exemption therefrom and the procedure for obtaining the exemption, if available. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be refunded or credited against the holder's US federal income tax liability, provided that certain required information is furnished to the US 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 US 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.

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 payment on the Certificates 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 Certificates in bearer form. 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 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 with limited liability 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 Concessions 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.

TAXATION RELATING TO THE WARRANTS

Purchasers of Warrants may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase and, in respect of physically settled Warrants, the country of the underlying assets in addition to the issue price of each Warrant.

TRANSACTIONS INVOLVING WARRANTS 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 WARRANTS OR WHO MAY BE SUBJECT TO TAX IN A JURISDICTION OTHER THAN THE UNITED KINGDOM SHOULD CONSULT THEIR OWN TAX ADVISERS.

The comments below are of a general nature and are only a summary of certain aspects of the laws and practice currently applicable in the United Kingdom. Purchasers of Warrants may be subject to other tax consequences in relation to Warrants.

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

Issue

A Global Warrant may be subject to United Kingdom stamp duty if it is executed in the United Kingdom or if it relates to any property situated, or to any matter or thing done or to be done, in the United Kingdom. However, in the context of retail covered warrants listed and admitted to trading on the London Stock Exchange, HM Revenue and Customs ("***HMRC***") has indicated that no charge to United Kingdom stamp duty will arise on the grant of such warrants. It is not clear whether or not HMRC would be prepared to take such a view in relation to a Global Warrant.

If a Global Warrant is subject to United Kingdom stamp duty, there may be no practical necessity to pay that stamp duty as United Kingdom stamp duty is not an assessable tax. However, a Global Warrant which is not duly stamped cannot be used for any purpose in the United Kingdom; for example it will be inadmissible in evidence in civil proceedings in a United Kingdom court.

If a Global Warrant is subject to United Kingdom stamp duty, and it becomes necessary to pay that stamp duty (for example because this is necessary in order to enforce the document in the United Kingdom), interest will be payable (in addition to the stamp duty) in respect of the period from 30 days after the date of execution of the Global Warrant to the date of payment of the stamp duty. Penalties may also be payable if a Global Warrant which was executed outside the United Kingdom is not stamped within 30 days of first being brought into the United Kingdom. If any United Kingdom stamp duty is required to be paid, it would be payable at the rate of 0.5 per cent. by reference to the amount of consideration given for the issue of Warrants represented by that Global Warrant.

No SDRT should be payable on the issue (into Euroclear or Clearstream) of a cash settled Warrant.

No SDRT should be payable in relation to the issue (into Euroclear or Clearstream) of a physically delivered Warrant which does not give the holder an interest in, rights arising out of, or the right to acquire stock, shares or loan capital.

SDRT at 1.5 per cent. of the consideration will be payable in relation to the issue (into Euroclear or Clearstream) of a physically settled Warrant which gives the holder the right on exercise to acquire stock, shares or loan capital unless such stock, shares or loan capital would qualify as "exempt securities".

Transfer

No United Kingdom stamp duty should be required to be paid on the sale of a Warrant provided no instrument of transfer is used in order to complete the sale.

No SDRT should generally be payable in relation to an agreement to transfer a Warrant within Euroclear or Clearstream.

Exercise

Depending upon the nature of the asset, United Kingdom stamp duty or SDRT may be required to be paid in relation to the transfer of an asset following the exercise of a physically settled Warrant.

However, any such liability to SDRT should be cancelled (or, if already paid, should be repaid) if an instrument effecting the transfer is chargeable with stamp duty (or is otherwise required to be stamped) and has been duly stamped within six years of the agreement being made or, in the case of a conditional agreement, within six years of all conditions being satisfied.

Withholding Tax

No United Kingdom income tax should be required to be deducted or withheld from any payments made on the issue, exercise, sale or other disposition of the Warrants.

Linked Securities

Linked Securities will only be issued by the Bank.

The comments below relate only to the Bank's understanding of certain aspects of United Kingdom taxation applicable to individuals who are the beneficial owners of Linked Securities (and/or their component Warrants) and who are resident or ordinarily resident in the United Kingdom. The comments are based on current United Kingdom tax law and HMRC published practice, are of a general nature and do not apply to certain classes of taxpayers (such as persons carrying on a trade of dealing in Linked Securities (and/or their component Warrants) and persons connected with the Issuer) to whom special rules may apply. The comments are not intended to be, nor should they be regarded as, legal or tax advice. The precise tax treatment of a holder of a Linked Security (or a component Warrant) will depend for each issue on the terms of such Warrants. The tax treatment of an investment in Linked Securities (and/or their component Warrants) may be the subject of change in the future, as may levels of taxation and/or allowances. The Bank gives no assurance as to the actual tax treatment of the Linked Securities (and/or their component Warrants) or of a particular investor as a result of the purchase, holding or sale of a Linked Security (and/or a component Warrants). Prospective investors should note that the relevant taxation provisions are complex, the Linked Securities (and/or their component Warrants) arrangements are innovative, and the provisions in question do not include any clearance procedure under which the views of HMRC can be obtained in advance. Prospective investors in Linked Securities (and/or their component Warrants) 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.

Gains arising to an individual as a result of acquiring then exercising or otherwise disposing of a "qualifying option" are charged to tax under the capital gains tax rules in the Taxation of Chargeable Gains Act 1992. Options which are listed or quoted on a recognised stock exchange are "qualifying options". The London Stock Exchange plc is a recognised stock exchange for these purposes. Accordingly, profits or losses on the Linked Securities (and/or their Component Warrants) arising, otherwise than as profits of a trade, on the sale or exercise of Warrants or on the sale of such Linked Securities by an investor who is resident or ordinarily resident in the United Kingdom for UK tax purposes or, in certain cases, is carrying on a trade in the United Kingdom through a branch or agency, should be treated as chargeable gains or allowable losses for the purposes of the taxation of capital gains in the United Kingdom.

It is expected that investors selling Linked Securities or exercising their component Warrants will be required to compute separately the chargeable gains or losses arising on the Call Warrants and the Put Warrants comprising the Linked Securities. Provisions contained in section 46 of the Taxation of Chargeable Gains Act 1992 (which can restrict the allowable expenditure taken into account in the computation of a chargeable gain or allowable loss for such purposes in respect of "wasting assets" as defined for this purpose) are not expected to apply to the Linked Securities (and/or their component Warrants).

In many circumstances when an investor sells Linked Securities, as the case may be, or exercises (or abandons) the component Warrants together, one of the component Warrants will give rise to a gain while the other will give rise to a loss. In these circumstances, losses can be set against chargeable gains in such order as results in the largest reduction of the amount charged to capital gains tax. An investor will be entitled to make a tax free gain upon the disposal or exercise of the Warrants or Linked Securities in any tax year equal to the annual exempt amount (£9,200 for the 2007/2008 tax year), assuming the annual exemption has not been utilised in relation to another gain in the same year.

Where a Warrant or Linked Security is held in connection with a trade carried on by the Warrantholder, the cost of acquiring such Warrant or Linked Security and the profit or loss on its sale and, in the case of such Warrant, its exercise will generally be brought into account in the computation of the trading profits of the Warrantholder for UK tax purposes if the Warrantholder is resident in the United Kingdom or if the trade is being exercised through a branch or agency in the United Kingdom.

At maturity a Warrantholder exercising a Call Warrant or a Put Warrant will receive payment of the exercise proceeds, if any, without deduction of tax.

No stamp duty reserve tax will be payable by investors on the initial purchase of the Warrants or the Linked Securities from Barclays Private Bank Limited or on any subsequent dealings in them through an account at Clearstream, Luxembourg or Euroclear. In the context of retail covered warrants listed on the London Stock Exchange, HMRC has indicated that no charge to United Kingdom stamp duty will arise on the grant of such warrants. It is not clear whether or not HMRC would be prepared to take such a view in relation to a Global Warrant.

Even if an instrument is subject to United Kingdom stamp duty there may be no practical necessity to pay that stamp duty, as United Kingdom stamp duty is not an assessable tax. However, an instrument which is not duly stamped cannot be used for any purpose in the United Kingdom; for example it will be inadmissible in evidence in civil proceedings in a United Kingdom court.

In the event that an instrument is subject to United Kingdom stamp duty, and it becomes necessary to pay that stamp duty (for example because this is necessary in order to enforce the document in the United Kingdom), interest will be payable (in addition to the stamp duty) in respect of the period from 30 days after the date of execution of the instrument to the date of payment of the stamp duty. Penalties may also be payable if an instrument which was executed outside the United Kingdom is not stamped within 30 days of first being brought into the United Kingdom. In the case of a Global Warrant representing a Series of Warrants, if any United Kingdom stamp duty is required to be paid it would be payable by reference to the amount of consideration given for the Warrants represented by that Global Warrant.

A document constituting a transfer on sale of the Linked Securities and/or the Warrants will generally give rise to *ad valorem* stamp duty, at the current rate of 0.5 per cent of the amount or value of the consideration, unless the transfer is to a depositary for a clearing system or to a person issuing depositary receipts (or an agent or nominee of such a person) where stamp duty will be payable at 1.5 per cent of the amount or value of the consideration. The purchaser of the Linked Securities and/or the Warrants normally pays any stamp duty.

General

Transactions involving Warrants 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 12 ("***Expenses and Taxation***") of the Terms and Conditions of the Warrants on page 229 should be considered carefully by all potential purchasers of any Warrants.

Cayman Islands Taxation

The following is a discussion on certain Cayman Islands income tax consequences of an investment in the Warrants. 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 Warrants will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment on the Warrants to any holder of the Warrants, nor will gains derived from the disposal of the Warrants 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 Warrants in bearer form. Warrants 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 Warrants in registered form. An instrument of transfer in respect of a Warrant 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 with limited liability 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 Concessions 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.

EUROPEAN UNION TAXATION

EU Directive on the Taxation of Savings Income

Under EC Council Directive 2003/48/EC on the taxation of savings income, each EU Member State is required, from 1 July 2005, to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State; however, for a transitional period, Austria, Belgium and Luxembourg will (unless they elect otherwise) instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35 per cent. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

Also with effect from 1 July 2005, a number of non-EU countries, including Switzerland, and certain dependent or associated territories of certain Member States have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in a Member State. In addition, the Member States have entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident in one of those territories.

ERISA MATTERS

BCCL and certain affiliates of BCCL may each be considered a "party in interest" within the meaning of the US 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 Title I of ERISA or 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 or Notes should consult with its legal counsel and be prepared to set forth for the Manager the basis of any applicable prohibited transaction exemption.

PURCHASE AND SALE

Pursuant to the Master Subscription Agreement dated 27 March 2009, the Manager (being, at the date of this Base Prospectus, Barclays Bank PLC in its capacity as a Manager) has agreed with the Issuers the basis on which it may from time to time agree to purchase Securities. Any such agreement will extend to those matters stated under "*Summary*", "*Terms and Conditions of the Notes*", "*Terms and Conditions of the Certificates*" and "*Terms and Conditions of the Warrants*" above. In the Master Subscription Agreement, each of the Issuers has agreed to reimburse the Manager for certain of its expenses in connection with the establishment of the Programme and the issue of Securities under the Programme.

No action has been or will be taken by BCCL, the Bank or the Managers that would permit a public offering of any Securities or possession or distribution of any offering material in relation to any Securities in any jurisdiction where action for that purpose is required. No offers, sales, re-sales or deliveries of any Securities, or distribution of any offering material relating to any Securities, 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.

SELLING RESTRICTIONS

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive or for which the provisions of the Prospectus Directive have direct effect under local law because that Member State failed to implement the Prospectus Directive in time (each, a "***Relevant Member State***"), the Manager has represented and agreed, and each further Manager appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Member State (the "***Relevant Implementation Date***") it has not made and will not make an offer of Securities to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Securities 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 Securities which has been approved by the competent authority in that Relevant Member State in accordance with the Prospectus Directive or, where appropriate, published in another Member State and notified to the competent authority in that Relevant Member State in accordance with Article 18 of 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 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 or to supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

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

US Tax Selling Restrictions

Bearer Notes and the Bearer Indebtedness Certificates (collectively, the "***Bearer Debt Instruments***") have not been issued in registered form for US federal income tax purposes and may not be offered, sold or delivered within the United States or its possessions or to a United States person except as permitted under US Treasury Regulation section 1.163-5(c)(2)(i)(D) (the "***D Rules***").

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

(a) except to the extent permitted under the D Rules, (x) it has not offered or sold, and during the restricted period it will not offer or sell, Bearer Debt Instruments to a person who is within the United States or its possessions or to a United States person and (y) such Manager has not delivered and agrees that it will not deliver within the United States or its possessions definitive Bearer Debt Instruments that will be sold during the restricted period;

(b) it has and agrees that throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Bearer Debt Instruments are aware that Bearer Debt Instruments may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person (except to the extent permitted under the D Rules);

(c) if it is a United States person, it is acquiring the Bearer Debt Instruments for purposes of resale in connection with their original issuance, and if it retains Bearer Debt Instruments for its own account, it will do so in accordance with the requirements of the D Rules;

(d) with respect to each affiliate or distributor that acquires Bearer Debt Instruments from the Manager for the purpose of offering or selling such Bearer Debt Instruments during the restricted period, the Manager either repeats and confirms the representations and agreements contained in subclauses (a), (b) and (c) above on such affiliate's or distributor's behalf or agrees that it will obtain from such affiliate or distributor for the benefit of each Issuer and Manager the representations and agreements contained in such subclauses; and

(e) it has not and agrees that it will not enter into any written contract (other than confirmation or other notice of the transaction) pursuant to which any other party to the contract (other than one of its affiliates or another Manager) has offered or sold, or during the restricted period will offer or sell, any Bearer Debt Instruments except where pursuant to the contract the Manager has obtained or will obtain from that party, for the benefit of each Issuer and Manager, the representations contained in, and that party's agreement to comply with, the provisions of subclauses (a), (b), (c) and (d).

Terms used in this section shall have the meanings given to them by the Internal Revenue Code and the US Treasury Regulations thereunder, including the D Rules.

US Securities Selling Restrictions

Notes and Certificates

The Notes, Certificates, the Guarantee and in certain cases, the Entitlements have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account of benefit of, US persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act ("***Regulation S***").

The Manager has agreed (and each further Manager named in a set of Final Terms will be required to agree) that it will not offer or sell Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of an identifiable tranche of which such Notes are part, as determined and certified to the Agent by such Manager (in the case of a non-syndicated issue) or the relevant Lead Manager (in the case of syndicated issue), within the United States or to, or for the account or benefit of, US persons except to certain qualified institutional buyers as defined in Rule 144A, and it will have sent to each Manager to which it sells Notes and Certificates during the distribution compliance period (other than resales pursuant to Rule 144A) a confirmation or other notice setting out the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, US persons. Terms used in the preceding sentence have the meanings given to them by Regulation S. Neither such Manager nor its affiliates, nor any persons acting on its or their behalf, have engaged or will engage in any directed selling efforts (as defined in Regulation S) with respect to the Securities, and such Manager, its affiliates and all persons acting on its or their behalf have complied and will comply with the offering restrictions requirement of Regulation S.

The Notes and Certificates are being offered and sold outside the United States to non-US persons in reliance on Regulation S. The Master Subscription Agreement provides that the Manager may directly or through their US broker-dealer affiliates arrange for the offer and resale of Registered Notes within the United States only to Qualified Institutional Buyers.

In addition, until 40 days after the commencement of the offering of any identifiable tranche of Notes and Certificates, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering of such tranche of Registered Notes) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

The Base Prospectus has been prepared by the Issuers for use in connection with the offer and sale of Notes outside the United States and for the resale of the Registered Notes in the United States and for the listing of Notes on the Relevant Stock Exchange. The Issuers and the Manager reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. The Base Prospectus does not constitute an offer to any person in the United States or to any US person other than any Qualified Institutional Buyer to whom an offer has been made directly by the Manager or its US broker-dealer affiliate. Distribution of the Base Prospectus by any non-US person outside the United States or by any Qualified Institutional Buyer in the United States to any US person or to any other person within the United States, other than any Qualified Institutional Buyer and those persons, if any, retained to advise such non-US person or qualified institutional buyer with respect thereto, is unauthorised and any disclosure without the prior written consent of the Issuers of any of its contents to any of such US person or other person within the United States, other than any Qualified Institutional Buyer and those persons, if any, retained to advise such non-US person or Qualified Institutional Buyer, is prohibited.

Each issue of Notes and Certificates shall be subject to such additional US selling restrictions as the Issuers and the relevant Manager may agree as a term of the issue and purchase of such Notes and Certificates, which additional selling restrictions shall be set out in the applicable Final Terms.

Warrants

No Warrants of any Series nor the Guarantee have been, or will be, registered under the Securities Act or any state securities laws and trading in the Warrants has not been approved by the US Commodity Futures Trading Commission under the Commodity Exchange Act. The Warrants are only being offered and sold pursuant to the registration exemption contained in Regulation S under the Securities Act. No Warrants of any Series, or interests therein, may at any time be offered, sold, resold, traded, pledged, exercised, redeemed, transferred or delivered, directly or indirectly, in the United States or directly or indirectly offered, sold, resold, traded, pledged, exercised, redeemed, transferred or delivered to, or for the account or benefit of, any US person. Terms used in the preceding sentence have the meanings given to them by Regulation S. Consequently, any offer, sale, re-sale, trade, pledge, exercise, redemption, transfer or delivery made, directly or indirectly, within the United States or to, or for the account or benefit of, a US person will not be recognised.

Each Manager of an issue of Warrants will be required to agree that it, its affiliates and any person acting on its or their behalf will not at any time offer, sell, resell, trade, pledge, exercise, redeem, transfer or deliver, directly or indirectly, Warrants of such Series in the United States or to, or for the account or benefit of, any US person or to others for offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any such US person. Each Manager of an issue of Warrants will be required to agree that it, its affiliates, and any person acting on its or their behalf will not offer or sell the Warrants at any time except in accordance with Rule 903 of Regulation, and that neither it, its affiliates, nor any persons acting on its or their behalf will engage in any directed selling efforts with respect to the Warrants and it and they will comply with the offering restrictions requirements of Regulation. The terms used in this paragraph have the meanings given to them by Regulation. Any person purchasing Warrants of any Series must agree with the Manager or the seller of such Warrants that (i) it is not located in the United States and was not solicited to purchase the Warrants while present in the United States, (ii) it will not at any time offer, sell, resell, trade, pledge, exercise, redeem, transfer or deliver, directly or indirectly, any Warrants of such Series so purchased in the United States or to, or for the account or benefit of, any US person or to others for offer, sale, resale, trade or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any US person, (iii) it is not purchasing any Warrants of such Series for the account or benefit of any US person and (iv) it will not make offers, sales, re-sales, trades, pledges, exercises, redemptions, transfers or deliveries of any Warrants of such Series (otherwise acquired), directly or indirectly, in the United States or to, or for the account or benefit of, any US person. Each Manager of an issue of warrants will also be required to agree, and any person purchasing Warrants of such Series must agree, to send each person who purchases any Warrants of such Series from it, at or prior to confirmation of sale of any Warrants, a written confirmation (which shall include the definitions of United States and US persons set forth herein) stating that the Warrants and the Guarantee have not been registered under the Securities Act, or any state securities laws, and trading in the Warrants and the Guarantee has not been approved by the US Commodity Futures Trading Commission under the Commodity Exchange Act, as amended, and stating that such purchaser agrees that it will not at any time offer, sell, resell, trade, pledge, exercise, redeem, transfer or deliver Warrants, directly or indirectly, in the United States or to, or for the account or benefit of, any US person. Any person exercising a Warrant will be required to represent, inter alia, that it is not a US person the Warrant is not being exercised within the United States or on behalf of a US 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 US person in connection with any exercise thereof. See "Terms and Conditions of the Warrants, Condition 6 - Exercise Procedure".

US Commodities Selling Restrictions

(a) *Type 1 US Commodities Restrictions*

Type 1 US Commodities Restrictions will generally apply in the case of Notes that may implicate the US commodities laws but that may, in limited circumstances agreed between the relevant Issuer and the relevant Manager, be purchased, or redeemed when held, by or on behalf of certain persons in the United States.

If the Final Terms for Notes of any Series indicates that Type 1 US Commodities Restrictions apply, the US Commodities Restrictions will be as follows:

> Trading in the Notes or Certificates has not been approved by the US Commodity Futures Trading Commission under the Commodity Exchange Act. Except in limited circumstances agreed between the Issuer and the relevant Manager, the Notes may not at any time be offered, sold or delivered in the United States or to, or for the account or benefit of, US persons, nor may any US person, except in limited circumstances agreed between the Issuer and the Manager, at any time trade or maintain a position in the Notes. The redemption of a Note or the payment of the Redemption Amount, Early Redemption Amount or other similar amount on redemption of a Note will be conditional on certification that (a) neither the person holding the Notes that are being redeemed, nor any person on whose behalf the Notes that are being redeemed are held, is a US person or a person within the United States or (b) the person redeeming the Notes, and each person on whose behalf the Notes are being redeemed or who is the beneficial owner thereof, is an Eligible Contract Participant (as such term is defined in the Commodity Exchange Act), or such other

form of certification as may be agreed between the Issuer or one of its affiliates and the Noteholder to equivalent effect.

