

BARCLAYS CAPITAL INDEX ANNEX BASE PROSPECTUS SUPPLEMENT



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)

GLOBAL STRUCTURED SECURITIES PROGRAMME

This supplement dated 23 December 2010 (the "**Supplement**") is supplemental to and must be read in conjunction with the Base Prospectus dated 6 August 2010 in respect of the Global Structured Securities Programme (the "**Base Prospectus**") and the supplements dated 17 August 2010, 22 October 2010, 4 November 2010 and 12 November 2010 to the Base Prospectus, prepared and issued by Barclays Bank Plc and Barclays Capital (Cayman) Limited (together the "**Issuer**").

This Supplement constitutes a prospectus supplement in respect of the Base Prospectus for the purposes of Directive 2003/71/EC (the "**Prospectus Directive**") and for the purpose of Section 87G of the UK Financial Services and Markets Act, 2000 (the "**FSMA**").

Investors should be aware of their rights under Section 87Q(4) of the FSMA.

Terms defined in the Base Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement. To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in, or incorporated by reference into the Base Prospectus, the statements in (a) above shall prevail.

The Issuer accepts responsibility for the information contained in this Supplement and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect the import of such information. Save as disclosed in this Supplement, no significant new factor, material mistake or inaccuracy relating to the information included in the Base Prospectus which is capable of affecting the assessment of the securities issued under the Base Prospectus has arisen or been noted, as the case may be, since the publication of the Base Prospectus.

This Supplement has been approved by the United Kingdom Financial Services Authority, which is the United Kingdom competent authority for the purposes of the Prospectus Directive and the relevant implementing measures in the United Kingdom, as a prospectus supplement issued in compliance with the Prospectus Directive and the relevant implementing measures in the United Kingdom for the purpose of giving information with regard to the issue of securities under the Base Prospectus.

The purpose of this Supplement is to make the following amendment to the Base Prospectus. The section of the Base Prospectus entitled "PROPRIETARY EQUITY INDEX ANNEX" on pages 490 to 517 shall be deleted and replaced in its entirety by the Schedule to this Supplement (the "**Barclays Capital Index Annex**").

Arranger

Barclays Capital

The date of this Supplement is 23 December 2010.

Doc no.: 12871072

SCHEDULE

BARCLAYS CAPITAL INDEX ANNEX

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SECTION 1 – DESCRIPTION AND RISK FACTORS FOR BARCLAYS CAPITAL INDEX LINKED SECURITIES

1 Brief Description of Barclays Capital Index Linked Securities

“**Barclays Capital Index Linked Securities**” are Securities where the repayment of principal and/or payment of interest will be calculated by reference to and/or contingent upon the performance of an index as specified in the relevant Final Terms (each, a “**Barclays Capital Index**”) over a period of time or on certain dates. The performance of the Barclays Capital Index may be based on, inter alia, an asset dependent strategy which by operation of an algorithm dynamically adapts allocations to various components, which may be a share, an equity index, a commodity index, a bond, foreign exchange rate and/or cash (as the case may be) and each as described in the Section herein relating to such index

2 Risk Factors Relating to Barclays Capital Index Linked Securities

General Considerations

The Barclays Capital Index Linked Securities involve a degree of risk, which include corporate, market, foreign exchange, time value and/or political risks, as well as other risks arising from fluctuations in the value or performance of, or events impacting, the Barclays Capital Index to which the return on the Securities is linked, and general risks applicable to the stock market (or markets) and capital markets.

The Barclays Capital Index Linked Securities have a different risk profile from ordinary unsecured debt securities. The return on the Barclays Capital Index Linked Securities is linked to the performance of the components of the Barclays Capital Index. Investing in a Barclays Capital Index Linked Security is not equivalent to investing directly in the Barclays Capital Index or the components of the Barclays Capital Index.

Securityholders may, depending on the terms of the relevant Securities, not receive any periodic interest payments on the Barclays Capital Index Linked Securities. Securityholders will not have rights that investors in the Barclays Capital Index may have. The Barclays Capital Index Linked Securities will be redeemed in cash and Securityholders will have no right to receive delivery of any components of the Barclays Capital Index.

In order to realise a return upon an investment in a Barclays Capital Index Linked Security linked to a Barclays Capital Index, an Investor must have correctly anticipated the direction, timing and magnitude of any change in the value of the Barclays Capital Index relative to the Issue Price. If the value of the Barclays Capital Index does not increase, or decreases, as the case may be, an Investor may, upon such redemption, fail to receive any further return in addition to its original investment in such Barclays Capital Index Linked Security or receive less than its original investment.

One of the only means through which a Securityholder can realise value from a Barclays Capital Index Linked Security prior to its scheduled redemption date is to sell it at its then market price in an available secondary market. See “Possible Illiquidity of the Securities in the Secondary Market” below. There can be no assurance that a Securityholder will be able to sell any Barclays Capital Index Linked Securities prior to their scheduled redemption date, at a price equal to or greater than the market value of the Barclays Capital Index Linked Securities on the Issue Date and such holder may only be able to sell Barclays Capital Index Linked Securities at a discount, which may be substantial, to the Issue Price. Furthermore, if any Securityholder sells its Barclays Capital

Index Linked Securities, the purchaser will likely be charged a commission for secondary market transactions, or the price will likely reflect a dealer discount.

The Barclays Capital Index Linked Securities may not be a suitable investment for all investors

Each prospective investor in the Barclays Capital Index Linked Securities must determine the suitability of that investment in light of its own circumstances. In particular, each prospective investor should:

- (i) have sufficient knowledge and experience to evaluate the Barclays Capital Index Linked Securities, the merits and risks of investing in the Barclays Capital Index Linked Securities and the information contained or incorporated by reference in the Base Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Barclays Capital Index Linked Securities and the impact the Barclays Capital Index Linked 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 Barclays Capital Index Linked Securities;
- (iv) understand thoroughly the terms of the Barclays Capital Index Linked Securities, and be familiar with the Barclays Capital Index 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.

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

Certain Factors Affecting the Value and Trading Price of the Barclays Capital Index Linked Securities

Generally, the Barclays Capital Index Linked Securities offer investment diversification opportunities, but also pose some additional risks with regard to interim value during the term of the Barclays Capital Index Linked Securities. The interim value of the Barclays Capital Index Linked Securities may be affected by a number of factors, including but not limited to:

- (i) market interest rates;
- (ii) fluctuations in currency exchange rates;
- (iii) fluctuations in equity prices;
- (iv) fluctuations in commodity prices;
- (v) the liquidity of the Barclays Capital Index Linked Securities in the secondary market;

- (vi) the time remaining to any redemption date; and
- (vii) economic, financial, regulatory, political, terrorist, military or other events in one or more jurisdictions, including factors affecting capital markets generally or the stock exchanges on which any Barclays Capital Index Linked Securities may be traded.

In addition to the factors above, the interim value of the Barclays Capital Index Linked Securities will also vary with the value of the Barclays Capital Index and is affected by a number of other factors, including but not limited to the value and volatility of the Barclays Capital Index.

Due to the additional risk characteristics of the Barclays Capital Index Linked Securities, prospective investors in the Barclays Capital Index Linked Securities should understand the risks of transactions involving the Barclays Capital Index Linked Securities and should reach an investment decision only after careful consideration, with their advisers when appropriate, of the suitability of the Barclays Capital Index Linked Securities in light of their particular financial circumstances, the information set forth herein and the information regarding the Barclays Capital Index Linked Securities and the Barclays Capital Index.

Before selling Barclays Capital Index Linked Securities, holders of the Barclays Capital Index Linked Securities should carefully consider, among other things, (a) the trading price of the Barclays Capital Index Linked Securities, (b) the value and volatility of the Barclays Capital Index, (c) the time remaining to redemption, (d) any change(s) in interim interest rates and dividend yields, if applicable, (e) any change(s) in currency exchange rates, (f) any related transaction costs and (g) any correlation between the Barclays Capital Index and the Barclays Capital Index Linked Securities.