The Manager has represented and agreed (and each additional Manager named in a set of Final Terms will be required to represent and agree) (a) that it has not, except in limited circumstances agreed between the Issuer and such Manager, acquired, and will not, except in such limited circumstances, at any time acquire, any Notes for the account or benefit of any US person and (b) that it has not, except in limited circumstances agreed between the Issuer and such Manager, offered, sold, traded or delivered, and will not, except in such limited circumstances, at any time offer, sell, trade or deliver, any Notes, whether acquired in connection with the distribution of the Notes or otherwise, in the United States or to, or for the account or benefit of, US persons. Barclays Capital Inc. may act as agent for Barclays Bank PLC in respect of such offers and sales and receive certain consideration from Barclays Bank PLC in connection therewith.

Terms in the two immediately preceding paragraphs not otherwise defined have the meanings given to them by Regulation S. Thus, as used herein, the term "***United States***" includes the territories, the possessions and all other areas subject to the jurisdiction of the United States of America, and the term "***US person***" includes a resident of the United States, a corporation, partnership or other entity created or organised in or under the laws of the United States or an estate or trust the income of which is subject to United States federal income taxation regardless of its source.

Alternative or additional selling restrictions may apply where so indicated in the Final Terms for Notes of any Series.

(b) *Type 2 US Commodities Restrictions*

Type 2 US Commodities Restrictions will generally apply in the case of Notes that may implicate the US commodities laws resulting in a prohibition on purchase or holding by persons in the United States.

If the Final Terms for Notes of any Series indicates that Type 2 US Commodities Restrictions apply, the US Commodities Restrictions will be as follows:

Trading in the Notes has not been approved by the US Commodity Futures Trading Commission under the Commodity Exchange Act. The Notes may not at any time be offered, sold or delivered in the United States or to, or for the account or benefit of, US persons, nor may any US person at any time trade or maintain a position in the Notes. The redemption of a Note or the payment of the Redemption Amount, Early Redemption Amount or other similar amount on redemption of a Note will be conditional on certification as to non-US beneficial ownership.

The Manager has represented and agreed (and each additional Manager named in a set of Final Terms will be required to represent and agree) (a) that it has not acquired, and will not at any time acquire, any Notes for the account or benefit of any US person and (b) that it has not offered, sold, traded or delivered, and will not at any time offer, sell, trade or deliver, any Notes, whether acquired in connection with the distribution of the Notes or otherwise, in the United States or to, or for the account or benefit of, US persons.

Terms in the two immediately preceding paragraphs not otherwise defined have the meanings given to them by Regulation S.

US Retirement Plan Selling Restrictions

The Notes may not be sold or transferred to, and each purchaser by its purchase of the Notes shall be deemed to have represented and covenanted that it is not acquiring the Notes for or on behalf of, and will not transfer the Notes to, any pension or welfare plan as defined in Section 3 of the ERISA, that is subject to Title I of ERISA or any plan or arrangement that is subject to Section 4975 of the Internal Revenue Code or of an entity the assets of which are considered assets of such a plan, except that such

purchase for or on behalf of a plan shall be permitted when, in the sole judgment of the Manager, and to the extent:

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

(b) such purchase is made by or on behalf of an insurance company pooled separate account maintained by the purchaser in which, at any time while the Notes are outstanding, no plan (together with any other plans maintained by the same employer or employee organization) has an interest in excess of 10% of the total of all assets in such pooled separate account, and the other applicable conditions of PTCE 90-1 issued by the US Department of Labor are satisfied;

(c) such purchase is made on behalf of a plan by (A) an investment adviser registered under the US Investment Advisers Act of 1940, as amended (the "***Investment Advisers Act***"), that had as of the last day of its most recent fiscal year total assets under its management and control in excess of $85 million and had stockholders' or partners' equity in excess of $1 million as shown in its most recent balance sheet prepared in accordance with generally accepted accounting principles, or (B) a bank as defined in Section 202(a)(2) of the Investment Advisers Act with equity capital in excess of $1 million as of the last day of its most recent fiscal year, or (C) an insurance company which is qualified under the laws of more than one state to manage, acquire or dispose of any assets of a pension or welfare plan, which insurance company has as of the last day of its most recent fiscal year, net worth in excess of $1 million and which is subject to supervision and examination by a State authority having supervision over insurance companies and, in any case, such investment adviser, bank or insurance company is otherwise a qualified professional asset manager, as such term is used in PTCE 84-14 issued by the US Department of Labor, and the assets of such plan when combined with the assets of other plans established or maintained by the same employer (or affiliate thereof) or employee organisation and managed by such investment adviser, bank or insurance company, do not represent more than 20% of the total client assets managed by such investment adviser, bank or insurance company at the time of the transaction, and the other applicable conditions of such exemption are otherwise satisfied;

(d) such plan is a governmental plan (as defined in Section 3(3) of ERISA) which is not subject to the provisions of Title I of ERISA or Section 4975 of the Internal Revenue Code;

(e) such purchase is made by or on behalf of an insurance company using the assets of its general account, the reserves and liabilities for the general account contracts held by or on behalf of any plan, together with any other plans maintained by the same employer (or its affiliates) or employee organisation, do not exceed 10% of the total reserves and liabilities of the insurance company general account (exclusive of separate account liabilities), plus surplus as set forth in the National Association of Insurance Commissioners Annual Statement filed with the state domicile of the insurer, in accordance with PTCE 95-60, and the other applicable conditions of such exemption are otherwise satisfied;

(f) such purchase is made by an in-house asset manager within the meaning of Part IV(a) of PTCE 96-23, such manager has made or properly authorized the decision for such plan to purchase the Notes, under circumstances such that PTCE 96-23 is applicable to the purchase and holding of the Notes; or

(g) such purchase will not otherwise give rise to a transaction described in Section 406 of ERISA or Section 4975(c)(1) of the Internal Revenue Code for which a statutory or administrative exemption is unavailable.

United Kingdom

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

(a) in relation to any Securities issued by BCCL which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Securities 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 Securities would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Securities in circumstances in which Section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Securities in, from or otherwise involving the United Kingdom.

Singapore

Each Manager (which term includes each further manager appointed under the Programme) has acknowledged that this Base Prospectus has not been and will not be lodged and registered as a prospectus with the Monetary Authority of Singapore.

Accordingly, each Manager has represented and agreed that this Base Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Securities may not be circulated or distributed, nor may any Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "***SFA***"); (ii) to a relevant person under Section 275 of the SFA, or any person pursuant to Section 275(1A) of the SFA and in accordance with the conditions specified in Section 275 of the SFA; or (iii) in accordance with the conditions of any other applicable provision of the SFA.

Where any Securities are subscribed or purchased under Section 275 of the SFA by a relevant person which 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,

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 any of the Securities under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person, or to any person pursuant to an offer that is made on terms that such rights or interest are acquired at a consideration of not less than Singapore dollars 200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets and in accordance with the applicable conditions;

(2) where no consideration is given for the transfer; or

(3) by operation of law.

Where any Securities are subscribed or purchased under Section 274 or 275 of the SFA, they may not be sold to any person other than (i) an institutional investor; (ii) a relevant person under Section 275 of the SFA; or (iii) a person pursuant to Section 275(1A) within 6 months from the date of initial acquisition.

Hong Kong

Notes

The Manager has represented and agreed (and each additional Manager named in a set of Final Terms will be required to represent and agree) that:

(a) it has not offered or sold, and will not offer or sell, in Hong Kong, by means of any document, any Notes other than (i) to persons whose ordinary business is to buy or sell shares or debentures (whether as principal or agent), or (ii) in other circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32) (the "***CO***"), or (iii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) (the "***SFO***") and any rules made under the SFO, or (iv) in other circumstances which do not result in the document being a "prospectus" within the meaning of the CO; and

(b) it has not issued, or had in its possession for the purposes of issue, and will not issue, or have in its possession for the purposes of issue (in each case whether in Hong Kong or elsewhere), any advertisement, invitation or document relating to the Notes which is directed at, or the contents of which are likely to be accessed or read by, the public in Notes (except if permitted to do so under the laws of Notes) other than with respect to Notes 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 SFO and any rules made under the SFO.

Certificates and Warrants

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 or Warrants, 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 the Certificates or Warrants 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 SFO and any rules made thereunder.

Japan

The Securities have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No 25 of 1948, as amended) (the "***Financial Instruments and Exchange Law***"). Accordingly, the Manager has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Securities in Japan or to, or for the benefit of, any resident of Japan or to others for reoffering or resale, directly or indirectly, in Japan or to any resident of Japan except in circumstances which will result in compliance with the Financial Instruments and Exchange Law and all applicable other laws, regulations and ministerial guidelines in Japan. As used in this paragraph, "resident of Japan" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

Korea

The Manager has represented and agreed (and each additional Manager named in a set of Final Terms will be required to represent and agree) that the Securities have not been and will not be registered under the Securities and Exchange Act of Korea and that it will not directly or indirectly offer, sell or deliver any Securities in Korea or to any resident of Korea, or to others for re-offering or re-sale directly or indirectly in Korea or to any resident of Korea, except as otherwise permitted by applicable Korean laws and regulations. The Manager has undertaken (and each additional Manager named in a set of Final Terms will be required to represent and agree) that it will ensure that any securities dealer

to whom it sells Securities will agree that he will not re-offer or re-sell any Securities directly or indirectly in Korea or to any resident of Korea, except as aforesaid.

Taiwan

The Securities are made available to investors in the Republic of China ("***ROC***") (including banks in the ROC acting as specified trust of money trustees for clients or securities firms in the ROC acting as agents for clients) from outside Taiwan. No person or entity has been authorised to offer, sell, re-sell, distribute, transfer, give advice regarding or otherwise intermediate the offer and sale of, the Securities in the ROC other than in compliance with the laws and regulations of the ROC.

Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia ("***Corporations Act***")) in relation to the Securities has been or will be lodged with the Australian Securities and Investments Commission ("***ASIC***"). The Manager has represented and agreed and each further Manager appointed under the Programme will be required to represent and agree that unless the relevant Final Terms (or another supplement to any Prospectus) otherwise provides, it:

(a) has not offered or invited applications, and will not offer or invite applications for the issue, sale or purchase of the Securities in Australia (including an offer or invitation which is received by a person in Australia); and

(b) has not distributed or published, and will not distribute or publish, any draft, preliminary or definitive offering circular or other offering material or advertisement relating to the Securities in Australia,

unless (i) the aggregate consideration payable by each offeree is at least A$500,000 (or its equivalent in other currencies but disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors under Part 6D.2 of the Corporations Act and is not made to a retail client (as defined in the Corporations Act), (ii) such action complies with all applicable laws, regulations and directives and (iii) does not require any document to be lodged with ASIC.

Switzerland

The Securities may not be publicly distributed in Switzerland. This Base Prospectus shall not be dispatched, copied to or otherwise made available to, and the Securities may not be offered for sale to any person in Switzerland, except to Qualified Investors as defined in article 10 of the Swiss Act on Collective Investment Schemes ("**CISA**"), i.e. to a) prudentially regulated financial intermediaries such as banks, securities dealers and fund management companies, b) regulated insurance institutions, c) public entities and retirement benefits institutions with professional treasury department, d) companies with professional treasury departments, e) High-Net-Worth Individuals (as defined below) and f) investors who have concluded a written discretionary management agreement with a financial intermediary as defined under lit. a) or with an independent asset manager that is governed by the Money Laundering Act of October 10, 1997 and by the code of conduct employed by a specific industry body, such code of conduct being recongnized by the supervisory authority as the minimum standard. The discretionary management agreement with such independent asset manager shall comply with the recognized standards of a specific industry body. "***High-Net-Worth Individual***" is a private individual who confirms in writing at the time of the investment to own a minimum of CHF 2 million of financial investments, whether directly or indirectly.

This document is neither a prospectus according to article 652a or article 1156 of the Swiss Code of Obligations nor a simplified prospectus according to article 5 of the CISA nor a listing prospectus according to the Listing Rules of the SIX Swiss Exchange.

Cayman Islands

No invitation will be made to the public in the Cayman Islands to subscribe for any of the Securities.

Russian Federation

The Manager is required to represent, warrant and agree (and each additional Manager named in a set of Final Terms will be required to represent and agree) that it has not offered or sold or transferred or otherwise disposed of, and will not offer, transfer or sell any Securities as part of their initial distribution or at any time thereafter to or for the benefit of any persons (including legal entities) resident, incorporated, established or having their usual residence in the Russian Federation or to any person located within the territory of the Russian Federation, unless and to the extent otherwise permitted by Russian law; it being understood and agreed that the Managers may distribute the Base Prospectus to persons in the Russian Federation in a manner that does not constitute advertisement (as defined in Russian law) of Securities and may sell Securities to Russian persons in a manner that does not constitute "placement" or "public circulation" of the Securities in the Russian Federation (as defined in Russian law).

General

These selling restrictions may be modified by the agreement of the Issuer and the Manager, including following a change in a relevant law, regulation or directive. Any such modification will be set out in the Final Terms issued in respect of the issue of Securities to which it relates or in a supplement to this Base Prospectus.

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

The Manager has agreed that it will comply with all relevant laws, regulations and directives, and obtain all relevant consents, approvals or permissions, in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Base Prospectus, any other offering material or any Final Terms, and neither the Issuer nor the Manager shall have responsibility therefor.

TRANSFER RESTRICTIONS FOR REGISTERED NOTES

Restricted Notes

Each purchaser of Restricted Notes within the United States pursuant to Rule 144A, by accepting delivery of this Base Prospectus, will be deemed to have represented, agreed and acknowledged that:

(1) it is (a) a qualified institutional buyer within the meaning of Rule 144A ("***QIB***"), (b) acquiring such Restricted Notes for its own account or for the account of a QIB and (c) aware, and each beneficial owner of such Restricted Notes has been advised, that the sale of such Restricted Notes to it is being made in reliance on Rule 144A.

(2) it understands that such Restricted Notes have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred except (a) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believes is a QIB purchasing for its own account or for the account of a QIB, (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S or (c) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available), in each case in accordance with any applicable securities laws of any State of the United States. No representation can be made as to the availability of the exemption provided by Rule 144 under the Securities Act for resales of the Notes.

(3) it understands that the Rule 144A Global Note representing such Restricted Notes will bear a legend to the following effect:

> "THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABIILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR RESALES OF THIS NOTE.
>
> ***A Rule 144A Global Note held by a Custodian on behalf of DTC shall also bear the following legend:***
>
> "UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC

(AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN."

(4) The Issuers, the Registrar, Luxembourg Registrar, the Manager and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. If it is acquiring any Restricted Notes for the account of one or more QIBs, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

For as long as any Restricted Notes are outstanding and are "restricted securities" within the meaning of Rule 144 under the Securities Act, the Bank has agreed that any holder of such Notes or prospective purchaser designated by such holder of Notes will have the right to obtain from the Bank during any period in which the Bank is neither subject to Section 13 or 15(d) of the Exchange Act, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, upon request, the information required by Rule 144A(d)(4) under the Securities Act.

Prospective purchasers are hereby notified that sellers of Registered Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

Unrestricted Notes

Each purchaser of Unrestricted Notes outside the United States pursuant to Regulation S and each subsequent purchaser of such Unrestricted Notes in re-sales prior to the expiration of the Distribution Compliance Period, by accepting delivery of the Base Prospectus and the Unrestricted Notes, will be deemed to have represented, agreed and acknowledged that:

(1) It is, or at the time Unrestricted Notes are purchased will be, the beneficial owner of such Unrestricted Notes and (a) it is not a US person and it is located outside the United States (within the meaning of Regulation S) and (b) it is not an affiliate of the Issuer or a person acting on behalf of such an affiliate.

(2) It understands that such Unrestricted Notes have not been and will not be registered under the Securities Act and that, prior to the expiration of the distribution compliance period, it will not offer, sell, pledge or otherwise transfer such Unrestricted Notes except (a) in accordance with Rule 144A under the Securities Act to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or the account of a QIB or (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any State of the United States.

(3) It understands that such Unrestricted Notes, unless otherwise determined by the Issuer in accordance with applicable law, will bear a legend to the following effect:

"THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT."

(4) The Issuer, the Registrar, Luxembourg Registrar, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

TRANSFER RESTRICTIONS FOR CERTIFICATES

Global Certificates

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 US 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, depositary, 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 US State securities laws and no Certificates may be offered or sold within the United States or to, or for the account or benefit of, US 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-US 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, (b) outside the United States to a non-US person in compliance with Regulation S, or (c) pursuant to another available exemption from the registration requirements of the Securities Act;

(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. 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 AGENCY 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 AGENCY AGREEMENT REFERRED TO HEREIN. IF AT ANY TIME THE [ISSUE AND PAYING/NEW YORK] 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 RESALES 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 DEPOSITORY 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.

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 RESALES 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/BARLCAYS 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 AGENCY 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 OR DIRECTLY OR INDIRECTLY OFFERED, SOLD, RESOLD, TRADED OR DELIVERED TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY US PERSON, AS SUCH TERM IS DEFINED IN REGULATION S 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 RESALES 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.

GENERAL INFORMATION

Authorisation and Consents

The update of the Programme and the issue of Securities under the Programme have been duly authorised by resolutions of the Board of Directors of BCCL on 23 March 2009 and resolutions of an authorised committee of the Board of Directors of the Bank on 27 March 2009.

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

Use of Proceeds

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

Base Prospectus

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

If at any time the Bank or BCCL shall be required to prepare a supplement to the Base Prospectus (a **"Supplement"**) 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 Securities to be offered to the public or to be admitted to trading on the Regulated Market of the London Stock Exchange, or of any other Relevant Stock Exchange shall constitute a supplemental base prospectus as required by the FSA and Section 87 of the FSMA.

Listing

Any Series of Securities may be admitted to listing and trading on the London Stock Exchange or any other Relevant Stock Exchange as set out in the relevant Final Terms.

Unlisted Securities may also be issued under the Programme.

Issue and Paying Agent, Paying Agents, Registrar, Luxembourg Registrar, New York Registrar, Transfer Agent, New York Agent and Luxembourg Agent

Pursuant to an order of the High Court of England and Wales dated 3 April 2007 (the "***Court Order***"), with effect from 19 May 2007, all rights and obligations of JP Morgan Chase in any capacity in relation to all documents entered into in connection with the Programme (including all then existing Securities) were transferred to The Bank of New York Mellon, London Branch ("***The Bank of New York Mellon***"), in the manner and to the extent provided for in the Court Order.

Relevant Clearing Systems

The Notes and Certificates issued under the Programme may be accepted for clearance through the Euroclear and Clearstream systems and DTC and any other Clearing System as set out in the relevant Final Terms. The Warrants issued under the Programme may be accepted for clearance through the Euroclear and Clearstream systems and any other Clearing System as set out in the Relvant Final Terms. The appropriate common code for each Series allocated by Euroclear or Clearstream, Luxembourg or CINS or CUSIP number allocated by DTC will be set out in the relevant Final Terms, together with the International Securities Identification Number (the "***ISIN")*** for that Series. If the

Securities are to be cleared through an additional or alternative clearing system, the appropriate information will be set out in the relevant Final Terms. Transactions will normally be effected for settlement not earlier than three business days after the date of transaction.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of The Depository Trust Company is 55 Water Street, New York, NY10041-0099, USA. The address of any additional clearing system will be set out in the applicable Final Terms.

Documents available

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

(a) the constitutional documents of each of the Issuers;

(b) the documents set out in the "*INCOPORATION BY REFERENCE*" section of this Base Prospectus;

(c) all future annual reports and semi-annual financial statements of the Bank and of BCCL;

(d) the Master Subscription Agreement;

(e) the Master Agency Agreement;

(f) the Master Deed of Guarantee;

(g) the Deed of Covenant;

(h) the current Base Prospectus in respect of the Programme and any future supplements thereto;

(i) any Final Terms issued in respect of Securities admitted to listing, trading and/or quotation by any listing authority, stock exchange, and/or quotation system since the most recent base prospectus was published; and

(j) any other documents and/or announcements incorporated herein by reference.

Post-issuance information

The Issuers do not intend to provide any post-issuance information in relation to any issues of Securities, the Securities or the performance of any underlying.

ANNEX A FINNISH SECURITIES

FORM OF THE APK REGISTERED SECURITIES

Notes, Certificates and Warrants may be issued under the Programme in uncertificated and dematerialised book-entry form ("**APK Notes**", "**APK Certificates**" and "**APK Warrants**" respectively and, together, "**APK Securities**"), as well as in bearer form and, in the case of Notes and Certificates, in registered form.

The following description supplements the sections of the Base Prospectus entitled "Notes" and "Certificates" and "Warrants" starting on pages [47, 135 and 198] respectively.