Securityholders will have no claim against any sponsor of any Barclays Capital Index

A Barclays Capital Index Linked Security will not represent a claim in respect of any sponsor or other connected person in respect of such Barclays Capital Index. A holder will not have recourse under such Barclays Capital Index Linked Security to any sponsor, or other connected person in respect of such Barclays Capital Index. The Barclays Capital Index Linked Securities are not in any way sponsored, endorsed or promoted by any sponsor or other connected person in respect of any Barclays Capital Index and such entities have no obligation to take into account the consequences of their actions on any Securityholder.

The Barclays Capital Index Linked Securities may be redeemed prior to their scheduled Redemption Date

The Issuer may redeem the Barclays Capital Index Linked Securities prior to their Redemption Date if an Additional Disruption Event occurs. The redemption amount received by Securityholders in such circumstances may be lower than the Issue Price for the Barclays Capital Index Linked Securities paid by the Securityholder and may be zero. As a consequence, upon such redemption the Securityholder may not receive the total amount of the capital invested and there can be no assurance that Securityholders will receive back at least 100 per cent of the principal amount of the Barclays Capital Index Linked Securities, and in certain circumstances Securityholders could receive zero. In addition, investors that choose to reinvest monies they receive through an early redemption may be able to do so only in securities with a lower yield than the redeemed Barclays Capital Index Linked Securities. Such early redemption may affect the return on, and value of, the Barclays Capital Index Linked Securities.

Adjustment to or early redemption or cancellation of the Barclays Capital Index Linked Securities and reinvestment risk following an Additional Disruption Event

If an Additional Disruption Event occurs, the Issuer will either (i) request the Determination Agent to adjust the terms and conditions of the Barclays Capital Index Linked Securities (without the consent of the Securityholders) or (ii) procure the early redemption or cancellation of the Barclays Capital Index Linked Securities, in each case, in accordance with the Conditions. An investor in the Barclays Capital Index Linked Securities should be aware that the relevant redemption amount may be less than the Securityholder's initial investment and there can be no assurance that Securityholders will receive back at least 100 per cent of the principal amount of the Barclays Capital Index Linked Securities. Investors in Barclays Capital Index Linked Securities should consider reinvestment risk in light of other investments available at that time.

Early Redemption or Cancellation of Barclays Capital Index Linked Securities

If the Barclays Capital Index Linked Securities are redeemed or cancelled prior to their Redemption Date, the Issuer will take into account when determining the relevant redemption amount, and deduct therefrom, an amount in respect of all costs, losses and expenses (if any) incurred (or expected to be incurred) by or on behalf of the Issuer in connection with the redemption or cancellation of the Barclays Capital Index Linked Securities, including, without duplication or limitation, hedging unwind and funding breakage costs and Local Market Expenses (if any). Such costs, losses and expenses will reduce the amount received by Securityholders on redemption or cancellation and may reduce the relevant redemption amount to zero. The Issuer is not under any duty to hedge itself at all or in any particular manner, and is not required to hedge itself in a manner that would (or may be expected to) result in the lowest costs, losses and expenses.

Index disruption in relation to the Barclays Capital Index

Where the Determination Agent has determined that a day on which a valuation or determination is to be made in respect of any Barclays Capital Index is a Disputed Day or an Index Disrupted Day or a Market Disruption Event, an Index Disruption Event, an FX Disruption Event or a Commodity Market Disruption Event (as the case may be) has occurred, the relevant Index Sponsor has failed to publish the level of the Barclays Capital Index or a Related Exchange has failed to open on an Observation Date, Averaging Date or Valuation Date (as the case may be), any such determination may have an effect on the timing of valuation and consequently may adversely affect the value of the Barclays Capital Index, the Final Cash Settlement Amount and the value of the Barclays Capital Index Linked Securities. Prospective investors should review the Conditions of the Barclays Capital Index Linked Securities to ascertain how such provisions apply to the Barclays Capital Index Linked Securities.

Adjustments, Suspension and Termination of the Barclays Capital Index

While the Index Sponsor currently employs the methodology ascribed to the Barclays Capital Index (and application of such methodology shall be conclusive and binding), no assurance can be given that market, regulatory, juridical, financial, fiscal or other circumstances (including, but not limited to, any changes to or any suspension or termination of or any other events affecting any constituent within the Barclays Capital Index) will not arise that would, in the view of the Index Sponsor, necessitate an adjustment, modification or change of such methodology. The Index Sponsor may also, in its sole and absolute discretion, at any time and without notice, adjust, suspend or terminate the Barclays Capital Index. The Index Sponsor is also under no obligation to continue the calculation, publication and dissemination of the Barclays Capital Index. Any such adjustment, suspension, termination or non-publication may have a negative impact on the Barclays Capital Index Linked Securities.

Valuation of the Barclays Capital Index Linked Securities: commissions and/or fees

Prospective investors in the Barclays Capital Index Linked Securities should be aware that the Issue Price will include commissions and/or other fees paid by the Issuer as part of the distribution of the Barclays Capital Index Linked Securities. This can cause a difference between the theoretical value of the Barclays Capital Index Linked Securities and any bid and offer prices quoted by the Issuer, any Group affiliate or any third party.

Hedging

Prospective purchasers intending to purchase Barclays Capital Index Linked Securities to hedge against the market risk associated with investing in the Barclays Capital Index or any of the Index Components should recognise the complexities of utilising Barclays Capital Index Linked Securities in this manner. For example, among other things, the value of the Barclays Capital Index Linked Securities may not exactly correlate with the current value of the Barclays Capital Index before the Redemption Date due to fluctuating supply and demand for the Barclays Capital Index Linked Securities. For these reasons, among others, it may not be possible to purchase or liquidate Barclays Capital Index Linked Securities at the prices used to calculate the value of any Barclays Capital Index or any component thereof.

Certain Additional Risk Factors Associated with the Barclays Capital Index

Fluctuations in the value of the Barclays Capital Index (including the prices of any component of the Barclays Capital Index) will affect the value of the Barclays Capital Index Linked Securities.

The return on the Barclays Capital Index Linked Securities is dependent upon the level of the Barclays Capital Index as compared to a specified level of the Barclays Capital Index at the Trade Date. Investors will not benefit from any increase in the value of the Barclays Capital Index if such increase is not reflected in the value of the Barclays Capital Index on the applicable Valuation Date.

Prospective investors in the Barclays Capital Index Linked Securities should not take the past performance of the Barclays Capital Index as an indication of the future performance of the Barclays Capital Index during the term of the Barclays Capital Index Linked Securities. The actual performance of the Barclays Capital Index or any of its components over the term of the Barclays Capital Index Linked Securities, as well as the amount payable upon redemption, may bear little relation to the historical values of the Barclays Capital Index or the Components of it, which in most cases have been highly volatile.

An investment in the Barclays Capital Index Linked Securities should only be made after assessing the direction, timing and magnitude of potential future changes in the value of the Barclays Capital Index, and/or the composition and method of calculation of the Barclays Capital Index, as the return of any such investment will be dependent upon such changes. More than one risk factor may have simultaneous effect with regard to the Barclays Capital Index Linked 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 Barclays Capital Index Linked Securities

A credit rating reduction may result in a reduction in the trading value of the Barclays Capital Index Linked Securities

The value of the Barclays Capital Index Linked Securities may be expected to be affected, in part, by investors' general appraisal of the creditworthiness of the Issuer and/or the Group. Such perceptions are generally influenced by the ratings accorded to the outstanding securities of the

Issuer by standard statistical rating services, such as Moody's, Standard & Poor's and Fitch. A reduction in the rating, if any, accorded to outstanding debt securities of the Issuer by one of these or other rating agencies could result in a reduction in the trading value of the Barclays Capital Index Linked Securities.