APK Registered Securities

APK Registered Securities are Securities in uncertificated and dematerialised book-entry form issued in accordance with the provisions of the Finnish Act on the Book-Entry System (Fin. laki arvo-osuusjärjestelmästä (826/1991)) and with the Finnish Act on Book-Entry Accounts (Fin. laki arvo-osuustileistä (827/1991)). No global or definitive Securities will be issued in respect of APK Registered Securities and the Terms and Conditions of the Securities (amended as set out herein) shall be construed accordingly. APK Registered Securities will be transferable only in accordance with the legislation, rules and regulations applicable to, and/or issued by, Euroclear Finland Ltd ("**APK**"). Any references in the Terms and Conditions of the Securities to Coupons, Talons, Receipts, Global Notes, Global Certificates or Global Warrants, as the case may be, shall not apply to APK Registered Securities. APK Registered Notes of one specified Denomination may not be exchanged for APK Registered Notes of another specified Denomination.

The holder of APK Registered Securities will be the person appearing in the relevant register in accordance with the legislation, rules and regulations applicable to, and/or issued by, APK and the terms Noteholder, Certificateholder and Warrantholder shall be construed accordingly. Where a nominee is so evidenced it shall be treated as the holder of the relevant APK Registered Securities.

Title to APK Registered Securities will pass by registration in the register that the Issuer will procure to be kept by APK on behalf of the Issuer.

TERMS AND CONDITIONS OF THE APK REGISTERED NOTES

The Terms and Conditions of the Notes set out in the Base Prospectus shall, where the context so permits, and subject to the modifications and the additional terms and conditions set out herein, apply to the APK Registered Notes.

The APK Registered Notes may be Fixed Rate Notes, Floating Rate Notes or Zero Coupon Notes, or a combination of the foregoing depending on the Interest Basis specified in the applicable Final Terms.

The APK Registered Notes may be Equity Linked Notes, Index Linked Notes,, Currency Linked Notes, Credit Linked Notes, Commodity Linked Notes or Non-Standard Notes, or a combination of the foregoing, depending on the Type of Note specified in the applicable Final Terms.

The Terms and Conditions of the Notes set out in the Base Prospectus shall be amended in relation to APK Registered Notes as set out below. APK Registered Notes will only be issued by the Bank. BCCL will not issue APK Registered Notes, and references in the terms and conditions of the APK Registered Notes to the "Issuer" shall refer only to the Bank.

Condition 1.1

Condition 1.1 (*Form, Denomination, Title and Transfer - Form*) shall be amended by the addition of the following paragraph at the end of such Condition:

> "Notwithstanding the above the Issuer may issue notes in uncertificated and dematerialised book-entry form ("***APK Registered Notes***"). No Global or definitive Notes will be issued in respect of APK Registered Notes and these Terms and Conditions shall be construed accordingly. APK Registered Notes will be transferable only in accordance with the provisions of the Finnish Act on the Book-Entry System (Fin. laki arvo-osuusjärjestelmästä (826/1991)) and the Finnish Act on Book-Entry Accounts (Fin. laki arvo-osuustileistä (827/1991)), other applicable Finnish legislation and the rules and regulations applicable to, and/or issued by, Euroclear Finland Ltd. (the "***APK***"). References in these Terms and Conditions to Coupons, Talons, Receipts or Global Notes shall not apply to APK Registered Notes."

Condition 1.2

Condition 1.2 (*Form, Denomination, Title and Transfer - Denomination*) shall be amended by the addition of the following paragraph at the end of such Condition:

> "APK Registered Notes of one specified Denomination may not be exchanged for APK Registered Notes of another specified Denomination."

Condition 1.3

The first paragraph of Condition 1.3 (*Form, Denomination, Title and Transfer - Title*) shall be amended to read as follows:

> "The Issuer shall (except for APK Registered Notes or as otherwise required by law) deem and treat the bearer of any Note in bearer form or coupon and the registered holder of any Registered Note as the absolute owner thereof for all purposes but, in the case of any Global Note, without prejudice to the provisions set out below."

The following paragraph shall be added at the end of Condition 1.3 (*Form, Denomination, Title and Transfer - Title*):

> "The holder of an APK Registered Note will be the person in whose name an APK Registered Note is registered in a book entry account in the book entry system of APK (including a nominee account holder, as the case may be) in accordance with Finnish laws, rules, regulations and operating procedures applicable to, and/or issued by, APK (the "***APK Rules***") and the term "***Noteholder***" shall be construed accordingly. Where a nominee is so evidenced it shall be treated as the holder of the relevant APK Registered Notes. "

Condition 1.6

The following Condition 1.6 shall be added after Condition 1.5 (*Form, Denomination, Title and Transfer - Transfers of Registered Notes*) "**1.6 Transfers of APK Registered Notes**"

> "Title to the APK Registered Notes shall pass by transfer from a Noteholder's book-entry account to another person's, whether legal or individual, book-entry account within the APK (except where the APK Registered Notes are nominee-registered and are transferred from one account to another account with the same nominee). Notwithstanding any secrecy obligation, the Issuer shall be entitled to obtain information (including but not limited to information on Noteholders) from the register (the "***APK Register***") maintained by the APK as registrar (the "***APK Registrar***") on behalf of the Issuer in accordance with the APK Rules, and the APK shall be entitled to provide such information to the Issuer notwithstanding any secrecy obligation. The Issuer shall be entitled to pass such information to the APK Issuing and

Paying Agent or to authorise such Agent to acquire such information from the APK directly. Except as ordered by a court of competent jurisdiction or as required by law, the Noteholder of any APK Registered Notes shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the Noteholder. "

Condition 4.2

The first paragraph of Condition 4.2 (*Interest - Interest on Floating Rate Notes*) shall be amended to read as follows:

"Each Floating Rate Note will bear interest on its outstanding nominal amount from (and including or, in respect of APK Registered Notes, but excluding) the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Interest Rate payable from time to time in respect of Floating Rate Notes determined in the manner specified in the applicable Final Terms."

Condition 5.2

The following paragraph shall be added at the end of Condition 5.2 (*Redemption - Early Redemption at the option of Noteholders*):

"In the case of APK Registered Notes, the exercise of this option will not be effective against the Issuer before the date on which the relevant Notes have been transferred to the account designated by the APK Issuing and Paying Agent, which for the purposes of the APK Registered Notes is an account operator specifically authorised by APK and appointed by the Issuer in relation to a specific issue or issues to process and register issues in the system of the relevant central securities depositary and clearing institution, and blocked for further transfer as of the optional redemption date by the APK Issuing and Paying Agent.

In the case of APK Registered Notes, the right to require redemption of such Notes in accordance with this Condition 5.2 must be, notwithstanding the above, exercised in accordance with the APK Rules and if there is any inconsistency between the terms set out herein and the APK Rules, then the APK Rules shall prevail."

Condition 10

The following new Condition 10.3 shall be added after Condition 10.2 (*Payments - Registered Notes*):

"**10.3 APK Registered Notes**

Payments of principal and interest in respect of the APK Registered Notes will be made to the holders of the APK Registered Notes recorded in the relevant Noteholder's book-entry account in accordance with the APK Rules (appearing on the APK Register at the close of business on the third Helsinki Banking Day before the relevant due date) on the first Helsinki Banking Day (or in accordance with the rules and procedures applied by APK from time to time), prior to the due date for such payment. If the date for payment of any amount in respect of APK Registered Notes is not a Helsinki Banking Day, the holder thereof shall not be entitled to payment until the next following Helsinki Banking Day and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "Helsinki Banking Day " means, any day (other than a Saturday or a Sunday) on which commercial banks are generally open for business, including dealings in foreign exchange and foreign currency

deposits in Helsinki and on which APK and the relevant system in which the APK Registered Notes are registered are open for business in accordance with the APK Rules.

At any time before the Issue Date, the Issuer may decide to (i) cancel the issue or postpone the Issue Date and other dates if any event or circumstance occurs which, in the Issuer's opinion, may have a significant impact on the issue and the indicated terms and conditions; and (ii) cancel the issue if the subscribed amount is less than the applicable minimum amount, if any, specified in the Final Terms or if the Issuer determines it likely that the subscribed amount will be less than such amount.

In the event of late payment not due to an event or circumstance mentioned in the previous or in the following paragraph, penalty interest will be payable on the overdue amount from the due date for payment thereof up to and including the date on which payment is made at an interest rate corresponding to, in the case of Helsinki Banking Day, EURIBOR increased by one percentage point. Interest will not be capitalised.

Neither the Issuer nor any agent, paying agent or APK Issuing and Paying Agent shall be held responsible for any loss or damage resulting from any legal enactment (domestic or foreign), the intervention of a public authority (domestic or foreign), an act of war, strike, blockade, boycott, lockout or any other similar event or circumstance. The reservation in respect of strikes, blockades, boycotts and lockouts shall also apply if any of the Issuer, or any agent, paying agent or APK Issuing and Paying Agent itself take such measures or becomes the subject of such measures. Under no circumstances shall the Issuer, or any agent, paying agent or APK Issuing and Paying Agent be liable to pay compensation for any loss, damage, liability, cost, claim, action or demand unless the Issuer or any agent, paying agent or APK Issuing and Paying Agent, as the case may be, has been negligent, or guilty of bad faith, or has breached the terms of any agency agreement. Furthermore under no circumstances shall the Issuer or any agent, paying agent or APK Issuing and Paying Agent be liable for loss of profit, indirect loss or damage or consequential loss or damage.

Where the Issuer or any agent, paying agent or APK Issuing and Paying Agent, due to any legal enactment (domestic or foreign), the intervention of a public authority (domestic or foreign), an act of war, strike, blockade, boycott, lockout or any other similar event or circumstance, is prevented from effecting payment, such payment may be postponed until the time the event or circumstance impeding payment has ceased, with no obligation to pay penalty interest. The provisions in this paragraph shall apply to the extent that nothing to the contrary follows from applicable provisions specified in the applicable Final Terms, or from the provisions of the Finnish Act on the Book-Entry System (Fin. laki arvo-osuusjärjestelmästä (826/1991)) and the Finnish Act on Book-Entry Accounts (Fin. laki arvo-osuustileistä (827/1991)).

In respect of each Series of APK Registered Notes, the Issuer shall at all times maintain a registrar which shall be the duly authorised Finnish central securities depository under the Finnish Act on the Book-Entry System (Fin. laki arvo-osuusjärjestelmästä (826/1991)) and an APK Issuing and Paying Agent duly authorised as an account operator (Fin. tilinhoitajayhteisö) under the Finnish Act on Book-Entry System (Fin. laki arvo-osuusjärjestelmästä (826/1991)).

An APK Issuing and Paying Agent will be appointed by the Issuer and identified in the applicable Final Terms."

Condition 11

The following new Condition 11.4 shall be added after Condition 11.3 (*The Issue and Paying Agent, the Registrar, the Determination Agent and the Paying Agents - Calculations*)

"**11.4 APK Issuing and Paying Agent**

In relation to APK Registered Notes APK will act as the central securities depositary and clearing institution and the Issuer will appoint an APK Issuing and Paying Agent for Finnish purposes as specified in the applicable Final Terms.

The Issuer is entitled to vary or terminate the appointment of the relevant central securities depositary and clearing institution or the APK Issuing and Paying Agent, provided that the Issuer will appoint another central securities depositary and clearing institution or APK Issuing and Paying Agent, each of them to be duly authorised under the Finnish Act on the Book-Entry System (Fin. laki arvo-osuusjärjestelmästä (826/1991)). APK and the APK Issuing and Paying Agent act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with the Noteholders."

Condition 13

The following paragraph shall be added at the end of Condition 13 (*Prescription*):

"In the case of APK Registered Notes, claims against the Issuer for the payment of principal and interest payable in respect of the Notes shall be prescribed unless made within three years after the Relevant Date therefore and thereafter any principal or interest payable in respect of such Notes shall be forfeited and revert to the Issuer."

Condition 14

Condition 14 (*Replacement of Notes*) shall not apply in the case of APK Registered Notes

Condition 16

The following sub-paragraph (d) shall be added after Condition 16.1(c) (*Notices – To Noteholders*):

"(d) in the case of APK Registered Notes, sent by mail to a Noteholder on the address registered for such Noteholder in the APK Register maintained by the APK Registrar in accordance with the APK Rules. "

Condition 17

The following sentence shall be added at the end of Condition 17.2 (*Substitution*):

"For APK Registered Notes such substitution may only take place if the APK gives its consent to the substitution of the Issuer for the New Issuer."

Condition 18

The following words shall be added at the end of the first sentence of Condition 18 (*Governing Law*):

"(except APK Registered Notes, which shall be governed by, and construed in accordance with the provisions of the Finnish Act on the Book-Entry System (Fin. laki arvo-osuusjärjestelmästä (826/1991)) and the Finnish Act on Book-Entry Accounts (Fin. laki arvo-osuustileistä (827/1991)), other Finnish legislation and the rules and regulations applicable to, and/or issued by the Finnish Financial Supervisory Authority and APK applicable from time to time)"

Condition 20

The following paragraph shall be added at the end of Condition 20.1 (*Modification and Meetings - Modifications to the Conditions*):

> "In respect of APK Registered Notes, the Issuer may without the consent of the Noteholders make (i) any modification of the Notes which is not materially prejudicial to the interests of the Noteholders; or (ii) any modifications of the Notes which is of formal, minor or technical nature or is made to correct a manifest error or proven error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated. Any such modification shall be binding on the relevant Noteholders and any such modification shall be notified to such Noteholders in accordance with Condition 16."

Condition 20.2 (*Meetings of Noteholders*) shall not apply in the case of APK Registered Notes.

Condition 25

The following definitions set out in Condition 25 (*Definitions*) shall be amended and restated as follows in relation to APK Registered Notes:

> "***Relevant Clearing System***" means, as appropriate, Euroclear, Clearstream, Luxembourg, DTC, APK and/or such other Relevant Clearing System, as the case may be, through which interests in Notes are to be held and through an account at which the Notes are to be cleared specified in the applicable Final Terms."
>
> "***Rules***" means the Clearstream Rules, the Euroclear Rules, the APK Rules and/or the terms and conditions governing the use of such other Relevant Clearing System as may be specified in the Final Terms relating to a particular issue of Notes."

The following definitions shall be added to Condition 25 (*Definitions*):

> "***APK***" means Euroclear Finland Ltd., Visiting Address, Urho Kekkosen katu 5C, PO Box 1110, 00101 Helsinki, Finland."
>
> "***APK Issuing and Paying Agent***" means the issuing and paying agent appointed in respect of any Series of APK Registered Notes as specified in the applicable Final Terms."

Save as expressly provided above, the Terms and Conditions relating to the Notes set out in the Base Prospectus shall apply to APK Registered Notes.

TERMS AND CONDITIONS OF THE APK REGISTERED CERTIFICATES

The Terms and Conditions of the Certificates set out in the Base Prospectus shall, where the context so permits, and subject to the modifications and the additional terms and conditions set out herein, apply to the APK Registered Certificates.

The APK Registered Certificates may be Index Linked Certificates, Equity Linked Certificates, Debt Linked Certificates, Currency Linked Certificates, Commodity Linked Certificates, Fund Linked Certificates or any other or further type of certificates as is specified in the applicable Final Terms.

The Terms and Conditions of the Certificates set out in the Base Prospectus shall be amended in relation to APK Registered Certificates as set out below. APK Registered Certificates will only be issued by the Bank. BCCL will not issue APK Registered Certificates, and references in the terms and conditions of the APK Registered Certificates to the "Issuer" shall refer only to the Bank.

Condition 1(A)

Condition 1(A) (*Form, Type, Title and Transfer - Form*) shall be amended by the addition of the following paragraph at the end of such Condition 1(A):

> "Notwithstanding the above the Issuer may issue notes in uncertificated and dematerialised book-entry form ("***APK Registered Certificates***"). No Global Certificates will be issued in respect of APK Registered Certificates and these Terms and Conditions shall be construed accordingly. APK Registered Certificates will be transferable only in accordance with the provisions of the Finnish Act on the Book-Entry System (Fin. laki arvo-osuusjärjestelmästä (826/1991)) and the Finnish Act on Book-Entry Accounts (Fin. laki arvo-osuustileistä (827/1991)), other applicable Finnish legislation and the rules and regulations applicable to, and/or issued by, Euroclear Finland Ltd. (the "***APK***"). References in these Terms and Conditions to Global Certificates shall not apply to APK Registered Certificates."

Condition 1(E)

The second sentence of Condition 1(E) (*Form, Type, Title and Transfer - Title to Certificates represented by a Registered Global Certificate*) shall be amended to read as follows:

> "Each person who is for the time being shown in the Register as the holder of a particular amount of Certificates shall ((except for APK Registered Certificates or 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, save for APK Registered Certificates, the expressions "***Holder***" and "***holder of Certificates***" and related expressions in respect of such Certificates shall be construed accordingly)."

The following paragraph shall be added at the end of Condition 1(E) (*Form, Type, Title and Transfer - Title to Certificates represented by a Registered Global Certificate*):

> "The holder of an APK Registered Certificate will be the person in whose name an APK Registered Certificate is registered in a book entry account in the book entry system of APK (including a nominee account holder, as the case may be) in accordance with Finnish laws, rules, regulations and operating procedures applicable to, and/or issued by, APK (the "***APK Rules***") and the term "***Holder***" and "***holder of Certificates***" shall be construed accordingly. Where a nominee is so evidenced it shall be treated as the holder of the relevant APK Registered Certificates. "

Condition 1(J)

The following Condition 1(J) shall be added after Condition 1(I) (*Form, Type, Title and Transfer - Transfer Provisions relating to Certificates represented by Regulation S Global Certificates and Rule 144A Global Certificates*) ***"*****1(J) Transfers of APK Registered Certificates*****"***

> "Title to the APK Registered Certificates shall pass by transfer from a Holder's book-entry account to another person's, whether legal or individual, book-entry account within the APK (except where the APK Registered Certificates are nominee-registered and are transferred from one account to another account with the same nominee). Notwithstanding any secrecy obligation, the Issuer shall be entitled to obtain information (including but not limited to information on Holders) from the register (the "***APK Register***") maintained by the APK as registrar (the "***APK Registrar***") on behalf of the Issuer in accordance with the APK Rules, and the APK shall be entitled to provide such information to the Issuer notwithstanding any secrecy obligation. The Issuer shall be entitled to pass such information to the APK Issuing and Paying Agent or to authorise such Agent to acquire such information from the APK directly. Except as ordered by a court of competent jurisdiction or as required by law, the

Holder of any APK Registered Certificates shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the Holder. "

Condition 4

The following definitions shall be added to Condition 4 (*Definitions*):

"***APK"*** means Euroclear Finland Ltd., Visiting Address, Urho Kekkosen katu 5C, PO Box 1110, 00101 Helsinki, Finland."

"***APK Issuing and Paying Agent***" means the issuing and paying agent appointed in respect of any Series of APK Registered Certifcates as specified in the applicable Final Terms."

Condition 6(A)

The following new Condition 6(A)(4) shall be added after Condition 6(A)(3) (*Payments and Physical Delivery - Payments in respect of Certificates represented by a Registered Global Certificate*):

"**6(A(4) APK Registered Certificates**

Payments of principal in respect of the APK Registered Certificates will be made to the holders of the APK Registered Certificates recorded in the relevant Holder's book-entry account in accordance with the APK Rules (appearing on the APK Register at the close of business on the third Helsinki Banking Day before the relevant due date) on the first Helsinki Banking Day (or in accordance with the rules and procedures applied by APK from time to time), prior to the due date for such payment. If the date for payment of any amount in respect of APK Registered Certificates is not a Helsinki Banking Day, the holder thereof shall not be entitled to payment until the next following Helsinki Banking Day and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "Helsinki Banking Day " means, any day (other than a Saturday or a Sunday) on which commercial banks are generally open for business, including dealings in foreign exchange and foreign currency deposits in Helsinki and on which APK and the relevant system in which the APK Registered Certificates are registered are open for business in accordance with the APK Rules.

At any time before the Issue Date, the Issuer may decide to (i) cancel the issue or postpone the Issue Date and other dates if any event or circumstance occurs which, in the Issuer's opinion, may have a significant impact on the issue and the indicated terms and conditions; and (ii) cancel the issue if the subscribed amount is less than the applicable minimum amount, if any, specified in the Final Terms or if the Issuer determines it likely that the subscribed amount will be less than such amount.

In the event of late payment not due to an event or circumstance mentioned in the previous or in the following paragraph, penalty interest will be payable on the overdue amount from the due date for payment thereof up to and including the date on which payment is made at an interest rate corresponding to, in the case of Helsinki Banking Day, EURIBOR increased by one percentage point. Interest will not be capitalised.

Neither the Issuer nor any agent, paying agent or APK Issuing and Paying Agent shall be held responsible for any loss or damage resulting from any legal enactment (domestic or foreign), the intervention of a public authority (domestic or foreign), an act of war, strike, blockade, boycott, lockout or any other similar event or circumstance. The reservation in respect of strikes, blockades, boycotts and lockouts shall also apply if any of the Issuer, or any agent, paying agent or APK Issuing and Paying Agent itself take such measures or becomes the subject of such measures. Under no circumstances shall the Issuer, or any agent, paying agent

or APK Issuing and Paying Agent be liable to pay compensation for any loss, damage, liability, cost, claim, action or demand unless the Issuer or any agent, paying agent or APK Issuing and Paying Agent, as the case may be, has been negligent, or guilty of bad faith, or has breached the terms of any agency agreement. Furthermore under no circumstances shall the Issuer or any agent, paying agent or APK Issuing and Paying Agent be liable for loss of profit, indirect loss or damage or consequential loss or damage.