Risks relating to securities generally

- *Market Disruption.* Markets may become disrupted. Local market disruptions can have a global effect. Market disruption can adversely affect the performance of the Barclays Capital Index Linked Securities.
- *Credit Risk.* The product bears the Issuer's credit risk. A decline in the Issuer's creditworthiness may reduce the market value of the Barclays Capital Index Linked Securities. If the Issuer becomes insolvent it will not be able to meet its payment obligations under the Barclays Capital Index Linked Securities.
- *Credit Ratings.* Credit ratings may be lowered or withdrawn without notice. A rating is not a recommendation as to the Issuer's creditworthiness or the risks, returns or suitability of the Barclays Capital Index Linked Securities.
- *Volatility.* These Securities may be volatile. The level of change in value of the Barclays Capital Index Linked Securities is their "volatility". The Barclays Capital Index Linked Securities' volatility may be affected by the performance of the underlying assets, along with financial, political, and economic events and other market conditions.
- *Structured Products.* This is a structured product. Its return may differ from those of the underlying financial assets it references.
- *Interest Rate Risk.* The Barclays Capital Index Linked Securities carry interest rate risk. Changes in interest rates will impact the performance of the Barclays Capital Index Linked Securities. Interest rates tend to change suddenly and unpredictably.
- *No Direct Claim in Underlying Assets.* You have no claim to the underlying assets. Buying the Barclays Capital Index Linked Securities is not the same as a direct investment in the underlying assets. The market value of the Barclays Capital Index Linked Securities may not reflect movements in the price of the constituents of the underlying assets.
- *Principal Protection.* If Barclays Capital Index Linked Securities are specified in the applicable Final Terms to be principal protected, such Securities are principal protected only at maturity. If such Barclays Capital Index Linked Securities redeem before their scheduled maturity, they may return less than the principal protected amount or even zero.
- *Interaction Risk.* The Barclays Capital Index Linked Securities combine investment types. Different types of financial risk may interact unpredictably, particularly in times of market stress.
- *Other Risks.* This document cannot disclose all possible risks of the product. Before investing, you must satisfy yourself that you fully understand the risks of investment.
- *No Government Protection.* This product is not protected by the Financial Services Compensation Scheme or similar government protection scheme.
- *No Fiduciary Duty.* Neither the Issuer nor the Determination Agent assumes any fiduciary duty or responsibility to, or has any relationship of agency or trust with, any party, including any investors or prospective investors in the Barclays Capital Index Linked Securities described in this Barclays Capital Index Annex. Each of the Issuer and the Determination

Agent is acting solely as principal and not as a fiduciary or agent for, or as an advisor to, any party in respect of its duties contained in this document and any document prepared in connection with the Barclays Capital Index Linked Securities.

This document is not, nor does it purport to be, investment advice. Neither the Issuer nor the Determination Agent is acting as an investment advisor nor providing advice of any other nature to any party, including Investors or prospective Investors in the Barclays Capital Index Linked Securities. Neither the Issuer nor the Determination Agent provides and have not provided any investment advice or recommendation to any party in relation to the Barclays Capital Index Linked Securities. No party may rely on any communication (written or oral) from either the Issuer or the Determination Agent, as the case may be, as investment advice or as a recommendation to enter into any transaction. Accordingly, neither the Issuer nor the Determination Agent is under any obligation to, and shall not, determine the suitability for any party of any transaction or the Barclays Capital Index Linked Securities. Prospective Investors in the Barclays Capital Index Linked Securities must determine, on their own behalf (or through independent professional advice) the merits, terms, conditions and risks of the Barclays Capital Index Linked Securities. Prospective Investors must also satisfy themselves that they are capable of assuming, and do assume, the risks of the Barclays Capital Index Linked Securities. Neither the Issuer nor the Determination Agent accept any liability whatsoever for any consequential losses arising from the use of this document or reliance on the information contained herein.

- *Indicative Valuations.* Valuations are indicative only. Valuations provided by the Issuer in connection with the Barclays Capital Index Linked Securities are not binding, may differ from third party valuations and may not reflect actually realised early redemption values. Valuations are not advice. The Issuer specifically disclaims liability for any use which an investor in the Barclays Capital Index Linked Securities may make of any valuation including, without limitation, use of such valuation in preparation of its own financial books and records. If valuations are provided to an investor in the Barclays Capital Index Linked Securities, they are provided solely for such investor's information and should not be disclosed to any third party. The Issuer is not obligated to inform any investor in the Barclays Capital Index Linked Securities of a change to any valuation.
- *Index information.* The Issuer does not take any responsibility for the index information. The index information may include more complete descriptions of the risks associated with the Barclays Capital Index.
- *Due Diligence Performed by the Issuer or Determination Agent is for their Benefit Only.* No representations or warranties have been or are given by either the Issuer or the Determination Agent in respect of the Barclays Capital Index and/or any Index Sponsor. You should place no reliance on either the Issuer or the Determination Agent having conducted any investigations, due diligence, searches or other enquiries, any such investigations, due diligence, searches or other enquiries made thereby would be made by such party for its own benefit and for its own purposes in accordance with its own criteria and neither party assumes any responsibility to conduct any such investigations, due diligence, searches or other enquiries or if it does conduct any such investigations, due diligence, searches or other enquiries to notify investors of the content or results thereof of any such due diligence.
- *Index Sponsor Action.* The Index Sponsor is involved in the Barclays Capital Index Linked Securities. They may take actions that adversely affect the value and performance of the Barclays Capital Index Linked Securities.

- *Leverage.* If the participation is set above 100 per cent then the Barclays Capital Index Linked Securities shall be leveraged. Leverage increases volatility and amplifies losses and gains.
- *Limited Participation in the Performance of the Barclays Capital Index.* If the participation is set below 100 per cent the participation in the performance of the Barclays Capital Index will be limited. Such participation is limited by a notional exposure to the Barclays Capital Index of less than 100 per cent.
- *Foreign Exchange Risk.* This product may carry foreign exchange risk. Foreign exchange (FX) rates tend to change suddenly and unpredictably. Changes in FX rates relative to your home currency will impact the value of the Barclays Capital Index Linked Securities to you.
- *Small Holdings.* Small holdings may not be transferable. Where Barclays Capital Index Linked Securities have a minimum specified denomination or settlement amount and a Securityholder holds less than that minimum, that Securityholder will not be able to transfer such Barclays Capital Index Linked Securities unless it increases its holding to at least that minimum amount.
- *No Collateral.* The Barclays Capital Index Linked Securities are not secured.

Possible Illiquidity of the Secondary Market

There can be no assurance as to how Barclays Capital Index Linked Securities will trade in the secondary market or whether such market will be liquid or illiquid, which may adversely affect the value of the Securities and/or the ability of a Securityholder to dispose of them.

If additional and competing products are introduced in the markets, this may adversely affect the value of the Barclays Capital Index Linked Securities. Also, to the extent that Barclays Capital Index Linked Securities are redeemed or purchased or cancelled in part, the number of Barclays Capital Index Linked Securities outstanding will decrease, resulting in diminished liquidity for the remaining Barclays Capital Index Linked Securities. A decrease in the liquidity of Barclays Capital Index Linked Securities may cause, in turn, an increase in the volatility associated with the price of the Barclays Capital Index Linked Securities.

Issuer and Conflicts of Interest

The Issuer and its Affiliates may engage in trading and market-making activities and may hold long or short positions in the Barclays Capital Index, its components and other instruments or derivative products based on or related to the Barclays Capital Index for their proprietary accounts or for other accounts under their management. The Issuer and its Affiliates may also issue other securities in respect of the Barclays Capital Index, or issue derivative instruments in respect thereof. To the extent that the Issuer, directly or through its Affiliates, serves as issuer, agent, manager, sponsor or underwriter of such securities or other instruments, its interests with respect to such products may be adverse to those of the Securityholders. The Issuer or its Affiliates may also act as underwriter in connection with future offerings of securities which are linked to the Barclays Capital Index. Such activities could present certain conflicts of interest, could influence the prices of such Barclays Capital Index and could adversely affect the value of the Barclays Capital Index Linked Securities.

During the course of normal business operations, the Index Sponsor (Barclays Capital, a division of the Issuer) may determine, calculate and publish the Barclays Capital Index, and may issue, enter into, promote, offer or sell transactions or investments linked, in whole or in part, to the Barclays Capital Index. In addition, Barclays Capital may have, or may have had, interests or positions, or may buy, sell or otherwise trade positions in or relating to the underlying assets linked

to the Barclays Capital Index. Such activities may or may not have an impact on the level of the Barclays Capital Index. In view of the different roles performed by Barclays Capital, Barclays Capital as an entity is subject to potential conflicts of interests.