Where the Issuer or any agent, paying agent or APK Issuing and Paying Agent, due to any legal enactment (domestic or foreign), the intervention of a public authority (domestic or foreign), an act of war, strike, blockade, boycott, lockout or any other similar event or circumstance, is prevented from effecting payment, such payment may be postponed until the time the event or circumstance impeding payment has ceased, with no obligation to pay penalty interest. The provisions in this paragraph shall apply to the extent that nothing to the contrary follows from applicable provisions specified in the applicable Final Terms, or from the provisions of the Finnish Act on the Book-Entry System (Fin. laki arvo-osuusjärjestelmästä (826/1991)) and the Finnish Act on Book-Entry Accounts (Fin. laki arvo-osuustileistä (827/1991)).

In respect of each Series of APK Registered Certificates, the Issuer shall at all times maintain a registrar which shall be the duly authorised Finnish central securities depository under the Finnish Act on the Book-Entry System (Fin. laki arvo-osuusjärjestelmästä (826/1991)) and an APK Issuing and Paying Agent duly authorised as an account operator (Fin. tilinhoitajayhteisö) under the Finnish Act on Book-Entry System (Fin. laki arvo-osuusjärjestelmästä (826/1991)).

An APK Issuing and Paying Agent will be appointed by the Issuer and identified in the applicable Final Terms."

Condition 6(F)

The following paragraph shall be added at the end of Condition 6(F) (*Payments and Physical Delivery - Prescription*):

"In the case of APK Registered Certificates, claims against the Issuer for the payment of principal and interest payable in respect of the Certificates shall be prescribed unless made within three years after the Redemption Date therefore and thereafter any principal or interest payable in respect of such Certificates shall be forfeited and revert to the Issuer."

Condition 9

Condition 9(D) (*Agents, Determinations, Meetings Provisions and Modifications - Meetings of Holders*) shall not apply in the case of APK Registered Certificates.

The following paragraph shall be added at the end of Condition 9(E) (*Agents, Determinations, Meetings Provisions and Modifications - Modifications*):

"In respect of APK Registered Certificates, the Issuer may without the consent of the Holders make (i) any modification of the Certifcates which is not materially prejudicial to the interests of the Holders; or (ii) any modifications of the Certificates which is of formal, minor or technical nature or is made to correct a manifest error or proven error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated. Any such modification shall be binding on the relevant Holders and any such modification shall be notified to such Holders in accordance with Condition 11."

The following new Condition 9(F) shall be added after Condition 9(E) (*Agents, Determinations, Meetings Provisions and Modifications - Modifications*)

"9(F) APK Issuing and Paying Agent

In relation to APK Registered Certificates APK will act as the central securities depositary and clearing institution and the Issuer will appoint an APK Issuing and Paying Agent for Finnish purposes as specified in the applicable Final Terms.

The Issuer is entitled to vary or terminate the appointment of the relevant central securities depositary and clearing institution or the APK Issuing and Paying Agent, provided that the Issuer will appoint another central securities depositary and clearing institution or APK Issuing and Paying Agent, each of them to be duly authorised under the Finnish Act on the Book-Entry System (Fin. laki arvo-osuusjärjestelmästä (826/1991)). APK and the APK Issuing and Paying Agent act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with the Holders."

Condition 10

The following sub-paragraph (d) shall be added after to the seventh line of Condition 10 (*Notices*) before the words "and (ii)":

" or (d) in the case of APK Registered Certificates, sent by mail to the Holder on the address registered for such Holder in the APK Register maintained by the APK Registrar in accordance with the APK Rules. "

Condition 13(B)

The following sentence shall be added at the end of Condition 13(B) (*Substitution*):

"For APK Registered Certificates such substitution may only take place if the APK gives its consent to the substitution of the Issuer for the New Issuer."

Condition 14

The following words shall be added at the end of the first sentence of Condition 14 (*Governing Law*):

"(except APK Registered Certificates, which shall be governed by, and construed in accordance with the provisions of the Finnish Act on the Book-Entry System (Fin. laki arvo-osuusjärjestelmästä (826/1991)) and the Finnish Act on Book-Entry Accounts (Fin. laki arvo-osuustileistä (827/1991)), other Finnish legislation and the rules and regulations applicable to, and/or issued by the Finnish Financial Supervisory Authority and APK applicable from time to time)"

Save as expressly provided above, the Terms and Conditions relating to the Certificates set out in the Base Prospectus shall apply to APK Registered Certificates.

TERMS AND CONDITIONS OF THE APK REGISTERED WARRANTS

The Terms and Conditions of the Warrants set out in the Base Prospectus shall, where the context so permits, and subject to the modifications and the additional terms and conditions set out herein, apply to the APK Registered Warrants.

The APK Registered Warrants may be Index Linked Warrants, Equity Linked Warrants, Debt Linked Warrants, Currency Linked Warrants, Commodity Linked Warrants, Fund Linked Warrants or any other or further type of warrants as is specified in the applicable Final Terms.

The Terms and Conditions of the Warrants set out in the Base Prospectus shall be amended in relation to APK Registered Warrants as set out below. APK Registered Warrants will only be issued by the Bank. BCCL will not issue APK Registered Warrants, and references in the terms and conditions of the APK Registered Warrants to the "Issuer" shall refer only to the Bank.

Terms and Conditions

The third paragraph of the Terms and Conditions of the Warrants shall be amended by the addition of the following at the end of such paragraph:

> "Notwithstanding the above the Issuer may issue warrants in uncertificated and dematerialised book-entry form ("***APK Registered Warrants***"). No Global or definitive Warrants will be issued in respect of APK Registered Warrants and these Terms and Conditions shall be construed accordingly. APK Registered Warrants will be transferable only in accordance with the provisions of the Finnish Act on the Book-Entry System (Fin. laki arvo-osuusjärjestelmästä (826/1991)) and the Finnish Act on Book-Entry Accounts (Fin. laki arvo-osuustileistä (827/1991)), other applicable Finnish legislation and the rules and regulations applicable to, and/or issued by, Euroclear Finland Ltd. (the "***APK***"). References in these Terms and Conditions to Global Warrants shall not apply to APK Registered Warrants."

Condition 1(B)

The first paragraph of Condition 1(B) (*Type, Title and Transfer -Title to Warrants*) shall be amended to read as follows:

> "Other than in respect of APK Registered Warrants, 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 Warrants (in which regard any warrant or other document issued by Clearstream, Luxembourg or Euroclear as to the amount of Warrants standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, (where the Issuer is BCCL) the Guarantor and the Warrant Agents as the holder of such amount of Warrants for all purposes (and the expressions "***Warrantholder***" and "***holder of Warrants***" and related expressions shall be construed accordingly)."

The following paragraph shall be added at the end of Condition 1(B) (*Type, Title and Transfer -Title to Warrants*)

> "The holder of an APK Registered Warrant will be the person in whose name an APK Registered Warrant is registered in a book entry account in the book entry system of APK (including a nominee account holder, as the case may be) in accordance with Finnish laws, rules, regulations and operating procedures applicable to, and/or issued by, APK (the "***APK Rules***") and the term "***Warrantholder***" and "***holder of Warrants***" shall be construed accordingly. Where a nominee is so evidenced it shall be treated as the holder of the relevant APK Registered Warrants. "

Condition 1(D)

The following Condition 1(D) shall be added after Condition 1(C) (*Type, Title and Transfer -Title to Warrants - Transfers of Warrants*)

"**1(D) Transfers of APK Registered Warrants**"

> "Title to the APK Registered Warrants shall pass by transfer from a Warrantholder's book-entry account to another person's, whether legal or individual, book-entry account within the APK (except where the APK Registered Warrants are nominee-registered and are transferred from one account to another account with the same nominee). Notwithstanding any secrecy obligation, the Issuer shall be entitled to obtain information (including but not limited to

information on Warrantholders) from the register (the "***APK Register***") maintained by the APK as registrar (the "***APK Registrar***") on behalf of the Issuer in accordance with the APK Rules, and the APK shall be entitled to provide such information to the Issuer notwithstanding any secrecy obligation. The Issuer shall be entitled to pass such information to the APK Issuing and Paying Agent or to authorise such Agent to acquire such information from the APK directly. Except as ordered by a court of competent jurisdiction or as required by law, the Warrantholder of any APK Registered Warrants shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the Warrantholder. "

Condition 4

The following definitions shall be added to Condition 4 (*Definitions*):

"***APK"*** means Euroclear Finland Ltd., Visiting Address, Urho Kekkosen katu 5C, PO Box 1110, 00101 Helsinki, Finland."

"***APK Issuing and Paying Agent***" means the issuing and paying agent appointed in respect of any Series of APK Registered Warrants as specified in the applicable Final Terms."

Condition 5(E)

The following paragraph shall be added at the end of Condition 5(E) (*Exercise Rights - General*):

"In the case of APK Registered Warrants, the exercise of a warrant will not be effective against the Issuer before the date on which the relevant Warrants have been transferred to the account designated by the APK Issuing and Paying Agent, which for the purposes of the APK Registered Warrants is an account operator specifically authorised by APK and appointed by the Issuer in relation to a specific issue or issues to process and register issues in the system of the relevant central securities depositary and clearing institution, and blocked for further transfer as of the exercise date by the APK Issuing and Paying Agent.

In the case of APK Registered Warrants, the right to exercise such Warrants in accordance with this Condition 5(E) must be, notwithstanding the above, exercised in accordance with the APK Rules and if there is any inconsistency between the terms set out herein and the APK Rules, then the APK Rules shall prevail."

Condition 6(C)

The following new Condition 6(C)(iii) shall be added after Condition 6(C)(ii) (*Exercise Procedure – Settlement - Physical Delivery Warrants*):

"(iii) **APK Registered Warrants**

Payments in respect of the APK Registered Warrants will be made to the holders of the APK Registered Warrants recorded in the relevant Warrantholder's book-entry account in accordance with the APK Rules (appearing on the APK Register at the close of business on the third Helsinki Banking Day before the relevant due date) on the first Helsinki Banking Day (or in accordance with the rules and procedures applied by APK from time to time), prior to the due date for such payment. If the date for payment of any amount in respect of APK Registered Warrants is not a Helsinki Banking Day, the holder thereof shall not be entitled to payment until the next following Helsinki Banking Day and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "Helsinki Banking Day" means, any day (other than a Saturday or a Sunday) on which commercial banks are generally open for business, including dealings in foreign exchange and foreign currency deposits in

Helsinki and on which APK and the relevant system in which the APK Registered Warrants are registered are open for business in accordance with the APK Rules.

At any time before the Issue Date, the Issuer may decide to (i) cancel the issue or postpone the Issue Date and other dates if any event or circumstance occurs which, in the Issuer's opinion, may have a significant impact on the issue and the indicated terms and conditions; and (ii) cancel the issue if the subscribed amount is less than the applicable minimum amount, if any, specified in the Final Terms or if the Issuer determines it likely that the subscribed amount will be less than such amount.

In the event of late payment not due to an event or circumstance mentioned in the previous or in the following paragraph, penalty interest will be payable on the overdue amount from the due date for payment thereof up to and including the date on which payment is made at an interest rate corresponding to, in the case of Helsinki Banking Day, EURIBOR increased by one percentage point. Interest will not be capitalised.

Neither the Issuer nor any agent, paying agent or APK Issuing and Paying Agent shall be held responsible for any loss or damage resulting from any legal enactment (domestic or foreign), the intervention of a public authority (domestic or foreign), an act of war, strike, blockade, boycott, lockout or any other similar event or circumstance. The reservation in respect of strikes, blockades, boycotts and lockouts shall also apply if any of the Issuer, or any agent, paying agent or APK Issuing and Paying Agent itself take such measures or becomes the subject of such measures. Under no circumstances shall the Issuer, or any agent, paying agent or APK Issuing and Paying Agent be liable to pay compensation for any loss, damage, liability, cost, claim, action or demand unless the Issuer or any agent, paying agent or APK Issuing and Paying Agent, as the case may be, has been negligent, or guilty of bad faith, or has breached the terms of any agency agreement. Furthermore under no circumstances shall the Issuer or any agent, paying agent or APK Issuing and Paying Agent be liable for loss of profit, indirect loss or damage or consequential loss or damage.

Where the Issuer or any agent, paying agent or APK Issuing and Paying Agent, due to any legal enactment (domestic or foreign), the intervention of a public authority (domestic or foreign), an act of war, strike, blockade, boycott, lockout or any other similar event or circumstance, is prevented from effecting payment, such payment may be postponed until the time the event or circumstance impeding payment has ceased, with no obligation to pay penalty interest. The provisions in this paragraph shall apply to the extent that nothing to the contrary follows from applicable provisions specified in the applicable Final Terms, or from the provisions of the Finnish Act on the Book-Entry System (Fin. laki arvo-osuusjärjestelmästä (826/1991)) and the Finnish Act on Book-Entry Accounts (Fin. laki arvo-osuustileistä (827/1991)).

In respect of each Series of APK Registered Warrants, the Issuer shall at all times maintain a registrar which shall be the duly authorised Finnish central securities depository under the Finnish Act on the Book-Entry System (Fin. laki arvo-osuusjärjestelmästä (826/1991)) and an APK Issuing and Paying Agent duly authorised as an account operator (Fin. tilinhoitajayhteisö) under the Finnish Act on Book-Entry System (Fin. laki arvo-osuusjärjestelmästä (826/1991)).

An APK Issuing and Paying Agent will be appointed by the Issuer and identified in the applicable Final Terms."

Condition 10

Condition 10(D) (*Agents, Determinations, Meetings Provisions and Modifications - Meetings of Warrantholders*) shall not apply in the case of APK Registered Warrants.

The following paragraph shall be added at the end of Condition 10(E) (*Agents, Determinations, Meetings Provisions and Modifications - Modifications*):

"In respect of APK Registered Warrants, the Issuer may without the consent of the Warrantholders make (i) any modification of the Warrants which is not materially prejudicial to the interests of the Warrantholders; or (ii) any modifications of the Warrants which is of formal, minor or technical nature or is made to correct a manifest error or proven error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated. Any such modification shall be binding on the relevant Warrantholders and any such modification shall be notified to such Warrantholders in accordance with Condition 11."

Condition 10

The following new Condition 10(F) shall be added after Condition 10(E) (*Agents, Determinations, Meetings Provisions and Modifications - Modifications*)

"**10(F) APK Issuing and Paying Agent**

In relation to APK Registered Warrants APK will act as the central securities depositary and clearing institution and the Issuer will appoint an APK Issuing and Paying Agent for Finnish purposes as specified in the applicable Final Terms.

The Issuer is entitled to vary or terminate the appointment of the relevant central securities depositary and clearing institution or the APK Issuing and Paying Agent, provided that the Issuer will appoint another central securities depositary and clearing institution or APK Issuing and Paying Agent, each of them to be duly authorised under the Finnish Act on the Book-Entry System (Fin. laki arvo-osuusjärjestelmästä (826/1991)). APK and the APK Issuing and Paying Agent act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with the Warrantholders."

Condition 11

The following words shall be added to the second line of Condition 11 (*Notices*) after the words "Warrantholders":

"or, in the case of APK Registered Warrants, sent by mail to a Warrantholder on the address registered for such Warrantholder in the APK Register maintained by the APK Registrar in accordance with the APK Rules."

Condition 14(B)

The following sentence shall be added at the end of Condition 14(B) (*Substitution of Issuer or Guarantor*):

"For APK Registered Warrants such substitution may only take place if the APK gives its consent to the substitution of the Issuer for the New Issuer."

Condition 15

The following words shall be added at the end of the first sentence of Condition 15 (*Governing Law*):

"(except APK Registered Warrants, which shall be governed by, and construed in accordance with the provisions of the Finnish Act on the Book-Entry System (Fin. laki arvo-

osuusjärjestelmästä (826/1991)) and the Finnish Act on Book-Entry Accounts (Fin. laki arvo-osuustileistä (827/1991)), other Finnish legislation and the rules and regulations applicable to, and/or issued by the Finnish Financial Supervisory Authority and APK applicable from time to time)"

Save as expressly provided above, the Terms and Conditions relating to the Warrants set out in the Base Prospectus shall apply to APK Registered Warrants.

GENERAL INFORMATION

APK Registered Securities issued under the Programme will be issued, cleared and settled through the APK (which is the entity in charge of keeping the records).

The business address of Euroclear Finland Ltd. is: Urho Kekkosen katu 5C, PO Box 1110, 00101 Helsinki, Finland.

ANNEX B SWEDISH SECURITIES

FORM OF THE VPC REGISTERED SECURITIES

Notes, Certificates and Warrants may be issued under the Programme in uncertificated and dematerialised book-entry form ("**VPC Registered Notes**", "**VPC Registered Certificates**" and "**VPC Registered Warrants**" respectively and, together, "**VPC Registered Securities**"), as well as in bearer form and, in the case of Notes and Certificates, in registered form.

The following description supplements the sections of the Base Prospectus entitled "Notes" and "Certificates" and "Warrants" starting on pages 48, 142 and 217 respectively.

VPC Registered Securities

VPC Registered Securities are Securities in uncertificated and dematerialised book-entry form issued in accordance with the Swedish Financial Instruments Act (Sw. lag om kontoföring av finansiella instrument (SFS 1998:1479)). No global or definitive Securities will be issued in respect of VPC Registered Securities and the Terms and Conditions of the Securities (amended as set out herein) shall be construed accordingly. VPC Registered Securities will be transferable only in accordance with the legislation, rules and regulations applicable to, and/or issued by, Euroclear Sweden AB ("**VPC**"). Any references in the Terms and Conditions of the Securities to Coupons, Talons, Receipts, Global Notes, Global Certificates or Global Warrants, as the case may be, shall not apply to VPC Registered Securities.

The holder of a VPC Registered Security will be the person appearing in the relevant register in accordance with the legislation, rules and regulations applicable to VPC Registered Securities and the terms Noteholder, Certificateholder and Warrantholder shall be construed accordingly. Where a nominee is so evidenced it shall be treated as the holder of the relevant VPC Registered Securities.

Title to VPC Registered Securities will pass by registration in the register that the Issuer will procure to be kept by VPC (as defined below) on behalf of the Issuer.

TERMS AND CONDITIONS OF THE VPC REGISTERED NOTES

The Terms and Conditions of the Notes set out in the Base Prospectus shall, where the context so permits, and subject to the modifications and the additional terms and conditions set out herein, apply to the VPC Registered Notes.

The VPC Registered Notes may be Fixed Rate Notes, Floating Rate Notes or Zero Coupon Notes, or a combination of the foregoing depending on the Interest Basis specified in the applicable Final Terms.

The VPC Registered Notes may be Equity Linked Notes, Index Linked Notes, Currency Linked Notes, Credit Linked Notes, Commodity Linked Notes or Non-Standard Notes, or a combination of the foregoing, depending on the Type of Note specified in the applicable Final Terms.

The Terms and Conditions of the Notes set out in the Base Prospectus shall be amended in relation to VPC Registered Notes as set out below. VPC Registered Notes will only be issued by the Bank. BCCL will not issue VPC Registered Notes, and references in the terms and conditions of VPC Registered Notes to the "Issuer" shall refer only to the Bank.

Condition 1.1

Condition 1.1 (*Form, Denomination, Title and Transfer - Form*) shall be amended by the addition of the following paragraph at the end of such Condition:

> "Notwithstanding the above the Issuer may issue notes in uncertificated and dematerialised book-entry form ("***VPC Registered Notes***"). No global or definitive Notes will be issued in respect of VPC Registered Notes and these Terms and Conditions shall be construed accordingly. VPC Registered Notes will be transferable only in accordance with the provisions of the Swedish Financial Instruments Accounts Act (1998:1479), other applicable Swedish legislation and the rules and regulations applicable to, and/or issued by, VPC. References in these Terms and Conditions to Coupons, Talons or Receipts shall not apply to VPC Registered Notes."

Condition 1.3

The first paragraph of Condition 1.3 (*Form, Denomination, Title and Transfer - Title*) shall be amended to read as follows:

> "The Issuer shall (except for VPC Registered Notes or as otherwise required by law) deem and treat the bearer of any Note in bearer form or coupon and the registered holder of any Registered Note as the absolute owner thereof for all purposes but, in the case of any Global Note, without prejudice to the provisions set out below."

The following paragraph shall be added at the end of Condition 1.3 (*Form, Denomination, Title and Transfer - Title*):

> "The holder of a VPC Registered Note will be the person appearing in the relevant register in accordance with the legislation, rules and regulations applicable to, and/or issued by, VPC (the "***VPC Rules***") and the term "***Noteholder***" shall be construed accordingly. Where a nominee is so evidenced it shall be treated as the holder of the relevant VPC Registered Notes. "

Condition 1.6

The following Condition 1.6 shall be added after Condition 1.5 ((*Form, Denomination, Title and Transfer - Transfers of Registered Notes*)

> "**1.6 Transfers of VPC Registered Notes**"
>
> "Title to VPC Registered Notes will pass by registration in the register that the Issuer will procure to be kept by VPC on behalf of the Issuer. Where a nominee is so evidenced it shall be treated as the holder of the relevant VPC Registered Notes."

Condition 4.2

The first paragraph of Condition 4.2 (*Interest - Interest on Floating Rate Notes*) shall be amended to read as follows:

> "Each Floating Rate Note will bear interest on its outstanding nominal amount from (and including or, in respect of VPC Registered Notes, but excluding) the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Interest Rate payable from time to time in respect of Floating Rate Notes determined in the manner specified in the applicable Final Terms."

Condition 5.2

The following paragraph shall be added at the end of Condition 5.2 (*Redemption - Early Redemption at the option of Noteholders*):

"In the case of VPC Registered Notes, the exercise of this option will not be effective against the Issuer before the date on which the relevant Notes have been transferred to the account designated by the VPC Issuing and Paying Agent, which for the purposes of the VPC Registered Notes is an account operator specifically authorised by VPC and appointed by the Issuer in relation to a specific issue or issues to process and register issues in the system of the relevant central securities depositary and clearing institution, and blocked for further transfer as of the optional redemption date by the VPC Issuing and Paying Agent.

In the case of VPC Registered Notes, the right to require redemption of such Notes in accordance with this Condition 5.2 must be, notwithstanding the above, exercised in accordance with the rules and procedures of VPC and if there is any inconsistency between the terms set out herein and the rules and procedures of VPC, then the rules and procedures of VPC shall prevail."

Condition 10

The following new Condition 10.3 shall be added after Condition 10.2 (*Payments - Registered Notes*):

"**10.3 VPC Registered Notes**

Payments of principal and interest in respect of VPC Registered Notes will be made to the persons registered as Noteholders in the register maintained by the VPC on the fifth Stockholm Banking Day (or in accordance with the rules and procedures applied by VPC from time to time), prior to the due date for such payment. If the date for payment of any amount in respect of VPC Registered Notes is not a Stockholm Banking Day, the holder thereof shall not be entitled to payment until the next following Stockholm Banking Day and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "Stockholm Banking Day" means, any day (other than a Saturday or a Sunday) on which commercial banks are generally open for business, including dealings in foreign exchange and foreign currency deposits in Stockholm.

At any time before the Issue Date, the Issuer may decide to (i) cancel the issue or postpone the Issue Date and other dates if any event or circumstance occurs which, in the Issuer's opinion, may have a significant impact on the issue and the indicated terms and conditions; and (ii) cancel the issue if the subscribed amount is less than the applicable minimum amount, if any, specified in the Final Terms or if the Issuer determines it likely that the subscribed amount will be less than such amount.

In the event of late payment not due to an event or circumstance mentioned in the previous or in the following paragraph, penalty interest will be payable on the overdue amount from the due date for payment thereof up to and including the date on which payment is made at an interest rate corresponding to, in the case of VPC Registered Notes, STIBOR (defined below) increased by one percentage point. Interest will not be capitalised.

Neither the Issuer nor any agent, paying agent or VPC Issuing and Paying Agent shall be held responsible for any loss or damage resulting from any legal enactment (domestic or foreign), the intervention of a public authority (domestic or foreign), an act of war, strike, blockade, boycott, lockout or any other similar event or circumstance. The reservation in respect of strikes, blockades, boycotts and lockouts shall also apply if any of the Issuer, or any agent, paying agent or VPC Issuing and Paying Agent itself take such measures or becomes the subject of such measures. Under no circumstances shall the Issuer, or any agent, paying agent or VPC Issuing and Paying Agent be liable to pay compensation for any loss, damage, liability, cost, claim, action or demand unless the Issuer or any agent, paying agent or VPC Issuing and Paying Agent, as the case may be, has been negligent, or guilty of bad faith, or has breached the terms of any agency agreement. Furthermore under no circumstances shall the Issuer or

any agent, paying agent or VPC Issuing and Paying Agent be liable for loss of profit, indirect loss or damage or consequential loss or damage.

Where the Issuer or any agent, paying agent or VPC Issuing and Paying Agent, due to any legal enactment (domestic or foreign), the intervention of a public authority (domestic or foreign), an act of war, strike, blockade, boycott, lockout or any other similar event or circumstance, is prevented from effecting payment, such payment may be postponed until the time the event or circumstance impeding payment has ceased, with no obligation to pay penalty interest. The provisions in this paragraph shall apply to the extent that nothing to the contrary follows from applicable provisions specified in the applicable Final Terms, or from the provisions of the Swedish Financial Instruments Accounts Act (SFS 1998:1479).

"STIBOR" means the average of the interest rates quoted at approximately 11 a.m. on the first Banking Day after the Maturity Date in each seven-day-period or part thereof on Reuter's page "SIDE" (or through any other system or on any other page as shall replace the system or page stated) for one-week-funds or, if no such quotation is given, the interest rate which is stated by three first ranking Swedish banks selected by the Bank to be their funding cost at that time for one-week-funds in Swedish Kronor in the Stockholm interbank market; if the interest rate for a certain period cannot be determined as stated as a result of any disruption, then the interest rate for such period shall correspond to the average of the latest interest rate determined under the alternatives above before such disruption occurred and the first interest rate determined after the disruption has ceased.

A VPC Issuing and Paying Agent will be appointed by the Issuer and identified in the applicable Final Terms."

Condition 11

The following new Condition 11.4 shall be added after Condition 11.3 (*The Issue and Paying Agent, the Registrar, the Determination Agent and the Paying Agents - Calculations*)

"11.4 VPC Issuing and Paying Agent

In relation to VPC Registered Notes the Issuer will, in accordance with the Swedish Financial Instruments Accounts Act (1998:1479) appoint (i) VPC as the central securities depository, and (ii) a VPC Issuing and Paying Agent. The VPC Issuing and Paying Agent appointed by the Issuer will be specified in the relevant Final Terms.

The Issuer is entitled to vary or terminate the appointment of the VPC Issuing and Paying Agent, provided that the Issuer will appoint another VPC Issuing and Paying Agent that is duly authorised under the Swedish Financial Instruments Accounts Act (1998:1479). VPC and the VPC Issuing and Paying Agent act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with the Noteholders."

Condition 13

The following paragraph shall be added at the end of Condition 13 (*Prescription*):

"In the case of VPC Registered Notes, claims against the Issuer for the payment of principal and interest payable in respect of the Notes shall be prescribed unless made within ten years (in case of principal) and five years (in case of interest) after the Relevant Date therefore and thereafter any principal or interest payable in respect of such Notes shall be forfeited and revert to the Issuer."

Condition 14

Condition 14 (*Replacement of Notes*) shall not apply in the case of VPC Registered Notes

Condition 16

The following sub-paragraph (d) shall be added after Condition 16.1(c) (*Notices – To Noteholders*):

> "(d) in the case of VPC Registered Notes, sent by mail to a Noteholder on the address registered for such Noteholder in the system of VPC or in accordance with the legislation, rules and regulations applicable to, and/or issued by, VPC. Any such notice shall be deemed to have been given, if sent by mail to the Noteholders, on the fourth day following the day the notice was sent by mail."

Condition 17

The following sentence shall be added at the end of the first paragraph of Condition 17 (*Substitution*):

"For VPC Registered Notes such substitution may only take place if the VPC gives its consent to the substitution of the Issuer for the New Issuer."**Condition 18**

The following words shall be added at the end of the first sentence of Condition 18 (*Governing Law*):

> "(except VPC Registered Notes, which shall be governed by, and construed in accordance with the provisions of the Swedish Financial Instruments Accounts Act (1998:1479), other Swedish legislation and the rules and regulations applicable to, and/or issued by VPC applicable from time to time)."

Condition 20

The following paragraph shall be added at the end of Condition 20.1 (*Modification and Meetings - Modifications to the Conditions*):

> "In respect of VPC Registered Notes, the Issuer may without the consent of the Noteholders make (i) any modification of the Notes which is not materially prejudicial to the interests of the Noteholders; or (ii) any modifications of the Notes which is of formal, minor or technical nature or is made to correct a manifest error or proven error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated. Any such modification shall be binding on the relevant Noteholders and any such modification shall be notified to such Noteholders in accordance with Condition 16."

Condition 20.2 (*Meetings of Noteholders*) shall not apply in the case of VPC Registered Notes.

Condition 25

The following definitions set out in Condition 25 (*Definitions*) shall be amended and restated as follows in relation to VPC Registered Notes:

> "***Relevant Clearing System***" means, as appropriate, Euroclear, Clearstream, Luxembourg, DTC, VPC and/or such other Relevant Clearing System, as the case may be, through which interests in Notes are to be held and through an account at which the Notes are to be cleared specified in the applicable Final Terms."
>
> "***Rules***" means the Clearstream Rules, the Euroclear Rules, the VPC Rules and/or the terms and conditions governing the use of such other Relevant Clearing System as may be specified in the Final Terms relating to a particular issue of Notes."

The following definitions shall be added to Condition 25 (*Definitions*):

"***VPC***" means Euroclear Sweden AB, Box 7822, SE-103 97 Stockholm, Sweden."

"***VPC Issuing and Paying Agent***" means the issuing and paying agent appointed in respect of any Series of VPC Registered Notes as specified in the applicable Final Terms."

Save as expressly provided above, the Terms and Conditions relating to the Notes set out in the Base Prospectus shall apply to VPC Registered Notes.

TERMS AND CONDITIONS OF THE VPC REGISTERED CERTIFICATES

The Terms and Conditions of the Certificates set out in the Base Prospectus shall, where the context so permits, and subject to the modifications and the additional terms and conditions set out herein, apply to the VPC Registered Certificates.

The VPC Registered Certificates may be Index Linked Certificates, Equity Linked Certificates, Debt Linked Certificates, Currency Linked Certificates, Commodity Linked Certificates, Fund Linked Certificates or any other or further type of certificates as is specified in the applicable Final Terms.

The Terms and Conditions of the Certificates set out in the Base Prospectus shall be amended in relation to VPC Registered Certificates as set out below. VPC Registered Certificates will only be issued by the Bank. BCCL will not issue VPC Registered Certificates, and references in the terms and conditions of the VPC Registered Certificates to the "Issuer" shall refer only to the Bank.

Condition 1(A)

Condition 1(A) (*Form, Type, Title and Transfer - Form*) shall be amended by the addition of the following paragraph at the end of such Condition 1(A):

"Notwithstanding the above the Issuer may issue certificates in uncertificated and dematerialised book-entry form ("***VPC Registered Certificates***"). No global or definitive certificates will be issued in respect of VPC Registered Certificates and these Terms and Conditions shall be construed accordingly. VPC Registered Certificates will be transferable only in accordance with the provisions of the Swedish Financial Instruments Accounts Act (SFS 1998:1479), other applicable Swedish legislation and the rules and regulations applicable to, and/or issued by, VPC"

Condition 1(E)

The second snetence of Condition 1(E) (*Form, Type, Title and Transfer - Title to Certificates represented by a Registered Global Certificate*) shall be amended to read as follows:

"Each person who is for the time being shown in the Register as the holder of a particular amount of Certificates shall ((except for VPC Registered Certificates or 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, save for VPC Registered Certificates, the expressions "***Holder***" and "***holder of Certificates***" and related expressions in respect of such Certificates shall be construed accordingly)."

The following paragraph shall be added at the end of Condition 1(E) (*Form, Type, Title and Transfer - Title to Certificates represented by a Registered Global Certificate*):

"The holder of a VPC Registered Certiifcate will be the person appearing in the relevant register in accordance with the legislation, rules and regulations applicable to, and/or issued by,

VPC (the "***VPC Rules***") and the term "***Holder***" and "***holder of Certificates***" shall be construed accordingly. Where a nominee is so evidenced it shall be treated as the holder of the relevant VPC Registered Certificates."

Condition 1(J)

The following Condition 1(J) shall be added after Condition 1(I) (*Form, Type, Title and Transfer - Transfer Provisions relating to Certificates represented by Regulation S Global Certificates and Rule 144A Global Certificates*)

"*1(J) Transfers of VPC Registered Certificates*"

"Title to VPC Registered Certiicates will pass by registration in the register that the Issuer will procure to be kept by VPC on behalf of the Issuer. Where a nominee is so evidenced it shall be treated as the holder of the relevant VPC Registered Certificates."

Condition 4

The following definitions shall be added to Condition 4 (*Definitions*):

"***VPC***" means Euroclear Sweden AB, Box 7822, SE-103 97 Stockholm, Sweden."

"***VPC Issuing and Paying Agent***" means the issuing and paying agent appointed in respect of any Series of VPC Registered Certificates as specified in the applicable Final Terms."

Condition 6(A)

The following new Condition 6(A)(4) shall be added after Condition 6(A)(3) (*Payments and Physical Delivery - Payments in respect of Certificates represented by a Registered Global Certificates*):

"6(A)(4) VPC Registered Certificates

"Payments of principal in respect of VPC Registered Certificates will be made to the persons registered as Holders in the register maintained by the VPC on the fifth Stockholm Banking Day (or in accordance with the rules and procedures applied by VPC from time to time), prior to the due date for such payment. If the date for payment of any amount in respect of VPC Registered Cerrtificates is not a Stockholm Banking Day, the holder thereof shall not be entitled to payment until the next following Stockholm Banking Day and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "Stockholm Banking Day" means, any day (other than a Saturday or a Sunday) on which commercial banks are generally open for business, including dealings in foreign exchange and foreign currency deposits in Stockholm.

At any time before the Issue Date, the Issuer may decide to (i) cancel the issue or postpone the Issue Date and other dates if any event or circumstance occurs which, in the Issuer's opinion, may have a significant impact on the issue and the indicated terms and conditions; and (ii) cancel the issue if the subscribed amount is less than the applicable minimum amount, if any, specified in the Final Terms or if the Issuer determines it likely that the subscribed amount will be less than such amount.

In the event of late payment not due to an event or circumstance mentioned in the previous or in the following paragraph, penalty interest will be payable on the overdue amount from the

due date for payment thereof up to and including the date on which payment is made at an interest rate corresponding to, in the case of VPC Registered Certificates, STIBOR (defined below) increased by one percentage point. Interest will not be capitalised.

Neither the Issuer nor any agent, paying agent or VPC Issuing and Paying Agent shall be held responsible for any loss or damage resulting from any legal enactment (domestic or foreign), the intervention of a public authority (domestic or foreign), an act of war, strike, blockade, boycott, lockout or any other similar event or circumstance. The reservation in respect of strikes, blockades, boycotts and lockouts shall also apply if any of the Issuer, or any agent, paying agent or VPC Issuing and Paying Agent itself take such measures or becomes the subject of such measures. Under no circumstances shall the Issuer, or any agent, paying agent or VPC Issuing and Paying Agent be liable to pay compensation for any loss, damage, liability, cost, claim, action or demand unless the Issuer or any agent, paying agent or VPC Issuing and Paying Agent, as the case may be, has been negligent, or guilty of bad faith, or has breached the terms of any agency agreement. Furthermore under no circumstances shall the Issuer or any agent, paying agent or VPC Issuing and Paying Agent be liable for loss of profit, indirect loss or damage or consequential loss or damage.

Where the Issuer or any agent, paying agent or VPC Issuing and Paying Agent, due to any legal enactment (domestic or foreign), the intervention of a public authority (domestic or foreign), an act of war, strike, blockade, boycott, lockout or any other similar event or circumstance, is prevented from effecting payment, such payment may be postponed until the time the event or circumstance impeding payment has ceased, with no obligation to pay penalty interest. The provisions in this paragraph shall apply to the extent that nothing to the contrary follows from applicable provisions specified in the applicable Final Terms, or from the provisions of the Swedish Financial Instruments Accounts Act (1998:1479).

"STIBOR" means the average of the interest rates quoted at approximately 11 a.m. on the first Banking Day after the Redemption Date in each seven-day-period or part thereof on Reuter's page "SIDE" (or through any other system or on any other page as shall replace the system or page stated) for one-week-funds or, if no such quotation is given, the interest rate which is stated by three first ranking Swedish banks selected by the Bank to be their funding cost at that time for one-week-funds in Swedish Kronor in the Stockholm interbank market; if the interest rate for a certain period cannot be determined as stated as a result of any disruption, then the interest rate for such period shall correspond to the average of the latest interest rate determined under the alternatives above before such disruption occurred and the first interest rate determined after the disruption has ceased.

A VPC Issuing and Paying Agent will be appointed by the Issuer and identified in the applicable Final Terms."

Condition 6(F)

The following paragraph shall be added at the end of Condition 6(F) (*Payments and Physical Delivery - Prescription*):

"In the case of VPC Registered Certificates, claims against the Issuer for the payment of principal and interest payable in respect of the Certificates shall be prescribed unless made within ten years (in case of principal) and five years (in case of interest) after the Redemption Date therefor and thereafter any principal or interest payable in respect of such Certificates shall be forfeited and revert to the Issuer."

Condition 9

Condition 9(D) (*Agents, Determinations, Meetings Provisions and Modifications - Meetings of Holders*) shall not apply in the case of VPC Registered Certificates.

The following paragraph shall be added at the end of Condition 9(E) (*Modifications*):

> "In respect of VPC Registered Certificates, the Issuer may without the consent of the Holders make (i) any modification of the Certificates which is not materially prejudicial to the interests of the Holders; or (ii) any modifications of the Certificates which is of formal, minor or technical nature or is made to correct a manifest error or proven error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated. Any such modification shall be binding on the relevant Holders and any such modification shall be notified to such Holders in accordance with Condition 10."

The following new Condition 9(F) shall be added after Condition 9(E) (*Agents, Determinations, Meetings Provisions and Modifications - Modifications*)

"**9(F) VPC Issuing and Paying Agent**

> In relation to VPC Registered Certificates the Issuer will, in accordance with the Swedish Financial Instruments Accounts Act (1998:1479) appoint (i) VPC as the central securities depository, and (ii) a VPC Issuing and Paying Agent. The VPC Issuing and Paying Agent appointed by the Issuer will be specified in the relevant Final Terms.
>
> The Issuer is entitled to vary or terminate the appointment of the VPC Issuing and Paying Agent, provided that the Issuer will appoint another VPC Issuing and Paying Agent, that is duly authorised under the Swedish Financial Instruments Accounts Act (1998:1479). VPC and the VPC Issuing and Paying Agent act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with the Holders."

Condition 10

The following sub-paragraph (d) shall be added after to the seventh line of Condition 10 (*Notices*) before the words "and (ii)":

> "(d) in the case of VPC Registered Certificates, sent by mail to a Holder on the address registered for such Holder in the system of VPC or in accordance with the legislation, rules and regulations applicable to, and/or issued by, VPC (and any such notice shall be deemed to have been given, if sent by mail to the Holders, on the fourth day following the day the notice was sent by mail"

Condition 13

The following sentence shall be added at the end of the first paragraph of Condition 13 (*Substitution*):

> "For VPC Registered Certificates such substitution may only take place if the VPC gives its consent to the substitution of the Issuer for the New Issuer."

Condition 14

The following words shall be added at the end of the first sentence of Condition 14 (*Governing Law*):

> "(except VPC Registered Certificates, which shall be governed by, and construed in accordance with the provisions of the Swedish Financial Instruments Accounts Act

(1998:1479), other Swedish legislation and the rules and regulations applicable to, and/or issued by VPC applicable from time to time)."

Save as expressly provided above, the Terms and Conditions relating to the Certificates set out in the Base Prospectus shall apply to VPC Registered Certificates.

TERMS AND CONDITIONS OF THE VPC REGISTERED WARRANTS

The Terms and Conditions of the Warrants set out in the Base Prospectus shall, where the context so permits, and subject to the modifications and the additional terms and conditions set out herein, apply to the VPC Registered Warrants.

The VPC Registered Warrants may be Index Linked Warrants, Equity Linked Warrants, Debt Linked Warrants, Currency Linked Warrants, Commodity Linked Warrants, Fund Linked Warrants or any other or further type of warrants as is specified in the applicable Final Terms.

The Terms and Conditions of the Warrants set out in the Base Prospectus shall be amended in relation to VPC Registered Warrants as set out below. VPC Registered Warrants will only be issued by the Bank. BCCL will not issue VPC Registered Warrants, and references in the terms and conditions of the VPC Registered Warrants to the "Issuer" shall refer only to the Bank.

Terms and Conditions

The third paragraph of the Terms and Conditions of the Warrants shall be amended by the addition of the following at the end of such paragraph:

> "Notwithstanding the above the Issuer may issue warrants in uncertificated and dematerialised book-entry form ("***VPC Registered Warrants***"). No global or definitive Warrants will be issued in respect of VPC Registered Warrants and these Terms and Conditions shall be construed accordingly. VPC Registered Warrants will be transferable only in accordance with the provisions of the Swedish Financial Instruments Accounts Act (1998:1479), other applicable Swedish legislation and the rules and regulations applicable to, and/or issued by, VPC. "

Condition 1(B)

The first paragraph of Condition 1(B) (*Type, Title and Transfer - Title to Warrants*) shall be amended to read as follows:

> "Other than in respect of VPC Registered Warrants, 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 Warrants (in which regard any warrant or other document issued by Clearstream, Luxembourg or Euroclear as to the amount of Warrants standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, (where the Issuer is BCCL) the Guarantor and the Warrant Agents as the holder of such amount of Warrants for all purposes (and the expressions "***Warrantholder***" and "***holder of Warrants***" and related expressions shall be construed accordingly)."