The Index Sponsor and/or its affiliates may have banking or other commercial relationships with third parties in relation to the Barclays Capital Index, and may engage in proprietary trading in the Barclays Capital Index or options, futures, derivatives or other instruments relating to the Barclays Capital Index (including such trading as the Index Sponsor and/or its affiliates deem appropriate in their sole and absolute discretion to hedge their market risk on any such other transactions that may relate to any Barclays Capital Index between the Index Sponsor and/or its affiliates and third parties), and such trading may adversely affect the level of such Barclays Capital Index, which could in turn affect the return on and value of the Barclays Capital Index Linked Securities. The role played by the Index Sponsor whereby it can exercise the kinds of discretion described above and its proprietary trading or other relationships described above could present it with a conflict of interest and such conflict may have an impact, positive or negative, on the value of the Barclays Capital Index Linked Securities.

The Issuer, the Determination Agent and their respective subsidiaries or Affiliates may from time to time engage in purchase, sale or other transactions involving assets that are “underlyings” under Securities for their proprietary accounts and/or for accounts under their management and/or clients. Such transactions may have a negative effect on the value of the underlying and consequently on the value of the Barclays Capital Index Linked Securities.

In addition, the Issuer, the Determination Agent and their respective subsidiaries or Affiliates may from time to time act in other capacities with regard to underlyings (such as in an agency capacity and/or as the determination agent) and may issue other competing financial instruments in respect of the underlying and the introduction of such competing financial instruments may affect the value of the Barclays Capital Index Linked Securities.

The Issuer, the Determination Agent and their subsidiaries or Affiliates may also (i) act as underwriter or financial adviser in connection with future offerings of shares or other securities of the issuers of any securities comprising the underlyings, their respective subsidiaries or affiliates and/or (ii) act in a commercial banking capacity for the issuer in relation to any other related security.

Certain Affiliates of the Issuer may from time to time, by virtue of their status as underwriter, adviser or otherwise, possess or have access to information relating to the Barclays Capital Index Linked Securities, the Barclays Capital Index and any derivative instruments referencing them. Such Affiliates will not be obliged to and will not disclose any such information to a purchaser of the Barclays Capital Index Linked Securities.

In connection with the offering of the Barclays Capital Index Linked Securities, the Issuer, the Determination Agent and/or any of their respective subsidiaries or Affiliates may enter into one or more hedging transactions with respect to the Barclays Capital Index, underlyings or related derivatives. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities, the Issuer, the Determination Agent and/or any of their respective subsidiaries or Affiliates may enter into transactions referencing the Barclays Capital Index, underlyings or related derivatives which may, but are not intended to, affect the market price, liquidity or value of the Barclays Capital Index Linked Securities and which could be deemed to be adverse to the interest of the relevant Securityholders.

Such activities could be conducted in circumstances where the interests of Securityholders may be in conflict with the interests of the Issuer, the Determination Agent or those of any of their

subsidiaries or Affiliates and such transactions and activities may adversely affect the value of the Barclays Capital Index Linked Securities. The Issuer, the Determination Agent and their respective subsidiaries and Affiliates owe no duty or responsibility to any Securityholder (or any other party) to avoid such conflicts.

The Issuer and any of its affiliates may effect transactions for its own account or for the account of its customers. Such activity may or may not have an impact on the value of the Barclays Capital Index Linked Securities but all persons reading this document should be aware that a conflict of interest could arise where anyone is acting in more than one capacity, and such conflict may have an impact, positive or negative the value of the Barclays Capital Index Linked Securities. Any hedge or Barclays Capital Index positions the Issuer holds are the proprietary trading positions of the Issuer and shall not be accountable to the investors of the Barclays Capital Index Linked Securities or any other party. The Issuer and its affiliates has no duty to consider the circumstances of any person when participating in such transactions or to conduct themselves in a manner that is favourable to anyone with exposure to the Barclays Capital Index Linked Securities. For reasons of client confidentiality and the management of its own business, the Issuer and its affiliates will not disclose any such activities or information.

Determination Agent and Conflicts of Interest

As the Determination Agent is the same legal entity as the Issuer, potential conflicts of interest may exist between the Determination Agent and the Securityholders, including with respect to the exercise of the very broad discretionary powers of the Determination Agent. The Determination Agent has the authority (i) to determine whether certain specified events and/or matters so specified in the conditions relating to the Barclays Capital Index Linked Securities have occurred, and (ii) to determine any resulting adjustments and calculations as described in such conditions, subject to any applicable laws or regulations. Prospective investors should be aware that any determination made by the Determination Agent may have an impact on the value and financial return of the Barclays Capital Index Linked Securities. Any such discretion exercised by, or any calculation made by, the Determination Agent (in the absence of manifest or proven error) shall be binding on the Issuer and all Securityholders.

Status of the Barclays Capital Index Linked Securities

The Barclays Capital Index Linked Securities are unsecured and unsubordinated obligations of the 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 Issuer.

Nominee Arrangements

Where the distributor and/or a nominee service provider is used by an investor to invest in the Barclays Capital Index Linked Securities, such investor will only receive payments 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 in respect of the Barclays Capital Index Linked Securities. Neither the Issuer nor the Determination Agent nor any other person will be responsible for the acts or omissions of the distributor or nominee service provider, nor makes any representation or warranty, express or implied, as to the services provided by the distributor or nominee service provider.

Taxation

Potential purchasers of Barclays Capital Index Linked Securities 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 of the countries where the Barclays Capital Index Linked Securities are transferred.

Except to the extent that the Issuer or Guarantor is required by law to withhold or deduct amounts for or on account of Tax, a holder of Securities must pay all Taxes and Settlement Expenses relating to the Securities, where “**Settlement Expenses**” includes any expenses (other than in relation to Taxes) payable on or in respect of or in connection with the redemption, exercise or settlement of such Security or Securities, and “**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 any applicable stock exchange tax, turnover tax, stamp duty, stamp duty reserve tax and/or other taxes, duties, assessments or governmental charges of whatever nature chargeable or payable and includes any interest and penalties in respect thereof.

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

Prospective Investors in Barclays Capital Index Linked Securities 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.

Non-registration under the Securities Act and Restrictions on Transfer

The Barclays Capital Index Linked Securities 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. The Barclays Capital Index Linked Securities are being issued and sold in reliance upon exemptions from registration provided by such laws. Consequently, the transfer of the Barclays Capital Index Linked Securities will be subject to satisfaction of legal requirements applicable to transfers that do not require registration under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. In addition, the Barclays Capital Index Linked Securities are subject to certain transfer restrictions as set out in the section headed “Purchase and Sale” in the Base Prospectus, which may further limit the liquidity of the Barclays Capital Index Linked Securities.

Substitution of Issuer

The Issuer is entitled to substitute any other entity in place of the Issuer to act as issuer (the “**New Bank Issuer**”) in respect of the Barclays Capital Index Linked Securities, provided that the New Bank Issuer’s long-term unsecured, unsubordinated and unguaranteed debt obligations are rated at least the same as those of Barclays Bank PLC at the date on which the substitution is to take effect or the New Bank Issuer has an equivalent long-term rating from another internationally recognised rating agency. Following any substitution of a New Bank Issuer, the Securityholders will be exposed to such New Bank Issuer’s credit risk and not that of the Issuer.

3 Disclaimer

Barclays Bank PLC (for the purpose of this disclaimer, “**Barclays**”) makes no representation or warranty, express or implied, to the Securityholders or any member of the public regarding the advisability of investing in securities generally or other instruments or related derivatives or in the Barclays Capital Index Linked Securities particularly or the ability of the Barclays Capital Indices described in this Base Prospectus and the Final Terms, to track the performance of any market. Barclays has no obligation to take the needs of any Securityholder or any member of the public into consideration in determining, composing or calculating the Barclays Capital Indices. Barclays,

as Index Sponsor of the Barclays Capital Indices, is not responsible for and has not participated in the determination of the timing of, prices at, or quantities of the Barclays Capital Index Linked Securities to be issued or in the determination or calculation of the equation by which the Barclays Capital Index Linked Securities are to be converted into cash. Barclays, as Index Sponsor of the Barclays Capital Indices, has no obligation or liability in connection with the administration, marketing or trading of the Barclays Capital Index Linked Securities.

BARCLAYS DOES NOT GUARANTEE AND SHALL HAVE NO LIABILITY TO THE SECURITYHOLDERS OR TO THIRD PARTIES FOR THE QUALITY, ACCURACY AND/OR COMPLETENESS OF THE BARCLAYS CAPITAL INDICES, OR ANY DATA INCLUDED THEREIN OR FOR INTERRUPTIONS IN THE DELIVERY OF THE BARCLAYS CAPITAL INDICES. BARCLAYS MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE BARCLAYS CAPITAL INDICES OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL BARCLAYS HAVE ANY LIABILITY FOR ANY SPECIAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

4 Barclays Capital Commodity Index Linked Securities

Where Section 2 of the Barclays Capital Index Annex is specified in the applicable Final Terms for any Barclays Capital Commodity Index Linked Securities, paragraphs 1 – 3 of this Section 1 shall together with Section 2 apply to such Barclays Capital Commodity Index Linked Securities in accordance with the provisions herein. Accordingly, paragraphs 1 – 3 of this Section 1 should be read in conjunction with Section 2.

5 Barclays Capital Equity Index Linked Securities

Where Section 3 of the Barclays Capital Index Annex is specified in the applicable Final Terms for any Barclays Capital Equity Index Linked Securities, paragraphs 1 – 3 of this Section 1 shall together with Section 3 apply to such Barclays Capital Equity Index Linked Securities in accordance with the provisions herein. Accordingly, paragraphs 1 – 3 of this Section 1 should be read in conjunction with Section 3.

6 Barclays Capital FX Index Linked Securities

Where Section 4 of the Barclays Capital Index Annex is specified in the applicable Final Terms for any Barclays Capital FX Index Linked Securities, paragraphs 1 – 3 of this Section 1 shall together with Section 4 apply to such Barclays Capital FX Index Linked Securities in accordance with the provisions herein. Accordingly, paragraphs 1 – 3 of this Section 1 should be read in conjunction with Section 4.

7 Barclays Capital Interest Rate Index Linked Securities

Where Section 5 of the Barclays Capital Index Annex is specified in the applicable Final Terms for any Barclays Capital Interest Rate Index Linked Securities, paragraphs 1 – 3 of this Section 1 shall together with Section 5 apply to such Barclays Capital Interest Rate Index Linked Securities in accordance with the provisions herein. Accordingly, paragraphs 1 – 3 of this Section 1 should be read in conjunction with Section 5.

SECTION 2 – ADDITIONAL PROVISIONS FOR BARCLAYS CAPITAL COMMODITY INDEX LINKED SECURITIES

Where this Section 2 of the Barclays Capital Index Annex is specified in the applicable Final Terms for any Barclays Capital Commodity Index Linked Securities, paragraphs 1 – 3 of Section 1 of the Barclays Capital Index Annex shall together with this Section 2 apply to such Barclays Capital Commodity Index Linked Securities in accordance with the provisions herein. Accordingly, paragraphs 1 – 3 of Section 1 should be read in conjunction with this Section 2.

The Commodity Linked Annex shall also be incorporated by reference into this Section 2, subject to amendments and provisions below. Accordingly, this Section 2 should be read in conjunction with the Commodity Linked Annex. All references to Condition numbers below are to such Conditions in the Commodity Linked Annex.

Part A – General Information Relating to Barclays Capital Commodity Indices

1 Barclays Capital Pure Beta Indices

The Barclays Capital Pure Beta Indices (the “**Indices**” and each an “**Index**”) have been constructed with Futures Contracts (as defined below) to give investors long-only exposure to the commodities underlying certain reference indices (the “**Reference Indices**”). The objective of the Indices is to provide a more representative measure of commodity market returns. In doing so, this may result in minimising the effects of distortions in the commodity markets and mitigating negative Roll Yield (as defined below). The Reference Indices can be single, sector and broad-based commodity indices based on the Dow Jones-UBS Commodity IndexSM, the S&P GSCITM Index or the Barclays Capital Single Commodity Indices (further details of the Barclays Capital Single Commodity Indices can be seen below).

A commodity “**Futures Contract**” is an exchange traded derivative instrument through which the seller of the contract (whose position is described as short) agrees to deliver to the buyer of the contract (whose position is described as long) a fixed quantity of the specified underlying commodity on a specified date in the future (the “**Delivery Date**”) for a fixed price.

If an investor in a commodity Futures Contract wishes to maintain a long position in the commodity past the expiry date of the Futures Contract they hold, they must sell it prior to its expiry date and purchase a Futures Contract with a Delivery Date further in the future. This process is known as “**Rolling**” a futures position.

Usually the price of the futures contract will not be the same as the current market price of the physical commodity (the spot price). However, over time, as the Delivery Date approaches, the price of that Futures Contract will converge to the spot price such that on the Delivery Date the Futures Contract price will equal the spot price. Thus an investor will experience either a profit or a loss due to the roll even if the spot price of the commodity has remained unchanged. The return generated by the rolling of the futures contract is known as the “**Roll Yield**”.

The Indices have the same composition of Futures Contracts as the Reference Indices, which may be amended from time to time, and are sponsored by Barclays Capital, the investment banking division of Barclays Bank PLC (the “**Index Sponsor**”).

The Reference Indices provide exposure to the front part of the futures curves, where the price of Futures Contracts vary according to the time to expiry/delivery of such Futures Contracts. The Relevant Indices are *de facto* considered to be benchmarks for commodity market performance. However, return from the Reference Indices may not always be representative of all the factors that drive value in the commodities futures markets, such as:

- Short-term supply/demand factors typically affect front-month contracts disproportionately; and
- Longer-term views that drive the longer tenors of the futures curves are not always captured.

The Indices have been designed to provide a more representative measure of commodity market returns while retaining the ‘tradability’ of the Relevant Indices.

The Pure Beta Methodology can be applied to a range of single, sector and broad-based commodity indices based on the Reference Indices based on the Dow Jones-UBS Commodity IndexSM, the S&P GSCITM Index or the Barclays Capital Commodity Indices. Each month the Pure Beta Methodology uses a four-step selection process to determine the representative Futures Contract for each commodity in the Index. The process selects a single Futures Contract out of all the available Futures Contracts for each commodity in the Index out to one year (the “**Futures Curve**”) rather than using a static schedule. The Indices are constructed to replicate the price return of the front year average price for each commodity while attempting to minimise the effects of distortions in the commodity markets and mitigate negative Roll Yield.

By combining information on the price and volume traded of the Futures Contract on the relevant Futures Curve, front year average price can create a better measure of a commodity’s economic value. The Pure Beta Methodology uses filters on liquidity and curve distortion to select the representative Futures Contract while minimising deviation from the front year average price.

The weight of each Futures Contract in each Index is also adjusted each month to match, as closely as possible, the weight of the respective commodity in the Reference Index. A daily level for the Indices (for this purpose the “**Index Value**”) will be calculated by the Index Sponsor. The Index Value will be published by the Index Sponsor as soon as reasonably possible on each business day which is a day on which the level of that Index is calculated.

Dow Jones-UBS Commodity IndexSM

The Dow Jones-UBS Commodity IndexSM is designed to be a highly liquid and diversified commodity index, providing a broad-based exposure to commodities as an asset class. Dow Jones-UBS Commodity IndexSM currently includes 19 commodities in 5 Sectors, namely WTI Crude Oil, Natural Gas, Heating Oil and RBOB Gasoline in the Energy Sector; Aluminium, Copper, Nickel and Zinc in the Industrial Metals Sector; Gold and Silver in the Precious Metals Sector; Wheat, Corn, Cotton, Soybeans, Coffee, Soybean Oil and Sugar in the Agriculture Sector; Live Cattle and Lean Hogs in the Livestock Sector. The composition of the Index is rebalanced on an annual basis.

S&P GSCI™ Index

The S&P GSCI™ Index is designed to be a liquid and tradable commodity index that measures the general commodity price movements and inflation in the world economy. Its composition is determined on a world production weighted basis which is intended to reflect the relative significance of each of the constituent commodities in the world economy. S&P GSCI™ Index currently includes 24 commodities in 5 Sectors, namely WTI Crude Oil, Brent Crude Oil, Natural Gas, Heating Oil and RBOB Gasoline and Gas Oil in the Energy Sector; Aluminium, Copper, Nickel, Lead and Zinc in the Industrial Metals Sector; Gold and Silver in the Precious Metals Sector; Wheat, Red Wheat, Corn, Cotton, Soybeans, Coffee, Cocoa and Sugar in the Agriculture Sector; Live Cattle, Lean Hogs and Feeder Cattle in the Livestock Sector. The composition of the Index is rebalanced on an annual basis.