The following paragraph shall be added at the end of Condition 1(B) (*Type, Title and Transfer - Title to Warrants*):

"The holder of a VPC Registered Warrant will be the person appearing in the relevant register in accordance with the legislation, rules and regulations applicable to, and/or issued by, VPC and the term "***Warrantholder***" and "***holder of Warrants***" shall be construed accordingly. Where a nominee is so evidenced it shall be treated as the holder of the relevant VPC Registered Warrants."

Condition 1(D)

The following Condition 1(D) shall be added after Condition 1(C) (*Type, Title and Transfer - Transfer of Warrants*)

"**1(D) Transfers of VPC Registered Warrants**"

"Title to VPC Registered Warrants will pass by registration in the register that the Issuer will procure to be kept by VPC on behalf of the Issuer. Where a nominee is so evidenced it shall be treated as the holder of the relevant VPC Registered Warrants."

Condition 4

The following definitions shall be added to Condition 4 (*Definitions*):

"***VPC***" means Euroclear Sweden AB, Box 7822, SE-103 97 Stockholm, Sweden."

"***VPC Issuing and Paying Agent***" means the issuing and paying agent appointed in respect of any Series of VPC Registered Warrants as specified in the applicable Final Terms."

Condition 5(E)

The following paragraph shall be added at the end of Condition 5(E) (*Exercise Rights - General*):

"In the case of VPC Registered Warrants, the exercise of a warrant will not be effective against the Issuer before the date on which the relevant Warrants have been transferred to the account designated by the VPC Issuing and Paying Agent, which for the purposes of the VPC Registered Warrants is an account operator specifically authorised by VPC and appointed by the Issuer in relation to a specific issue or issues to process and register issues in the system of the relevant central securities depositary and clearing institution, and blocked for further transfer as of the exercise date by the VPC Issuing and Paying Agent.

In the case of VPC Registered Warrants, the right to exercise such Warrants in accordance with this Condition 5(E) must be, notwithstanding the above, exercised in accordance with the rules and procedures of VPC and if there is any inconsistency between the terms set out herein and the rules and procedures of VPC, then the rules and procedures of VPC shall prevail."

Condition 6(C)

The following new Condition 6(C)(iii) shall be added after Condition 6(C)(ii) (*Exercise Procedure – Settlement - Physical Delivery Warrants*):

"(iii) **VPC Registered Warrants**

Payments in respect of VPC Registered Warrants will be made to the persons registered as Warrantholders in the register maintained by the VPC on the fifth Stockholm Banking Day (or in accordance with the rules and procedures applied by VPC from time to time), prior to the due date for such payment. If the date for payment of any amount in respect of VPC Registered Warrants is not a Stockholm Banking Day, the holder thereof shall not be entitled

to payment until the next following Stockholm Banking Day and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "Stockholm Banking Day" means, any day (other than a Saturday or a Sunday) on which commercial banks are generally open for business, including dealings in foreign exchange and foreign currency deposits in Stockholm.

At any time before the Issue Date, the Issuer may decide to (i) cancel the issue or postpone the Issue Date and other dates if any event or circumstance occurs which, in the Issuer's opinion, may have a significant impact on the issue and the indicated terms and conditions; and (ii) cancel the issue if the subscribed amount is less than the applicable minimum amount, if any, specified in the Final Terms or if the Issuer determines it likely that the subscribed amount will be less than such amount.

In the event of late payment not due to an event or circumstance mentioned in the previous or in the following paragraph, penalty interest will be payable on the overdue amount from the due date for payment thereof up to and including the date on which payment is made at an interest rate corresponding to, in the case of VPC Registered Warrants, STIBOR (defined below) increased by one percentage point. Interest will not be capitalised.

Neither the Issuer nor any agent, paying agent or VPC Issuing and Paying Agent shall be held responsible for any loss or damage resulting from any legal enactment (domestic or foreign), the intervention of a public authority (domestic or foreign), an act of war, strike, blockade, boycott, lockout or any other similar event or circumstance. The reservation in respect of strikes, blockades, boycotts and lockouts shall also apply if any of the Issuer, or any agent, paying agent or VPC Issuing and Paying Agent itself take such measures or becomes the subject of such measures. Under no circumstances shall the Issuer, or any agent, paying agent or VPC Issuing and Paying Agent be liable to pay compensation for any loss, damage, liability, cost, claim, action or demand unless the Issuer or any agent, paying agent or VPC Issuing and Paying Agent, as the case may be, has been negligent, or guilty of bad faith, or has breached the terms of any agency agreement. Furthermore under no circumstances shall the Issuer or any agent, paying agent or VPC Issuing and Paying Agent be liable for loss of profit, indirect loss or damage or consequential loss or damage.

Where the Issuer or any agent, paying agent or VPC Issuing and Paying Agent, due to any legal enactment (domestic or foreign), the intervention of a public authority (domestic or foreign), an act of war, strike, blockade, boycott, lockout or any other similar event or circumstance, is prevented from effecting payment, such payment may be postponed until the time the event or circumstance impeding payment has ceased, with no obligation to pay penalty interest. The provisions in this paragraph shall apply to the extent that nothing to the contrary follows from applicable provisions specified in the applicable Final Terms, or from the provisions of the Swedish Financial Instruments Accounts Act (1998:1479).

"STIBOR" means the average of the interest rates quoted at approximately 11 a.m. on the first Banking Day after the Maturity Date in each seven-day-period or part thereof on Reuter's page "SIDE" (or through any other system or on any other page as shall replace the system or page stated) for one-week-funds or, if no such quotation is given, the interest rate which is stated by three first ranking Swedish banks selected by the Bank to be their funding cost at that time for one-week-funds in Swedish Kronor in the Stockholm interbank market; if the interest rate for a certain period cannot be determined as stated as a result of any disruption, then the interest rate for such period shall correspond to the average of the latest interest rate determined under the alternatives above before such disruption occurred and the first interest rate determined after the disruption has ceased.

A VPC Issuing and Paying Agent will be appointed by the Issuer and identified in the applicable Final Terms."

Condition 10

Condition 10(D) (*Agents, Determinations, Meetings Provisions and Modifications - Meetings of Warrantholders*) shall not apply in the case of VPC Registered Warrants.

The following paragraph shall be added at the end of Condition 10(E) (*Agents, Determinations, Meetings Provisions and Modifications - Meetings of Warrantholders*):

> "In respect of VPC Registered Warrantss, the Issuer may without the consent of the Warrantholders make (i) any modification of the Warrantss which is not materially prejudicial to the interests of the Warrantholders; or (ii) any modifications of the Warrants which is of formal, minor or technical nature or is made to correct a manifest error or proven error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated. Any such modification shall be binding on the relevant Warrantholders and any such modification shall be notified to such Warrantholders in accordance with Condition 11."

The following new Condition 10(F) shall be added after Condition 10(E) (*Agents, Determinations, Meetings Provisions and Modifications - Modifications*)

"**10(F) VPC Issuing and Paying Agent**

> In relation to VPC Registered Warrants the Issuer will, in accordance with the Swedish Financial Instruments Accounts Act (1998:1479) appoint (i) VPC as the central securities depository, and (ii) a VPC Issuing and Paying Agent. The VPC Issuing and Paying Agent appointed by the Issuer will be specified in the relevant Final Terms.
>
> The Issuer is entitled to vary or terminate the appointment of the VPC Issuing and Paying Agent, provided that the Issuer will appoint another VPC Issuing and Paying Agent, that is duly authorised under the Swedish Financial Instruments Accounts Act (1998:1479). VPC and the VPC Issuing and Paying Agent act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with the Warrantholders."

Condition 11

The following words shall be added to the second line of Condition 11 (*Notices*) after the words "Warrantholders":

> "or, in the case of VPC Registered Warrants, sent by mail to a Warrantholder to the address registered for such Warrantholder in the system of VPC or in accordance with the legislation, rules and regulations applicable to, and/or issued by, VPC (and any such notice shall be deemed to have been given, if sent by mail to the Holders, on the fourth day following the day the notice was sent by mail)"

Condition 14

The following sentence shall be added at the end of the first paragraph of Condition 14 (*Substitution of Issuer or Guarantor*):

> "For VPC Registered Warrants such substitution may only take place if the VPC gives its consent to the substitution of the Issuer for the New Issuer."

Condition 15

The following words shall be added at the end of the first sentence of Condition 15 (*Governing Law*):

"(except VPC Registered Warrants, which shall be governed by, and construed in accordance with the provisions of the Swedish Financial Instruments Accounts Act (1998:1479), other Swedish legislation and the rules and regulations applicable to, and/or issued by VPC applicable from time to time).""

Save as expressly provided above, the Terms and Conditions relating to the Warrants set out in the Base Prospectus shall apply to VPC Registered Warrants.

GENERAL INFORMATION

VPC Registered Securities issued under the Programme will be issued, cleared and settled through Euroclear Sweden AB at Box 7822, SE-103 97 Stockholm, Sweden, which is the entity responsible for the keeping of the records.

ANNEX C NORWEGIAN SECURITIES

FORM OF THE VPS REGISTERED NOTES

Notes, Certificates and Warrants may be issued under the Programme in uncertificated and dematerialised book-entry form ("**VPS Notes**", "**VPS Certificates**" and "**VPS Warrants**" respectively and, together, "**VPS Securities**"), as well as in bearer form and, in the case of Notes and Certificates, in registered form.

The following description supplements the sections of the Base Prospectus entitled "Notes", "Certificates" and "Warrants" starting on pages 48, 142 and 217 respectively.

Any references in the Terms and Conditions of the Securities to Coupons, Talons, Receipts, Global Notes, Global Certificates or Global Warrants, as the case may be, shall not apply to VPS Registered Securities. VPS Registered Notes of one specified Denomination may not be exchanged for VPS Registered Notes of another specified Denomination.

VPS Registered Notes

VPS Registered Securities are Securities in uncertificated and dematerialised book-entry form, issued and registered in accordance with the provisions of the Norwegian Securities Registration Act of 5 July 2002 no. 64 (Nor: lov av 5. juli 2002 nr. 64 om registrering av finansielle instrumenter). No global or definitive Securities will be issued in respect of VPS Registered Notes and the Terms and Conditions of the Securities, amended as set out herein, shall be construed accordingly. VPS Registered Securities will be transferable only in accordance with the legislation, rules and regulations applicable to, and/or issued by, Verdipapirsentralen ASA ("***VPS***"). Any references in the Terms and Conditions of the Notes to Coupons, Talons or Receipts shall not apply to VPS Registered Securities.

The holder of a VPS Registered Security will be the person appearing in the register that the Issuer will procure to be kept by VPS, and operated by an account manager (the "***Account Manager***") appointed by the Bank, in accordance with the legislation, rules and regulations applicable , and the terms Noteholder, Certificateholder and Warrantholder shall be construed accordingly. Where a nominee is so evidenced it shall be treated as the holder of the relevant VPS Registered Securities.

Title to VPS Registered Securities will pass by registration in the register that the Bank will procure to be kept by VPS on behalf of the Bank and operated by the Account Manager appointed by the Bank. Where a nominee is so evidenced it shall be treated as the holder of the relevant VPS Registered Securities.

TERMS AND CONDITIONS OF THE VPS REGISTERED NOTES

The Terms and Conditions of the Notes set out in the Base Prospectus shall, where the context so permits, and subject to the modifications and the additional terms and conditions set out herein, apply to the VPS Registered Notes.

The VPS Registered Notes may be Fixed Rate Notes, Floating Rate Notes or Zero Coupon Notes, or a combination of the foregoing depending on the Interest Basis specified in the applicable Final Terms.

The VPS Registered Notes may be Equity Linked Notes, Index Linked Notes, Currency Linked Notes, Credit Linked Notes, Commodity Linked Notes or Non-Standard Notes, or a combination of the foregoing, depending on the Type of Note specified in the applicable Final Terms.

The Terms and Conditions of the Notes set out in the Base Prospectus shall be amended in relation to VPS Registered Notes as set out below. VPS Registered Notes will only be issued by the Bank. BCCL will not issue VPS Registered Notes, and references in the terms and conditions of VPS Registered Notes to the "Issuer" shall refer only to the Bank.

Condition 1.1

Condition 1.1 (*Form, Denomination, Title and Transfer - Form*) shall be amended by the addition of the following paragraph at the end of such Condition:

> "Notwithstanding the above the Issuer may issue notes in uncertificated and dematerialised book-entry form ("***VPS Registered Notes***"). No global or definitive Notes will be issued in respect of VPS Registered Notes and these Terms and Conditions shall be construed accordingly. VPS Registered Notes will be transferable only in accordance with the provisions of the Norwegian Securities Registration Act of 5 July 2002 no. 64 (Nor: lov av 5. juli 2002 nr. 64 om registrering av finansielle instrumenter), other applicable Norwegian legislation and the rules and regulations applicable to, and/or issued by, VPS. References in these Terms and Conditions to Coupons, Talons or Receipts shall not apply to VPS Registered Notes."

Condition 1.3

The first paragraph of Condition 1.3 (*Form, Denomination, Title and Transfer - Title*) shall be amended to read as follows:

> "The Issuer shall (except for VPS Registered Notes or as otherwise required by law) deem and treat the bearer of any Note in bearer form or coupon and the registered holder of any Registered Note as the absolute owner thereof for all purposes but, in the case of any Global Note, without prejudice to the provisions set out below."

The following paragraph shall be added at the end of Condition 1.3 (*Form, Denomination, Title and Transfer - Title*):

> "The holder of a VPS Registered Note will be the person appearing in the register that the Issuer will procure to be kept by VPS, and operated by an Account Manager appointed by the Issuer, in accordance with the legislation, rules and regulations applicable to the VPS Registered Notes, and the term "***Noteholder***" shall be construed accordingly. Where a nominee is so evidenced it shall be treated as the holder of the relevant VPS Registered Notes."

Condition 1.6

The following Condition 1.6 shall be added after Condition 1.5 ((*Form, Denomination, Title and Transfer - Transfers of Registered Notes*)

"**1.6 Transfers of VPS Registered Notes**"

"Title to VPS Registered Notes will pass by registration in the register that the Issuer will procure to be kept by VPS, and operated by the Account Manager, on behalf of the Issuer. Where a nominee is so evidenced it shall be treated as the holder of the relevant VPS Registered Notes. "

Condition 4.1

The first paragraph of Condition 4.1 (*Interest - Interest on Fixed Rate Notes*) shall be amended to read as follows:

"Each Fixed Rate Note will bear interest on its outstanding nominal amount from (and including or, in respect of VPS Registered Notes, but excluding) the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Interest Rate specified in the relevant Final Terms. Interest will be payable in arrears on each Interest Payment Date in each year up to (and including) the Maturity Date."

Condition 4.2

The first paragraph of Condition 4.2 (*Interest - Interest on Floating Rate Notes*) shall be amended to read as follows:

"Each Floating Rate Note will bear interest on its outstanding nominal amount from (and including or, in respect of VPS Registered Notes, but excluding) the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Interest Rate payable from time to time in respect of Floating Rate Notes determined in the manner specified in the applicable Final Terms."

Condition 5.1

The following sentence shall be added at the end of the second paragraph of Condition 5.1 (*Redemption - Redemption on the Maturity Date*):

"In respect of VPS Registered Notes, the Reference Assets may not necessarily be registered in the VPS."

Condition 5.2

The following paragraph shall be added at the end of Condition 5.2 (*Redemption - Early Redemption at the Option of Noteholders*):

"In the case of VPS Registered Notes, the exercise of this option will not be effective against the Issuer before the date on which the relevant Notes have been transferred to the Noteholder's VPS account, as designated by the Account Manager, which for the purposes of the VPS Registered Notes is an account operator specifically authorised by VPS, and appointed by the Issuer in relation to a specific issue or issues to process and register issues in the system of the relevant central securities depositary and clearing institution, and blocked for further transfer as of the optional redemption date by the Account Manager.

In the case of VPS Registered Notes, the right to require redemption of such Notes in accordance with this Condition 5.2 must be, notwithstanding the above, exercised in accordance with Norwegian law, hereunder the rules and procedures of VPS and if there is any inconsistency between the above and the rules and procedures of VPS, then Norwegian law, hereunder the rules and procedures of VPS, shall prevail."

Condition 10

The following new Condition 10.3 shall be added after Condition 10.2 (*Payments - Registered Notes*):

"**10.3 VPS Registered Notes**

Payments of interest in respect of VPS Registered Notes will be made to the persons registered as Noteholders in the register maintained by the VPS on the fourteenth calendar day (or in accordance with the rules and procedures applied by VPS from time to time), prior to the due date for such payment, or the last Banking Day prior to such date if the fourteenth calendar day is not a Banking Day. Payments of principal in respect of VPS Registered Notes will be made to the persons registered as Noteholders in the register maintained by the VPS on the fifth Oslo Banking Day (or in accordance with the rules and procedures applied by VPS from time to time), prior to the due date for such payment. If the date for payment of any amount in respect of VPS Registered Notes is not a Oslo Banking Day, the holder thereof shall not be entitled to payment until the next following Oslo Banking Day and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "Oslo Banking Day" means, any day (other than a Saturday or a Sunday) on which commercial banks are generally open for business, including dealings in foreign exchange and foreign currency deposits in Oslo.

At any time before the Issue Date, the Issuer may decide to (i) cancel the issue or postpone the Issue Date and other dates if any circumstance occurs, which in the Issuer's opinion, may have a significant impact on the issue and the indicated terms and conditions; and (ii) cancel the issue if the subscribed amount is less than the applicable minimum amount, if any, specified in the Final Terms or if the Issuer determines it likely that the subscribed amount will be less than such amount.

In the event of late payment not due to an obstacle mentioned in the previous or in the following paragraph, penalty interest will be payable on the overdue amount from the due date up to and including the date on which payment is made at an interest rate corresponding to, in the case of VPS Registered Notes, NIBOR (defined below) increased by one percentage point. No capitalization of interest will be made.

Neither the Issuer, nor any agent, paying agent or the Account Manager shall be held responsible for any loss or damage resulting from any legal enactment (domestic or foreign), the intervention of a public authority (domestic or foreign), an act of war, strike, blockade, boycott, lockout or any other similar circumstance. The reservation in respect of strikes, blockades, boycotts and lockouts shall also apply if any of the Issuer, or any agent, paying agent or the Account Manager itself take such measures or becomes the subject of such measures. Under no circumstances shall the Issuer, or any agent, paying agent or the Account Manager be liable to pay compensation for any loss, damage, liability, cost, claim, action or demand unless the Issuer or any agent, paying agent or the Account Manager , as the case may be, has been negligent, or guilty of bad faith, or has breached any agency agreement. Furthermore under no circumstances shall the Issuer or any agent, paying agent or the Account Manager agent be liable for loss of profit, indirect loss or damage or consequential

loss or damage. Where the Issuer or any agent, paying agent or the Account Manager, due to any legal enactment (domestic or foreign), the intervention of a public authority (domestic or foreign), an act of war, strike, blockade, boycott, lockout or any other similar circumstance, is prevented from effecting payment or to undertake other measures such measures may be postponed until the time the impediment has ceased, with no obligation to pay penalty interest. The provisions in this paragraph shall apply to the extent that nothing to the contrary follows from applicable provisions specified in the applicable Final Terms, or from the provisions of the Norwegian Securities Registration Act of 5 July 2002 no. 64 (Nor: lov av 5. juli 2002 nr. 64 om registrering av finansielle instrumenter).

"NIBOR" means the interest rate quoted at 11 a.m. London time on the first Banking Day after the Maturity Date in each commenced seven-day-period on Reuter's page "NIBQ" (or through any other system or on any other page as shall replace the system or page stated) for one-week-funds or, if no such quotation is given, the interest rate which is stated by three first ranking Norwegian banks selected by Barclays Bank PLC to be its funding cost at that time for one-week-funds in Norwegian Kroner in the Oslo interbank market; if the interest for a certain period cannot be determined as stated, then the interest rate for such period shall correspond to the average of the latest interest rate determined under the alternatives above before such event occurred and the first interest rate determined after the event has ceased.

An Account Manager will be appointed by the Issuer and identified in the applicable Final Terms. "

Condition 11

The following new Condition 11.4 shall be added after Condition 11.3 (*The Issue and Paying Agent, the Registrar, the Determination Agent and the Paying Agents - Calculations*)

"**11.4 Account Manager**

In relation to VPS Registered Notes the Issuer will, in accordance with the Norwegian Securities Registration Act of 5 July 2002 no. 64 (Nor: lov av 5. juli 2002 nr. 64 om registrering av finansielle instrumenter) appoint (i) VPS as the central securities depository, and (ii) an Account Manager. The Account Manager appointed by the Issuer will be specified in the relevant Final Terms.

The Issuer is entitled to vary or terminate the appointment of the Account Manager provided that the Issuer will appoint another Account Manager that is duly authorised under the Norwegian Securities Registration Act of 5 July 2002 no. 64 (Nor: lov av 5. juli 2002 nr. 64 om registrering av finansielle instrumenter) and the relevant VPS regulations. VPS and the Account Manager act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with the Noteholders."