2 Barclays Capital Single Commodity Indices

The Barclays Capital Single Commodity Indices (the “**Indices**” and each an “**Index**”) have been constructed to offer investors investable indices that track the performance of a strategy of buying, holding and subsequently rolling the specified Futures Contracts (as defined below) of the relevant commodities. The Indices are sponsored by Barclays Capital, the investment banking division of Barclays Bank PLC (the “**Index Sponsor**”).

A commodity “**Futures Contract**” is an exchange traded derivative instrument through which the seller of the contract (whose position is described as short) agrees to deliver to the buyer of the contract (whose position is described as long) a fixed quantity of the specified underlying commodity on a specified date in the future (the “**Delivery Date**”) for a fixed price.

The Indices are available both in Excess Return and Total Return versions. Each of which is described below:

- (a) “**Excess Return**” Indices – measure the return accrued from holding and rolling commodity Futures Contracts. Each Excess Return Index comprises the sum of the price return of the Futures Contract and the accumulation of “**Roll Yield**” (as defined below);
- (b) “**Total Return**” Indices – measure the collateralised return accrued from holding and rolling commodity Futures Contracts. Each Total Return Index comprises the sum of the corresponding Excess Return Index and the Collateral Return. The “**Collateral Return**” is the interest earned on the value of the Index and is based on the return on three-month US Treasury Bills.

If an investor in a commodity Futures Contract wishes to maintain a long position in the commodity past the expiry date of the Futures Contract they hold, they must sell it prior to its expiry date and purchase a Futures Contract with a Delivery Date further in the future. For example, a WTI Crude Oil Futures Contract purchased and held in March may specify an April delivery. As the expiry date approaches, an investor may replace this Futures Contract by selling it and buying a Futures Contract which specifies a May delivery. This process is known as “**Rolling**” a futures position.

The Rolling of the Futures Contract underlying each Index is implemented over a five Index Business Day period (the “**Roll Period**”), where an “**Index Business Day**” is a day on which the level of that Index is calculated. During each Roll Period, which starts on the fifth Index Business Day of each calendar month and completes on the ninth Index Business

Day of such month, the weight of the “new” Futures Contract is increased in each Index on each Index Business Day from 0 per cent to 20 per cent, to 40 per cent, to 60 per cent to 80 per cent and finally to 100 per cent (and correspondingly the weight of the “current” Futures Contract is decreased on each Index Business Day from 100 per cent to 80 per cent, to 60 per cent, to 40 per cent, to 20 per cent and finally to 0 per cent) subject to any adjustment of the Roll Period. An adjustment of the Roll Period occurs where a market disruption event takes place during the Roll Period. Examples of market disruption events are the failure to publish a closing price by an exchange or when the closing price for a Futures Contract is a limit price.

During the Roll Period, each Index will track the performance of the two Futures Contracts (the “new” and the “current” Futures Contract with varying weights as described in the paragraph above. However, the price of the “new” Futures Contract will typically be different from that of the “current” Futures Contract and therefore the equivalent number of Futures Contracts which each Index represents will change over each Roll Period. It is important to note that outside the Roll Period, the Index will only track the performance of the “current” Futures Contract.

“**Roll Yield**” is an important component of the Excess Return Index and the Total Return Index. Assuming the price and shape of the futures curve remain constant, rolling a Futures Contract will yield a positive return if the price of the “current” Futures Contract is higher than the price of the “new” Futures Contract. Conversely if the price of the “current” Futures Contract is lower than the price of the “new” Futures Contract this will generally have a negative impact on the index return, as rolling such a Futures Contract will yield a negative return.

In the Total Return version of each Barclays Capital Single Commodity Index, the Collateral Return is reinvested in the current Futures Contract on a daily basis, thus incrementally increasing the Index’s exposure to the equivalent number of underlying Futures Contracts. As a result, a Total Return Index will give a higher return than its corresponding Excess Return Index over time.

The Barclays Capital Single Commodity Indices are available in three broad categories. Each of which is described below:

- (a) **Nearby Indices** buy, hold and subsequently roll the front-month Futures Contract of the relevant commodity;
- (b) **Deferred Indices** employ a specific deferred allocation along the futures curve and roll that position to mitigate negative Roll Yields, higher volatility and congestion associated with the front-month contract;
- (c) **Specialised Indices** employ a modification to the standard index methodology or futures schedule including, but not limited to modifying the frequency of the contract roll.

The Futures Contracts referenced by the Indices generally roll every month. Each Index has a defined futures schedule that sets out the Futures Contract that it references at any time.

A daily level for the Indices (for this purpose the “**Index Value**”) will be calculated by the Index Sponsor. The Index Value will be published by the Index Sponsor as soon as reasonably possible for each Index Business Day.

SECTION 3 – ADDITIONAL PROVISIONS FOR BARCLAYS CAPITAL EQUITY INDEX LINKED SECURITIES

Where this Section 3 of the Barclays Capital Index Annex is specified in the applicable Final Terms for any Barclays Capital Equity Index Linked Securities, paragraphs 1 – 3 of Section 1 of the Barclays Capital Index Annex shall together with this Section 3 apply to such Barclays Capital Equity Index Linked Securities in accordance with the provisions herein. Accordingly, paragraphs 1 – 3 of Section 1 should be read in conjunction with this Section 3.

Part A – General Information Relating to Barclays Capital Equity Indices

The following is a general description of the proprietary indices in this Part A. Where this Section 3 of the Barclays Capital Index Annex is specified in the applicable Final Terms for any Barclays Capital Index Linked Securities linked to any proprietary indices below, the relevant description for such proprietary indices in this Part A shall apply to such Barclays Capital Index Linked Securities.

Investors should note that the content described below is not the full index rules of the proprietary indices. They are only summaries of the proprietary indices. Investors may, on request subject to appropriate non-disclosure agreement, for the index rules of the below proprietary indices.

1 Barclays Capital ARMOUR Indices

The performance of the ARMOUR indices (each an “**Index**”) is linked to the performance of the index components selected by the index methodology as further described below.

The Barclays Capital ARMOUR indices consist of:

Name	Index currency	Target vol	Bloomberg ticker
Barclays Capital ARMOUR EUR 10% Index	EUR	10%	BXIIA10E
Barclays Capital ARMOUR EUR 7% Index	EUR	7%	BXIIAR7E
Barclays Capital ARMOUR EUR Index	EUR	No vol	BXIIARME
Barclays Capital ARMOUR CHF 10% Index	CHF	10%	BXIIA10C
Barclays Capital ARMOUR CHF 7% Index	CHF	7%	BXIIAR7C
Barclays Capital ARMOUR CHF Index	CHF	No vol	BXIIARMC

Name	Index currency	Target vol	Bloomberg ticker
Barclays Capital ARMOUR USD 10% Index	USD	10%	BXIIA10U
Barclays Capital ARMOUR USD 7% Index	USD	7%	BXIIAR7U
Barclays Capital ARMOUR USD Index	USD	No vol	BXIIARMU

The ARMOUR Index is an excess return index based on a multi-asset strategy which by operation of an algorithm dynamically adapts allocations based on a quantitative model. The strategy is applied to a set of assets linked to 6 different asset class underlyings.

	Asset class	Index component	Bloomberg ticker	ARMOUR index
1)	Developed Equities	DJ Euro STOXX 50 Total Return Index	SX5T Index	ARMOUR EUR
		S&P 500 Total Return Index	SPTR Index	ARMOUR USD
		Swiss Market Total Return Index	SMIC Index	ARMOUR CHF
2)	Bonds	Barclays Nominal Swap 10 Year EUR TR Index	FSWNCE10 Index	ARMOUR EUR
		Barclays Nominal Swap 10 Year USD TR Index	FSWNCU10 Index	ARMOUR USD
		Barclays Nominal Swap 10 Year EUR TR Index	FSWNCE10 Index	ARMOUR CHF
3)	Emerging Markets	iShares MSCI Emerging Markets (net dividends reinvested)	EEM UP Equity	All ARMOUR Indices
4)	Commodities	S&P GSCI TR Index	SPGSCITR Index	All ARMOUR Indices
5)	Gold	SPDR Gold Trust	GLD UP Equity	All ARMOUR Indices
6)	Cash	Cash Index EUR	Linked to Euribor 1 Month	ARMOUR EUR

	Asset class	Index component	Bloomberg ticker	ARMOUR index
		Cash Index USD	Linked to BBA Libor USD 1 Month	ARMOUR USD
		Cash Index CHF	Linked to BBA Libor CHF 1 Month	ARMOUR CHF

The value of an index component (other than cash) is its published value in respect of such date (subject to adjustments).

For each index component, an excess return and currency adjusted version in the index currency is calculated. The selection pool component return of an index component is calculated as the excess return of the index component over its local currency rate, adjusted for the change in FX rate (where the FX rate is the relevant rate for converting from the index component currency to the index currency). This helps to limit the FX exposure only to the excess return of each index component (and not to the notional invested). This aims to reduce the fluctuations in the value of the strategy due to currency movements.

Each month, the Index ranks the selection pool components based on their performance in the previous month. The Index then allocates 60 per cent to the best performing and 40 per cent to the second-best performing selection pool components for the next month. The strategy adapts its allocations on a monthly basis as it tries to capture changing trends.

The Index also attempts to manage the risk (measured by 20 day historic realised volatility) below a specified fixed target level (Target Vol): if the observed risk in the market increases above this threshold, the exposure to assets is reduced. This should help to reduce the exposure in uncertain volatile markets, empirically observed during downturns.

The Index is net of costs and fees linked to the strategy.

The sponsor of the Index is Barclays Capital.

2 Barclays Capital Q-BES Indices

The Barclays Capital Q-BES indices (each an “**Index**”) reflect the performance of strategies designed to take advantage of the market’s reaction to positive earnings surprises versus consensus estimates for US companies. The strategy is optimised monthly to capture the most recent market information for a portfolio of stocks filtered through a number of ‘value’ metrics.

The Barclays Capital Q-BES indices consist of:

Name	Index currency	Bloomberg ticker
Barclays Capital Q-BES US Large Cap TR Index	USD	BXIIQUET
Barclays Capital Q-BES US	USD	BXIIQBES

Name	Index currency	Bloomberg ticker
Small Cap TR Index		
Barclays Capital Q-BES Europe TR Index	EUR	BXIIQET
Barclays Capital Q-BES US Large Cap ER Index	USD	BXIIQUEE
Barclays Capital Q-BES US Small Cap ER Index	USD	BXIIQBEE
Barclays Capital Q- BES Europe ER Index	EUR	BXIIQEE

Each month a reference basket is determined by filtering an initial universe of Shares drawn from the S&P 500 Index (Bloomberg: SPTR Index) based on liquidity criteria and fundamental metrics. The strategy then takes a long position on the reference basket and a short position on the S&P 500 Index (Bloomberg: SPTR Index) with the same notional.

The Barclays Capital Q-BES indices consist of Large Cap US, Small Cap US and Europe Indices.

Barclays Capital, the investment banking division of Barclays Bank PLC, is the Index Sponsor and is responsible for selecting the index components in accordance with the methodology that forms the basis of the Index.

A daily level for the Index will be calculated by the Index Sponsor. The index value will be published by the Index Sponsor as soon as reasonably possible on each Index Business Day, subject to the occurrence of an index disrupted day. The Index will be calculated in USD, and the relevant provisions shall be read *mutatis mutandis*.

3 Barclays Capital CEEMA Indices

The Barclays Capital CEEMEA Sector indices (each an “**Index**”) are designed to provide exposure to specific equity sectors in the CEEMEA region, which includes the following countries: Greece, Hungary, Poland, Czech Republic, Morocco, Egypt, Israel, Turkey, Russia and South Africa. The CEEMEA Sectors are: Banks, Telecom, Energy, Material and Consumers.

The Barclays Capital CEEMA indices consist of:

Barclays Capital CEEMA Indices	Index currency	Bloomberg ticker
Barclays Capital Bank Sector Index	USD	BXIICEMB
Barclays Capital Consumers Sector Index	USD	BXIICEMC
Barclays Capital Energy Sector Index	USD	BXIICEME
Barclays Capital Materials	USD	BXIICEMM

Barclays Capital CEEMA Indices	Index currency	Bloomberg ticker
Sector Index		
Barclays Capital Telecom Sector Index	USD	BXIICEMT

The constituents of each Index are common stocks, GDR's and ADR listed on the relevant Exchanges and which have passed a screening based on market capitalisation and liquidity.

The constituents of each Index are weighted with respect to their market capitalisation and its weighting to such Index is capped at 20 per cent.

For each Index only the price return version is calculated, i.e. ordinary dividends paid by the index constituents are not reinvested into the Index.

Each index rebalances twice a year, being in February and August.

Barclays Capital, the investment banking division of Barclays Bank PLC, is the Index Sponsor and is responsible for selecting the index components in accordance with the methodology that forms the basis of the Index.

A daily value for the Index will be calculated by the Index Sponsor. The index value will be published by the Index Sponsor as soon as reasonably possible on each index business day, subject to the occurrence of an index disrupted day. The Index will be calculated in USD.

4 Barclays Capital Q-GSP Indices

The Barclays Capital Q-GSP indices (each an “**Index**”) reflect the performance of a strategy investing in growth stocks which are exhibiting a “reasonable” price, according to the quantitative model. The strategy is optimised monthly to capture the most recent market information for a portfolio of stocks filtered through a number of metrics.

The Barclays Capital Q-GSP indices consist of:

Name	Index currency	Bloomberg ticker
Barclays Capital Q-GSP US Large Cap TR Index	USD	BXIIGUTR
Barclays Capital Q-GSP US Small Cap TR Index	USD	BXIIGSPT
Barclays Capital Q-GSP US Large Cap ER Index	USD	BXIIGUER
Barclays Capital Q-GSP US Small Cap ER Index	USD	BXIIGSPE

Barclays Capital GSP indices are market neutral strategies that rely on the use of a Growth at a Reasonable Price (GARP) strategy, a mixture of growth and value investing strategies. The strategies are rebalanced monthly to select an optimised portfolio of stocks filtered

through a number of 'growth' metrics, while going short the underlying index. The final and key metric of the strategies is the PEG or Price/Earnings to Growth Ratio. This enables the strategies to invest in growth stocks at a reasonable price. The Barclays Capital GSP indices consist of Large Cap US, Small Cap US and Europe Indices.

Each month a reference basket is determined by filtering an initial universe of Shares based on liquidity criteria and fundamental metrics. The strategy then takes a long position on the reference basket and a short position on the relevant benchmark index with the same notional.

Barclays Capital, the investment banking division of Barclays Bank PLC, is the Index Sponsor and is responsible for selecting the index components in accordance with the methodology that forms the basis of the Index.

A daily level for the Index will be calculated by the Index Sponsor. The index value will be published by the Index Sponsor as soon as reasonably possible on each index business day, subject to the occurrence of an index disrupted day. The Index will be calculated in USD, and the relevant provisions shall be read *mutatis mutandis*.

5 Barclays Capital Turn of the Month (TOM) Indices

The Barclays Capital Turn of the Month indices (TOM™ Index) (each an "Index") have been constructed to enable investors to access equity indices in a more efficient way than a traditional buy-and-hold approach. The Barclays Capital TOM™ Index family is based on the TOM™ Strategies that provide a transparent and easy to understand mechanism which hypothesises that the performance of the stock market depends on the trading day during the month.

The Barclays Capital Turn of the Month (TOM) indices consist of:

Name	Index currency	Bloomberg ticker
Barclays Capital TOM S&P 500 ER Long Index	USD	BXIIUSLE
Barclays Capital TOM S&P 500 ER Long/Short Index	USD	BXIIUSSE
Barclays Capital TOM Eurostoxx 50 ER Long Index	EUR	BXIIIEULE
Barclays Capital TOM Eurostoxx 50 ER Long/Short Index	EUR	BXIIIEUSE
Barclays Capital TOM FTSE 100 ER Long Index	GBP	BXIIUKLE
Barclays Capital TOM FTSE 100 ER Long/Short Index	GBP	BXIIUKSE

The Barclays Capital TOM™ Long Index invests in the relevant underlying equity benchmark Index on the close of the 4th business day before each month end and closes this position three business days after the same month end. The Long Index is not

invested during the rest of the month. The TOM™ Long index is available in price return, excess return and total return versions. The Barclays Capital TOM™ Long Indices are available for Europe, the United States, Japan, Germany and the United Kingdom.