Condition 13

The following paragraph shall be added at the end of Condition 13 (*Prescription*):

"In the case of VPS Registered Notes, claims against the Issuer for the payment of principal and interest payable in respect of the Notes shall be prescribed unless made within ten years (in case of principal) and three years (in case of interest) after the Relevant Date therefore and

thereafter any principal or interest payable in respect of such Notes shall be forfeited and revert to the Issuer."

Condition 14

Condition 14 (*Replacement of Notes*) shall not apply in the case of VPS Registered Notes

Condition 16

The following sub-paragraph (d) shall be added after Condition 16.1(c) (*Notices – To Noteholders*):

"(d) in the case of VPS Registered Notes, sent by mail to a Noteholder on the address registered for such Noteholder in the system of VPS or in accordance with the legislation, rules and regulations applicable to, and/or issued by, VPS. Any such notice shall be deemed to have been given, if sent by mail to the Noteholders, on the fourth day following the day the notice was sent by mail."

Condition 17

The following sentence shall be added at the end of the first paragraph of Condition 17 (*Substitution*):

"For VPS Registered Notes such substitution may only take place if neither the VPS nor the Account Manager objects to the substitution of the Issuer for the New Issuer."

Condition 18

The following words shall be added at the end of the first sentence of Condition 18 (*Governing Law*):

"(except VPS Registered Notes, for which the legal effects of registration i VPS shall be governed by, and construed in accordance with the provisions of the Norwegian Securities Registration Act of 5 July 2002 no. 64 (Nor: lov av 5. juli 2002 nr. 64 om registrering av finansielle instrumenter), other Norwegian legislation and the rules and regulations applicable to, and/or issued by VPS applicable from time to time)"

Condition 20

The following paragraph shall be added at the end of Condition 20.1 (*Modification and Meetings - Modifications to the Conditions*):

"In respect of VPS Registered Notes, the Issuer may without the consent of the Noteholders make (i) any modification of the Notes which is not materially prejudicial to the interests of the Noteholders; or (ii) any modifications of the Notes which is of formal, minor or technical nature or is made to correct a manifest error or proven error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated. Any such modification shall be binding on the relevant Noteholders and any such modification shall be notified to such Noteholders in accordance with Condition 16."

Condition 20.2 (*Meetings of Noteholders*) shall not apply in the case of VPS Registered Notes.

Condition 25

The following definitions set out in Condition 25 (*Definitions*) shall be amended and restated as follows in relation to VPS Registered Notes:

> "***Relevant Clearing System***" means, as appropriate, Euroclear, Clearstream, Luxembourg, DTC, VPS and/or such other Relevant Clearing System, as the case may be, through which interests in Notes are to be held and through an account at which the Notes are to be cleared specified in the applicable Final Terms."
>
> "***Rules***" means the Clearstream Rules, the Euroclear Rules, the VPS Rules and/or the terms and conditions governing the use of such other Relevant Clearing System as may be specified in the Final Terms relating to a particular issue of Notes."

The following definitions shall be added to Condition 25 (*Definitions*):

> "***VPS***" means Verdipapirsentralen ASA, Biskop Gunnerus' gate 14A, 0185 Oslo, Norway."

Save as expressly provided above, the Terms and Conditions of the Notes set out in the Base Prospectus shall apply to VPS Registered Notes.

TERMS AND CONDITIONS OF THE VPS REGISTERED CERTIFICATES

The Terms and Conditions of the Certificates set out in the Base Prospectus shall, where the context so permits, and subject to the modifications and the additional terms and conditions set out herein, apply to the VPS Registered Certificates.

The VPS Registered Certificates may be Index Linked Certificates, Equity Linked Certificates, Debt Linked Certificates, Currency Linked Certificates, Commodity Linked Certificates, Fund Linked Certificates or any other or further type of certificates as is specified in the applicable Final Terms.

The Terms and Conditions of the Certificates set out in the Base Prospectus shall be amended in relation to VPS Registered Certificates as set out below. VPS Registered Certificates will only be issued by the Bank. BCCL will not issue VPS Registered Certificates, and references in the terms and conditions of the VPS Registered Certificates to the "Issuer" shall refer only to the Bank.

Condition 1(A)

Condition 1(A) (*Form, Type, Title and Transfer - Form*) shall be amended by the addition of the following paragraph at the end of such Condition 1(A):

> "Notwithstanding the above the Issuer may issue certificates in uncertificated and dematerialised book-entry form ("***VPS Registered Certificates***"). No global or definitive Certificates will be issued in respect of VPS Registered Certificates and these Terms and Conditions shall be construed accordingly. VPS Registered Certificates will be transferable only in accordance with the provisions of the Norwegian Securities Registration Act of 5 July 2002 no. 64 (Nor: lov av 5. juli 2002 nr. 64 om registrering av finansielle instrumenter), other applicable Norwegian legislation and the rules and regulations applicable to, and/or issued by, VPS."

Condition 1(E)

The second snetence of Condition 1(E) (*Form, Type, Title and Transfer - Title to Certificates represented by a Registered Global Certificate*) shall be amended to read as follows:

"Each person who is for the time being shown in the Register as the holder of a particular amount of Certificates shall ((except for VPS Registered Certificates or 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, save for VPS Registered Certificates, the expressions "***Holder***" and "***holder of Certificates***" and related expressions in respect of such Certificates shall be construed accordingly)."

The following paragraph shall be added at the end of Condition 1(E) (*Form, Type, Title and Transfer - Title to Certificates represented by a Registered Global Certificate*):

"The holder of a VPS Registered Certiifcate will be the person appearing in the register that the Issuer will procure to be kept by VPS, and operated by an Account Manager appointed by the Issuer, in accordance with the legislation, rules and regulations applicable to the VPS Registered Certificates, and the term ***Holder***" and "***holder of Certificates***" shall be construed accordingly. Where a nominee is so evidenced it shall be treated as the holder of the relevant VPS Registered Certificates."

Condition 1(J)

The following Condition 1(J) shall be added after Condition 1(I) (*Form, Type, Title and Transfer - Transfer Provisions relating to Certificates represented by Regulation S Global Certificates and Rule 144A Global Certificates*)

″1(J) Transfers of VPS Registered Certificates″

"Title to VPS Registered Certificates will pass by registration in the register that the Issuer will procure to be kept by VPS, and operated by the Account Manager, on behalf of the Issuer. Where a nominee is so evidenced it shall be treated as the holder of the relevant VPS Registered Certificates."

Condition 4

The following definition shall be added to Condition 4 (*Definitions*):

"***VPS***" means Verdipapirsentralen ASA, Biskop Gunnerus' gate 14A, 0185 Oslo, Norway."

Condition 6(A)

The following new Condition 6(A)(4) shall be added after Condition 6(A)(3) (*Payments and Physical Delivery – Payments - Payments in respect of Certificates represented by a Registered Global Certificates*):

"6(A)(4) VPS Registered Certificates

Payments of principal in respect of VPS Registered Certificates will be made to the persons registered as Warrantholders in the register maintained by the VPS on the fifth Oslo Banking Day (or in accordance with the rules and procedures applied by VPS from time to time), prior to the due date for such payment. If the date for payment of any amount in respect of VPS Registered Certificates is not a Oslo Banking Day, the holder thereof shall not be entitled to payment until the next following Oslo Banking Day and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "Oslo Banking Day" means, any day (other than a Saturday or a Sunday) on which commercial banks are generally open for business, including dealings in foreign exchange and foreign currency deposits in Oslo.

At any time before the Issue Date, the Issuer may decide to (i) cancel the issue or postpone the Issue Date and other dates if any circumstance occurs, which in the Issuer's opinion, may have a significant impact on the issue and the indicated terms and conditions; and (ii) cancel the issue if the subscribed amount is less than the applicable minimum amount, if any, specified in the Final Terms or if the Issuer determines it likely that the subscribed amount will be less than such amount.

In the event of late payment not due to an obstacle mentioned in the previous or in the following paragraph, penalty interest will be payable on the overdue amount from the due date up to and including the date on which payment is made at an interest rate corresponding to, in the case of VPS Registered Certificates, NIBOR (defined below) increased by one percentage point. No capitalization of interest will be made.

Neither the Issuer, nor any agent, paying agent or the Account Manager shall be held responsible for any loss or damage resulting from any legal enactment (domestic or foreign), the intervention of a public authority (domestic or foreign), an act of war, strike, blockade, boycott, lockout or any other similar circumstance. The reservation in respect of strikes, blockades, boycotts and lockouts shall also apply if any of the Issuer, or any agent, paying agent or the Account Manager itself take such measures or becomes the subject of such measures. Under no circumstances shall the Issuer, or any agent, paying agent or the Account Manager be liable to pay compensation for any loss, damage, liability, cost, claim, action or demand unless the Issuer or any agent, paying agent or the Account Manager , as the case may be, has been negligent, or guilty of bad faith, or has breached any agency agreement. Furthermore under no circumstances shall the Issuer or any agent, paying agent or the Account Manager agent be liable for loss of profit, indirect loss or damage or consequential loss or damage. Where the Issuer or any agent, paying agent or the Account Manager, due to any legal enactment (domestic or foreign), the intervention of a public authority (domestic or foreign), an act of war, strike, blockade, boycott, lockout or any other similar circumstance, is prevented from effecting payment or to undertake other measures such measures may be postponed until the time the impediment has ceased, with no obligation to pay penalty interest. The provisions in this paragraph shall apply to the extent that nothing to the contrary follows from applicable provisions specified in the applicable Final Terms, or from the provisions of the Norwegian Securities Registration Act of 5 July 2002 no. 64 (Nor: lov av 5. juli 2002 nr. 64 om registrering av finansielle instrumenter).

"NIBOR" means the interest rate quoted at 11 a.m. London time on the first Banking Day after the Maturity Date in each commenced seven-day-period on Reuter's page "NIBQ" (or through any other system or on any other page as shall replace the system or page stated) for one-week-funds or, if no such quotation is given, the interest rate which is stated by three first ranking Norwegian banks selected by Barclays Bank PLC to be its funding cost at that time for one-week-funds in Norwegian Kroner in the Oslo interbank market; if the interest for a certain period cannot be determined as stated, then the interest rate for such period shall correspond to the average of the latest interest rate determined under the alternatives above before such event occurred and the first interest rate determined after the event has ceased.

An Account Manager will be appointed by the Issuer and identified in the applicable Final Terms. "

Condition 6(B)

The following sentence shall be added at the end of the fifth paragraph of Condition 6(B)(5) (*Payments and Physical Delivery – Physical Delivery - Determinations and Delivery*):

> "In respect of VPS Registered Certificates, the Entitlement may not necessarily be registered in the VPS."

Condition 6(F)

The following paragraph shall be added at the end of Condition 6(F) (*Payments and Physical Delivery – Prescription*):

> "In the case of VPS Registered Certificates, claims against the Issuer for the payment of principal and interest payable in respect of the Certificates shall be prescribed unless made within ten years (in case of principal) and five years (in case of interest) after the Redemption Date therefor and thereafter any principal or interest payable in respect of such Certificates shall be forfeited and revert to the Issuer."

Condition 9

Condition 9(D) (*Agents, Determinations, Meetings Provisions and Modifications - Meetings of Holders*) shall not apply in the case of VPS Registered Certificates.

The following paragraph shall be added at the end of Condition 9(E) (*Agents, Determinations, Meetings Provisions and Modifications - Meetings of Holders*):

> "In respect of VPS Registered Certificates, the Issuer may without the consent of the Holders make (i) any modification of the Certificates which is not materially prejudicial to the interests of the Holders; or (ii) any modifications of the Certificates which is of formal, minor or technical nature or is made to correct a manifest error or proven error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated. Any such modification shall be binding on the relevant Holders and any such modification shall be notified to such Holders in accordance with Condition 10."

The following new Condition 9(F) shall be added after Condition 9(E)(Modifications)

"9(F) Account Manager

> In relation to VPS Registered Certificates the Issuer will, in accordance with the Norwegian Securities Registration Act of 5 July 2002 no. 64 (Nor: lov av 5. juli 2002 nr. 64 om registrering av finansielle instrumenter) appoint (i) VPS as the central securities depository, and (ii) an Account Manager. The Account Manager appointed by the Issuer will be specified in the relevant Final Terms.
>
> The Issuer is entitled to vary or terminate the appointment of the Account Manager provided that the Issuer will appoint another Account Manager that is duly authorised under the Norwegian Securities Registration Act of 5 July 2002 no. 64 (Nor: lov av 5. juli 2002 nr. 64 om registrering av finansielle instrumenter) and the relevant VPS regulations. VPS and the Account Manager act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with the Holders."

Condition 10

The following sub-paragraph (d) shall be added after to the seventh line of Condition 10 (*Notices*) before the words "and (ii)":

> "(d) in the case of VPS Registered Certificates, sent by mail to a Holder to the address registered for such Holder in the system of VPS or in accordance with the legislation, rules and regulations applicable to, and/or issued by, VPS (and any such notice shall be deemed to have been given, if sent by mail to the Holders, on the fourth day following the day the notice was sent by mail"

Condition 13

The following sentence shall be added at the end of the first paragraph of Condition 13 (*Substitution of Issuer or Guarantor*):

> "For VPS Registered Certificates such substitution may only take place if neither the VPS nor the Account Manager objects to the substitution of the Issuer for the New Issuer"

Condition 14

The following words shall be added at the end of the first sentence of Condition 14 (*Governing Law*):

> "(except VPS Registered Notes, for which the legal effects of registration i VPS shall be governed by, and construed in accordance with the provisions of the Norwegian Securities Registration Act of 5 July 2002 no. 64 (Nor: lov av 5. juli 2002 nr. 64 om registrering av finansielle instrumenter), other Norwegian legislation and the rules and regulations applicable to, and/or issued by VPS applicable from time to time)."

Save as expressly provided above, the Terms and Conditions relating to the Certificates set out in the Base Prospectus shall apply to VPS Registered Certificates.

TERMS AND CONDITIONS OF THE VPS REGISTERED WARRANTS

The Terms and Conditions of the Warrants set out in the Base Prospectus shall, where the context so permits, and subject to the modifications and the additional terms and conditions set out herein, apply to the VPS Registered Warrants.

The VPS Registered Warrants may be Index Linked Warrants, Equity Linked Warrants, Debt Linked Warrants, Currency Linked Warrants, Commodity Linked Warrantss, Fund Linked Warrants or any other or further type of warrants as is specified in the applicable Final Terms.

The Terms and Conditions of the Warrants set out in the Base Prospectus shall be amended in relation to VPS Registered Warrants as set out below. VPS Registered Warrants will only be issued by the Bank. BCCL will not issue VPS Registered Warrants, and references in the terms and conditions of the VPS Registered Warrants to the "Issuer" shall refer only to the Bank.

Terms and Conditions

The third paragraph of the Terms and Conditions of the Warrants shall be amended by the addition of the following at the end of such paragraph:

"Notwithstanding the above the Issuer may issue warrants in uncertificated and dematerialised book-entry form ("***VPS Registered Warrants***"). No global or definitive Warrants will be issued in respect of VPS Registered Warrants and these Terms and Conditions shall be construed accordingly. VPS Registered Warrants will be transferable only in accordance with the provisions of the Norwegian Securities Registration Act of 5 July 2002 no. 64 (Nor: lov av 5. juli 2002 nr. 64 om registrering av finansielle instrumenter), other applicable Norwegian legislation and the rules and regulations applicable to, and/or issued by, VPS. "

Condition 1(B)

The first paragraph of Condition 1(B) (*Type, Title and Transfer - Title to Warrants*) shall be amended to read as follows:

"Other than in respect of VPS Registered Warrants, 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 Warrants (in which regard any warrant or other document issued by Clearstream, Luxembourg or Euroclear as to the amount of Warrants standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, (where the Issuer is BCCL) the Guarantor and the Warrant Agents as the holder of such amount of Warrants for all purposes (and the expressions "***Warrantholder***" and "***holder of Warrants***" and related expressions shall be construed accordingly)."

The following paragraph shall be added at the end of Condition 1(B) (*Type, Title and Transfer - Title to Warrants*)

"The holder of a VPS Registered Warrant will be the person appearing in the register that the Issuer will procure to be kept by VPS, and operated by an Account Manager appointed by the Issuer, in accordance with the legislation, rules and regulations applicable to the VPS Registered Warrants, and the term "***Warrantholder***" and "***holder of Warrants***" shall be construed accordingly. Where a nominee is so evidenced it shall be treated as the holder of the relevant VPS Registered Warrants."

Condition 1(D)

The following Condition 1(D) shall be added after Condition 1(C) (*Type, Title and Transfer - Transfer of Warrants*)

"**1(D) Transfers of VPS Registered Warrants**"

"Title to VPS Registered Warrants will pass by registration in the register that the Issuer will procure to be kept by VPS, and operated by the Account Manager, on behalf of the Issuer. Where a nominee is so evidenced it shall be treated as the holder of the relevant VPS Registered Warrantss."

Condition 4

The following definitions shall be added to Condition 4 (*Definitions*):

"***VPS***" means Verdipapirsentralen ASA, Biskop Gunnerus' gate 14A, 0185 Oslo, Norway."

Condition 5(E)

The following paragraph shall be added at the end of Condition 5(E) (*Exercise Rights - General*):

"In the case of VPS Registered Warrants, the exercise of a warrant will not be effective against the Issuer before the date on which the relevant Warrants have been transferred to the

Warrantholder's VPS account as designated by the Account Manager, which for the purposes of the VPS Registered Warrants is an account operator specifically authorised by VPS and appointed by the Issuer in relation to a specific issue or issues to process and register issues in the system of the relevant central securities depositary and clearing institution, and blocked for further transfer as of the exercise date by the Account Manager.

In the case of VPS Registered Warrants, the right to require redemption of such Warrants in accordance with this Condition 5(E) must be, notwithstanding the above, exercised in accordance with Norwegian law, hereunder the rules and procedures of VPS and if there is any inconsistency between the above and the rules and procedures of VPS, then Norwegian law, hereunder the rules and procedures of VPS, shall prevail."

Condition 6(C)

The following new Condition 6(C)(iii) shall be added after Condition 6(C)(ii) (*Exercise Procedure – Settlement - Physical Delivery Warrants*):

"(iii) **VPS Registered Warrants**

Payments in respect of VPS Registered Warrants will be made to the persons registered as Warrantholders in the register maintained by the VPS on the fifth Oslo Banking Day (or in accordance with the rules and procedures applied by VPS from time to time), prior to the due date for such payment. If the date for payment of any amount in respect of VPS Registered Warrants is not a Oslo Banking Day, the holder thereof shall not be entitled to payment until the next following Oslo Banking Day and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "Oslo Banking Day" means, any day (other than a Saturday or a Sunday) on which commercial banks are generally open for business, including dealings in foreign exchange and foreign currency deposits in Oslo.

At any time before the Issue Date, the Issuer may decide to (i) cancel the issue or postpone the Issue Date and other dates if any circumstance occurs, which in the Issuer's opinion, may have a significant impact on the issue and the indicated terms and conditions; and (ii) cancel the issue if the subscribed amount is less than the applicable minimum amount, if any, specified in the Final Terms or if the Issuer determines it likely that the subscribed amount will be less than such amount.

In the event of late payment not due to an obstacle mentioned in the previous or in the following paragraph, penalty interest will be payable on the overdue amount from the due date up to and including the date on which payment is made at an interest rate corresponding to, in the case of VPS Registered Warrants, NIBOR (defined below) increased by one percentage point. No capitalisation of interest will be made.

Neither the Issuer, nor any agent, paying agent or the Account Manager shall be held responsible for any loss or damage resulting from any legal enactment (domestic or foreign), the intervention of a public authority (domestic or foreign), an act of war, strike, blockade, boycott, lockout or any other similar circumstance. The reservation in respect of strikes, blockades, boycotts and lockouts shall also apply if any of the Issuer, or any agent, paying agent or the Account Manager itself take such measures or becomes the subject of such measures. Under no circumstances shall the Issuer, or any agent, paying agent or the Account Manager be liable to pay compensation for any loss, damage, liability, cost, claim, action or demand unless the Issuer or any agent, paying agent or the Account Manager, as the case may be, has been negligent, or guilty of bad faith, or has breached any agency agreement. Furthermore under no circumstances shall the Issuer or any agent, paying agent or the

Account Manager agent be liable for loss of profit, indirect loss or damage or consequential loss or damage. Where the Issuer or any agent, paying agent or the Account Manager, due to any legal enactment (domestic or foreign), the intervention of a public authority (domestic or foreign), an act of war, strike, blockade, boycott, lockout or any other similar circumstance, is prevented from effecting payment or to undertake other measures such measures may be postponed until the time the impediment has ceased, with no obligation to pay penalty interest. The provisions in this paragraph shall apply to the extent that nothing to the contrary follows from applicable provisions specified in the applicable Final Terms, or from the provisions of the Norwegian Securities Registration Act of 5 July 2002 no. 64 (Nor: lov av 5. juli 2002 nr. 64 om registrering av finansielle instrumenter).

"NIBOR" means the interest rate quoted at 11 a.m. London time on the first Banking Day after the Maturity Date in each commenced seven-day-period on Reuter's page "NIBQ" (or through any other system or on any other page as shall replace the system or page stated) for one-week-funds or, if no such quotation is given, the interest rate which is stated by three first ranking Norwegian banks selected by Barclays Bank PLC to be its funding cost at that time for one-week-funds in Norwegian Kroner in the Oslo interbank market; if the interest for a certain period cannot be determined as stated, then the interest rate for such period shall correspond to the average of the latest interest rate determined under the alternatives above before such event occurred and the first interest rate determined after the event has ceased.

An Account Manager will be appointed by the Issuer and identified in the applicable Final Terms. "

Condition 6(C)

The following sentence shall be added at the end of Condition 6(C) (ii) (*Exercise Procedure – Settlement - Physical Delivery Warrants*):

"In respect of VPS Registered Warrants, the Entitlement may not necessarily be registered in the VPS."

Condition 10

Condition 10(D) (*Agents, Determinations, Meetings Provisions and Modifications - Meetings of Warrantholders*) shall not apply in the case of VPS Registered Warrants.

The following paragraph shall be added at the end of Condition 10(E) (*Agents, Determinations, Meetings Provisions and Modifications - Modifications*):

"In respect of VPS Registered Warrantss, the Issuer may without the consent of the Warrantholders make (i) any modification of the Warrantss which is not materially prejudicial to the interests of the Warrantholders; or (ii) any modifications of the Warrants which is of formal, minor or technical nature or is made to correct a manifest error or proven error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated. Any such modification shall be binding on the relevant Warrantholders and any such modification shall be notified to such Warrantholders in accordance with Condition 11."

The following new Condition 10(F) shall be added after Condition 10(E) (*Agents, Determinations, Meetings Provisions and Modifications - Modifications*)

"**10(F) VPS Issuing and Paying Agent**

In relation to VPS Registered Warrants the Issuer will, in accordance with the Norwegian Securities Registration Act of 5 July 2002 no. 64 (Nor: lov av 5. juli 2002 nr. 64 om registrering av finansielle instrumenter) appoint (i) VPS as the central securities depository, and (ii) an Account Manager. The Account Manager appointed by the Issuer will be specified in the relevant Final Terms.

The Issuer is entitled to vary or terminate the appointment of the Account Manager provided that the Issuer will appoint another Account Manager that is duly authorised under the Norwegian Securities Registration Act of 5 July 2002 no. 64 (Nor: lov av 5. juli 2002 nr. 64 om registrering av finansielle instrumenter) and the relevant VPS regulations. VPS and the Account Manager act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with the Warrantholders."

Condition 11

The following words shall be added to the second line of Condition 11 (*Notices*) after the words "Warrantholders":

"or, in the case of VPS Registered Warrants, sent by mail to a Warrantholder to the address registered for such Warrantholder in the system of VPS or in accordance with the legislation, rules and regulations applicable to, and/or issued by, VPS (and any such notice shall be deemed to have been given, if sent by mail to the Holders, on the fourth day following the day the notice was sent by mail)."

Condition 14

The following sentence shall be added at the end of the first paragraph of Condition 14 (*Substitution of Issuer or Guarantor*):

"For VPS Registered Warrants such substitution may only take place if neither the VPS nor the Account Manager objects to the substitution of the Issuer for the New Issuer."

Condition 15

The following words shall be added at the end of the first sentence of Condition 15 (*Governing Law*):

"(except VPS Registered Warrants, for which the legal effects of registration i VPS shall be governed by, and construed in accordance with the provisions of the Norwegian Securities Registration Act of 5 July 2002 no. 64 (Nor: lov av 5. juli 2002 nr. 64 om registrering av finansielle instrumenter), other Norwegian legislation and the rules and regulations applicable to, and/or issued by VPS applicable from time to time)."

GENERAL INFORMATION

VPS Registered Securities issued under the Programme will be issued, cleared and settled through the VPS (which is the entity in charge of keeping the records).

The address of VPS is Verdipapirsentralen, Biskop Gunnerus' gate 14A, 0185 Oslo, Norway.

ANNEX D SPANISH SECURITIES

TERMS AND CONDITIONS OF THE SPANISH NOTES

The Terms and Conditions of the Notes set out in the Base Prospectus shall, where the context so permits, and subject to the modifications and the additional terms and conditions set out herein, apply to the Spanish Notes.

The Spanish Notes may be Fixed Rate Notes, Floating Rate Notes or Zero Coupon Notes, or a combination of the foregoing depending on the Interest Basis specified in the applicable Final Terms.

The Spanish Notes may be Equity Linked Notes, Index Linked Notes, Currency Linked Notes, Credit Linked Notes, Commodity Linked Notes or Non-Standard Notes, or a combination of the foregoing, depending on the Type of Note specified in the applicable Final Terms.

The Terms and Conditions of the Notes set out in the Base Prospectus shall be amended in relation to Spanish Notes as set out below. Spanish Notes will only be issued by the Bank. BCCL will not issue Spanish Notes, and references in the terms and conditions of Spanish Notes to the "***Issuer***" shall refer only to the Bank.

Condition 1.1

Condition 1.1 (*Form, Denomination, Title and Transfer - Title*) shall be amended by the addition of the following paragraph at the end of such Condition:

> "The Spanish Notes ("**Spanish Notes**") shall be transferable only in accordance with the Spanish Securities Market Act of 28 July 1988 (as amended), Spanish Royal Decree 116/1992 of 14 February and other applicable Spanish legislation and the Rules and regulations applicable to, and/or issued by, the CNMV and Iberclear."

Condition 1.3

The second paragraph of Condition 1.3 (*Form, Denomination, Title and Transfer - Title*) shall be amended to read as follows:

> "For so long as any of the Notes are represented by a Global Note held on behalf of a depositary member of Iberclear, each person (other than Iberclear) who is for the time being shown in the book-entry system in charge of Iberclear and its member entities as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Iberclear as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and the Agents as the holder of such nominal amount of such Notes for all purposes in accordance with Spanish laws, Rules and regulations and operating procedures applicable by Iberclear.

The following paragraph shall be added at the end of Condition 1.3 (*Form, Denomination, Title and Transfer – Title*):

> "The holder of a Spanish Note will be the person appearing in the relevant book-entry account in the book-entry system in charge of Iberclear and its member entities in accordance with Spanish laws, rules and regulations and operating procedures applicable by Iberclear, and the term "***Noteholder***" shall be construed accordingly. Where a nominee is so evidenced it shall be treated as the holder of the relevant Spanish Notes."

Condition 1.6

The following Condition 1.6 shall be added after Condition 1.5 (*Form, Denomination, Title and Transfer - Transfers of Registered Notes*)

"**1.6 Transfers of Spanish Notes**"

"Title to the Spanish Notes shall pass by transfer from a Noteholder's book-entry account to another person's, whether legal or individual, book-entry account within Iberclear."

Condition 8.4

The following paragraph shall be added at the end of Condition 8.4 (*Notice of Adjustments*):

"In the case of the Spanish Notes, the Issuer will give, or procure that there is given, as appropriate, notice to the CNMV, AIAF or the Relevant Stock Exchange as soon as practicable of any Potential Adjustment Event and of the date from which such adjustment would be effective."

Condition 11

The following new Condition 11.4 shall be added after Condition 11.3 (*The Issue and Paying Agent, the Registrar, the Determination Agent and the Paying Agents - Calculations*):

"**11.4 Spanish Notes intermediary and agency roles**

In relation to the Spanish Notes, the Issuer may, in accordance with the Spanish Securities Market Act of 24 July 1988 and in accordance with Iberclear regulations (Circular 6/1999, SCLV) appoint (i) Iberclear as the original depositary system (*sistema depositario originario*), (ii) a Spanish Notes Paying Agent (*Agente de Pagos*), (iii) a Spanish Notes Intermediary Entity (*Entidad de Enlace*) and (iv) if applicable, a Spanish Notes Custodian Entity (*Entidad Custodia*). The Spanish Notes Paying Agent, the Spanish Notes Intermediary Entity and the Spanish Notes Custodian Entity appointed by the Issuer will be specified in the relevant Final Terms.

The Issuer is entitled to vary or terminate the appointment of the Spanish Notes Paying Agent, the Spanish Notes Intermediary Entity and the Spanish Notes Custodian Entity."

Condition 18

The following words shall be added at the end of the first sentence of Condition 18 (*Governing Law*):

"(except for the transfer of the Spanish Notes, which shall be governed by and construed in accordance with provisions of the Spanish Securities Market Act of 24 July 1988, Royal Decree 116/1992 of 14 February and other applicable Spanish legislation and the Rules and regulations applicable to, and/or issued by, Iberclear)."

Condition 25

The following definitions set out in Condition 25 (*Definitions*) shall be amended and restated as follows in relation to Spanish Notes:

"***Relevant Clearing System***" means, as appropriate, Iberclear, Euroclear, Clearstream, Luxembourg, DTC, and/or such other Relevant Clearing System, as the case may be, through which interests in Notes are to be held and through an account at which the Notes are to be cleared specified in the applicable Final Terms."

"***Rule***" means the Iberclear Rules, Clearstream Rules, the Euroclear Rules, and/or the terms and conditions governing the use of such other Relevant Clearing System as may be specified in the Final Terms relating to a particular issue of Notes."

The following definitions shall be added to Condition 25 (*Definitions*):

"***AIAF***" means AIAF Mercado de Renta Fija, S.A., Spanish Official Fixed Income Market, Plaza de la Lealtad, 1, 28014 Madrid, Spain."

"***CNMV***" *means the* Spanish Securities Market Commission."

"***Iberclear***" means Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal (Iberclear), Plaza de la Lealtad, 1, 28014 Madrid, Spain."

"***Relevant Stock Exchange***" means, as appropriate, the Warrants, Certificates and Other structured products trading platform of the electronic trading platform SIBE (*Sistema de Interconexión Bursátil Español*).

"***Spanish Notes Custodian Entity***" means the depositary, if any, appointed in respect of any Series of Spanish Notes as specified in the applicable Final Terms."

"***Spanish Notes Intermediary Entity***" means the intermediary entity appointed in respect of any Series of Spanish Notes as specified in the applicable Final Terms."

"***Spanish Notes Paying Agent***" means the issue and paying agent appointed in respect of any Series of Spanish Notes as specified in the applicable Final Terms."

Save as expressly provided above, the Terms and Conditions of the Notes set out in the Base Prospectus shall apply to Spanish Notes.

TERMS AND CONDITIONS OF THE SPANISH CERTIFICATES

The Terms and Conditions of the Certificates set out in the Base Prospectus shall, where the context so permits, and subject to the modifications and the additional terms and conditions set out herein, apply to the Spanish Certificates.

The Spanish Certificates may be Index Linked Certificates, Equity Linked Certificates, Debt Linked Certificates, Currency Linked Certificates, Commodity Linked Certificates, Fund Linked Certificates or any other or further type of certificates as is specified in the applicable Final Terms.

The Terms and Conditions of the Certificates set out in the Base Prospectus shall be amended in relation to Spanish Certificates as set out below. Spanish Certificates will only be issued by the Bank. BCCL will not issue Spanish Certificates, and references in the terms and conditions of Spanish Certificates to the "***Issuer***" shall refer only to the Bank.

Condition 1(E)

The following paragraphs shall be inserted at the end of Condition 1(E) (*Form, Type, Title and Transfer - Title to Certificates represented by a Registered Global Certificate*):

"For so long as any of the Certificates are represented by a Global Certificate held on behalf of a depositary member of Iberclear ("**Spanish Certificates**"), each person (other than Iberclear) who is for the time being shown in the book-entry system in charge of Iberclear and its member entities as the holder of a particular nominal amount of such Certificates (in which regard any certificate or other document issued by Iberclear as to the nominal amount of such Certificates standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and the Agents as the holder of such nominal amount of such Certificates for all purposes in accordance with Spanish laws, Rules and regulations and operating procedures applicable by Iberclear.

The holder of a Spanish Certificate will be the person appearing in the relevant book-entry account in the book-entry system in charge of Iberclear and its member entities in accordance with Spanish laws, rules and regulations and operating procedures applicable by Iberclear, and the term "***Certificateholder***" shall be construed accordingly. Where a nominee is so evidenced it shall be treated as the holder of the relevant Spanish Certificates."

Condition 1(H)

The following paragraphs shall be inserted at the end of Condition 1(H) (*Form, Type, Title and Transfer - Transfers of Certificates represented by a Registered Global Certificate*):

"The Spanish Certificates shall be transferable only in accordance with the Spanish Securities Market Act of 28 July 1988 (as amended), Spanish Royal Decree 116/1992 of 14 February and other applicable Spanish legislation and the Rules and regulations applicable to, and/or issued by, the CNMV and Iberclear.

Title to the Spanish Certificates shall pass by transfer from a Certificateholder's book-entry account to another person's, whether legal or individual, book-entry account within Iberclear."

Condition 4

The following definitions shall be added to Condition 4 (*Definitions*):

"***CNMV***" *means the* Spanish Securities Market Commission."

"***Iberclear***" means Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal (Iberclear), Plaza de la Lealtad, 1, 28014 Madrid, Spain."

"***Relevant Stock Exchange***" means, as appropriate, the Warrants, Certificates and Other structured products trading platform of the electronic trading platform SIBE (*Sistema de Interconexión Bursátil Español*).

"***Spanish* Certificate*s Custodian Entity***" means the depositary, if any, appointed in respect of any Series of Spanish Certificates as specified in the applicable Final Terms."

"***Spanish Certificates Intermediary Entity***" means the intermediary entity appointed in respect of any Series of Spanish Certificates as specified in the applicable Final Terms."

"***Spanish Certificates Paying Agent***" means the issue and paying agent appointed in respect of any Series of Spanish Certificates as specified in the applicable Final Terms."

Condition 15(B)(2)(a)

The following paragraph shall be added at the end of Condition 15(B)(2)(a) (*Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation and Insolvency*):

"In the case of the Spanish Certificates, the Issuer will give, or procure that there is given, notice, as appropriate, to the CNMV and the Relevant Stock Exchange, as soon as practicable of any Potential Adjustment Event and of the date from which such adjustment would be effective."

Condition 9(F)

The following new Condition 9(F) shall be added at the end of Condition 9(E) (*Agents, Determinations, Meetings Provisions and Modifications -Modifications*):

"**9(F) Spanish Certificates intermediary and agency roles**

In relation to the Spanish Certificates, the Issuer may, in accordance with the Spanish Securities Market Act of 24 July 1988 and in accordance with Iberclear regulations (Circular 6/1999, SCLV) appoint (i) Iberclear as the original depositary system (*sistema depositario originario*), (ii) a Spanish Certificates Paying Agent (*Agente de Pagos*), (iii) a Spanish Certificates Intermediary Entity (*Entidad de Enlace*) and (iv) if applicable, a Spanish Certificates Custodian Entity (*Entidad Custodia*). The Spanish Certificates Paying Agent, the Spanish Certificates Intermediary Entity and the Spanish Certificates Custodian Entity appointed by the Issuer will be specified in the relevant Final Terms.

The Issuer is entitled to vary or terminate the appointment of the Spanish Certificates Paying Agent, the Spanish Certificates Intermediary Entity and the Spanish Certificates Custodian Entity."

Condition 14

The following words shall be added at the end of the first sentence of Condition 14 (*Governing Law*):

"(except for the transfer of the Spanish Certificates, which shall be governed by and construed in accordance with provisions of the Spanish Securities Market Act of 24 July 1988, Royal Decree 116/1992 of 14 February and other applicable Spanish legislation and the Rules and regulations applicable to, and/or issued by, Iberclear)."

Save as expressly provided above, the Terms and Conditions of the Certificates set out in the Base Prospectus shall apply to Spanish Certificates

TERMS AND CONDITIONS OF THE SPANISH WARRANTS

The Terms and Conditions of the Warrants set out in the Base Prospectus shall, where the context so permits, and subject to the modifications and the additional terms and conditions set out herein, apply to the Spanish Warrants.

The Spanish Warrants may be Index Linked Warrants, Equity Linked Warrants, Debt Linked Warrants, Currency Linked Warrants, Commodities Warrants and Fund Linked Warrants or any other or further type of warrants as is specified in the applicable Final Terms.

The Terms and Conditions of the Warrants set out in the Base Prospectus shall be amended in relation to Spanish Warrants as set out below. Spanish Warrants will only be issued by the Bank. BCCL will not issue Spanish Warrants, and references in the terms and conditions of Spanish Warrants to the "***Issuer***" shall refer only to the Bank.

Condition 1(B)

The following paragraphs shall be inserted at the end of Condition 1(B) (*Type, Title and Transfer - Title to Warrants*):

"For so long as any of the Warrants are represented by a Global Warrant held on behalf of a depositary member of Iberclear ("**Spanish Warrants**"), each person (other than Iberclear) who is for the time being shown in the book-entry system in charge of Iberclear and its member entities as the holder of a particular nominal amount of such Warrants (in which regard any warrant or other document issued by Iberclear as to the nominal amount of such Warrants standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and the Agents as the holder of such nominal amount of such Warrants for all purposes in accordance with Spanish laws, Rules and regulations and operating procedures applicable by Iberclear.

"The holder of a Spanish Warrant will be the person appearing in the relevant book-entry account in the book-entry system in charge of Iberclear and its member entities in accordance with Spanish laws, rules and regulations and operating procedures applicable by Iberclear, and the term "***Warrantholder***" shall be construed accordingly. Where a nominee is so evidenced it shall be treated as the holder of the relevant Spanish Warrants."

Condition 1(C)

The following paragraphs shall be inserted at the end of Condition 1(C) (*Type, Title and Transfer - Transfers of Warrants*):

"The Spanish Warrants shall be transferable only in accordance with the Spanish Securities Market Act of 28 July 1988 (as amended), Spanish Royal Decree 116/1992 of 14 February and other applicable Spanish legislation and the Rules and regulations applicable to, and/or issued by, the CNMV and Iberclear.

Title to the Spanish Warrants shall pass by transfer from a Warrantholder's book-entry account to another person's, whether legal or individual, book-entry account within Iberclear."

Condition 4

The following definitions shall be added to Condition 4 (*Definitions*):

"***CNMV***" *means the* Spanish Securities Market Commission."

"***Iberclear***" means Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal (Iberclear), Plaza de la Lealtad, 1, 28014 Madrid, Spain."

"***Relevant Stock Exchange***" means, as appropriate, the Warrants, Certificates and Other structured products trading platform of the electronic trading platform SIBE (*Sistema de Interconexión Bursátil Español*).

"***Spanish Warrants Custodian Entity***" means the depositary, if any, appointed in respect of any Series of Spanish Warrants as specified in the applicable Final Terms."

"***Spanish Warrants Intermediary Entity***" means the intermediary entity appointed in respect of any Series of Spanish Warrants as specified in the applicable Final Terms."

"***Spanish Warrants Paying Agent***" means the issue and paying agent appointed in respect of any Series of Spanish Warrants as specified in the applicable Final Terms."

Condition 16(B)(2)(a)

The following paragraph shall be added at the end of Condition 16(B)(2)(a) (*Potential Adjustment Events, Merger Event, Tender Offer, De-listing, Nationalisation and Insolvency*):

"In the case of the Spanish Warrants, the Issuer will give, or procure that there is given, notice, as appropriate, to the CNMV and the Relevant Stock Exchange as soon as practicable of any Potential Adjustment Event and of the date from which such adjustment would be effective."

Condition 10(F)

The following new Condition 10(F) shall be added at the end of Condition 10(E) (*Agents, Determinations, Meetings Provisions and Modifications -Modifications*):

"**10(F) Spanish Warrants Intermediary and agency roles**

In relation to the Spanish Warrants, the Issuer may, in accordance with the Spanish Securities Market Act of 24 July 1988 and in accordance with Iberclear regulations (Circular 6/1999, SCLV) appoint (i) Iberclear as the original depositary system (*sistema depositario originario*), (ii) a Spanish Warrants Paying Agent (*Agente de Pagos*), (iii) a Spanish Warrants Intermediary Entity (*Entidad de Enlace*) and (iv) if applicable, a Spanish Warrants Custodian Entity (*Entidad Custodia*). The Spanish Warrants Paying Agent, the Spanish Warrants Intermediary Entity and the Spanish Warrants Custodian Entity appointed by the Issuer will be specified in the relevant Final Terms.

The Issuer is entitled to vary or terminate the appointment of the Spanish Warrants Paying Agent, the Spanish Warrants Intermediary Entity and the Spanish Warrants Custodian Entity."

Condition 15

The following words shall be added at the end of the first sentence of Condition 15 (*Governing Law*):

"(except for the transfer of the Spanish Warrants, which shall be governed by and construed in accordance with provisions of the Spanish Securities Market Act of 24 July 1988, Royal Decree 116/1992 of 14 February and other applicable Spanish legislation and the Rules and regulations applicable to, and/or issued by, Iberclear)."

Save as expressly provided above, the Terms and Conditions of the Warrants set out in the Base Prospectus shall apply to Spanish Warrants.

GENERAL INFORMATION

Spanish Securities issued under the Programme will be issued, cleared and settled through Iberclear (which is the entity in charge of keeping centralised records) and its member entities.

The address of Iberclear is Plaza de la Lealtad, 1, 28014 Madrid, Spain.

ISSUER

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