The Barclays Capital TOM™ Long/Short Index takes a short equity position on the close of the 11th last business day before each month-end and closes this position on the 5th last business day before month-end. It then takes a long position Index on the close of the 4th last business day before each month end and closes this position three business days after the same month end. The long/short index is not invested during the rest of the month. The Barclays Capital TOM™ Long/Short index is available in price return, excess return and total return versions. The Barclays Capital TOM™ Long/Short Indices are available for Europe, the United States, Japan, Germany and the United Kingdom.

Barclays Capital, the investment banking division of Barclays Bank PLC, is the Index Sponsor and is responsible for selecting the index components in accordance with the methodology that forms the basis of the Index.

A daily level for the Index will be calculated by the Index Sponsor. The index value will be published by the Index Sponsor as soon as reasonably possible on each index business day, subject to the occurrence of an index disrupted day.

6 Barclays Capital ASTRO Indices

The Barclays Capital ASTRO (Algorithmic Short Term Reversion) indices (each an “**Index**”) are designed to take advantage of short-term mean reversion strategy in equity markets by replicating the daily-weekly variance spread using a delta hedging approach through long or short position on the underlying index, with capped delta exposure. Hence, the ASTRO strategy has a positive performance if the underlying index is mean reverting in the sense that the daily returns are more volatile than the weekly returns.

The Barclays Capital ASTRO indices consist of:

Name	Index currency	Bloomberg ticker
Barclays Capital ASTRO US TR Index	USD	BXIIASUT
Barclays Capital ASTRO US ER Index	USD	BXIIASUE
Barclays Capital ASTRO Europe TR Index	USD	BXIIASET
Barclays Capital ASTRO Europe ER Index	USD	BXIIASEE

The Barclays Capital ASTRO Index Family reflects the performance of the ASTRO strategy when applied to different underlying equity indices (S&P 500 TR index for US and Euro STOXX 50 TR index for EUROPE). The Index rebalances the net resulting delta using closing level of underlying index on every index business day.

Barclays Capital, the investment banking division of Barclays Bank PLC, is the Index Sponsor and is responsible for selecting the index components in accordance with the methodology that forms the basis of the Index.

A daily level for the Index will be calculated by the Index Sponsor. The Index Value will be published by the Index Sponsor as soon as reasonably possible on each index business day, subject to the occurrence an index disrupted day.

7 Barclays Capital Tracker Indices

Barclays Capital Tracker indices (each an “**Index**”) are designed to track the performance of investing in 3mth equity index futures contracts. The excess return of each index is computed by tracking the daily price movement of the underlying futures.

The Barclays Capital Tracker indices provide exposure to the following markets: Europe, United Kingdom, United States, France, Germany, US Technology, and Switzerland.

The Barclays Capital Tracker indices consist of:

Name	Index currency	Bloomberg ticker
Barclays Capital GERMANY Tracker ER Index	EUR	BXIIIDEER
Barclays Capital GERMANY Tracker TR Index	EUR	BXIIDETR
Barclays Capital GERMANY Tracker USD ER Index	USD	BXIIIDEUE
Barclays Capital GERMANY Tracker USD TR Index	USD	BXIIIDEUT
Barclays Capital GERMANY Tracker GBP ER Index	GBP	BXIIIDEGE
Barclays Capital GERMANY Tracker GBP TR Index	GBP	BXIIIDEGT
Barclays Capital GERMANY Tracker JPY ER Index	JPY	BXIIIDEJE
Barclays Capital GERMANY Tracker JPY TR Index	JPY	BXIIIDEJT
Barclays Capital FRANCE Tracker ER Index	EUR	BXIIFTER
Barclays Capital FRANCE Tracker TR Index	EUR	BXIIFTTR
Barclays Capital FRANCE Tracker USD ER Index	USD	BXIIFTUE
Barclays Capital FRANCE Tracker USD TR Index	USD	BXIIFTUT
Barclays Capital FRANCE Tracker GBP ER Index	GBP	BXIIFTGE
Barclays Capital FRANCE Tracker GBP TR Index	GBP	BXIIFTGT

Name	Index currency	Bloomberg ticker
Barclays Capital FRANCE Tracker JPY ER Index	JPY	BXIIFTJE
Barclays Capital FRANCE Tracker JPY TR Index	JPY	BXIIFTJT
Barclays Capital SWISS Tracker ER Index	CHF	BXIISTER
Barclays Capital SWISS Tracker TR Index	CHF	BXIISTTR
Barclays Capital SWISS Tracker USD ER Index	USD	BXIISTUE
Barclays Capital SWISS Tracker USD TR Index	USD	BXIISTUT
Barclays Capital SWISS Tracker EUR ER Index	EUR	BXIISTEE
Barclays Capital SWISS Tracker EUR TR Index	EUR	BXIISTET
Barclays Capital SWISS Tracker GBP ER Index	GBP	BXIISTGE
Barclays Capital SWISS Tracker GBP TR Index	GBP	BXIISTGT
Barclays Capital US Tech Tracker ER Index	USD	BXIITTER
Barclays Capital US Tech Tracker TR Index	USD	BXIITTTR
Barclays Capital US Tech Tracker EUR ER Index	EUR	BXIITTEE
Barclays Capital US Tech Tracker EUR TR Index	EUR	BXIITTET
Barclays Capital US Tech Tracker GBP ER Index	GBP	BXIITTGE
Barclays Capital US Tech Tracker GBP TR Index	GBP	BXIITTGT
Barclays Capital US Tech Tracker JPY ER Index	JPY	BXIITTJE
Barclays Capital US Tech Tracker JPY TR Index	JPY	BXIITTJT
Barclays Capital US Tracker ER Index	USD	BXIIUSER
Barclays Capital US Tracker	USD	BXIIUSTR

Name	Index currency	Bloomberg ticker
TR Index		
Barclays Capital US Tracker EUR ER Index	EUR	BXIIUSEE
Barclays Capital US Tracker EUR TR Index	EUR	BXIIUSET
Barclays Capital US Tracker GBP ER Index	GBP	BXIIUSGE
Barclays Capital US Tracker GBP TR Index	GBP	BXIIUSGT
Barclays Capital US Tracker JPY ER Index	JPY	BXIIUSJE
Barclays Capital US Tracker JPY TR Index	JPY	BXIIUSJT
Barclays Capital EUROPE Tracker ER Index	EUR	BXIIETER
Barclays Capital EUROPE Tracker TR Index	EUR	BXIIETTR
Barclays Capital EUROPE Tracker USD ER Index	USD	BXIIETUE
Barclays Capital EUROPE Tracker USD TR Index	USD	BXIIETUT
Barclays Capital EUROPE Tracker GBP ER Index	GBP	BXIIETGE
Barclays Capital EUROPE Tracker GBP TR Index	GBP	BXIIETGT
Barclays Capital EUROPE Tracker JPY ER Index	JPY	BXIIETJE
Barclays Capital EUROPE Tracker JPY TR Index	JPY	BXIIETJT
Barclays Capital UK Tracker ER Index	GBP	BXIIUTER
Barclays Capital UK Tracker TR Index	GBP	BXIIUTTR
Barclays Capital UK Tracker USD ER Index	USD	BXIIUTUE
Barclays Capital UK Tracker USD TR Index	USD	BXIIUTUT
Barclays Capital UK Tracker EUR ER Index	EUR	BXIIUTEE

Name	Index currency	Bloomberg ticker
Barclays Capital UK Tracker EUR TR Index	EUR	BXIIUTET
Barclays Capital UK Tracker JPY ER Index	JPY	BXIIUTJE
Barclays Capital UK Tracker JPY TR Index	JPY	BXIIUTJT

Each index is rebalanced daily such that the notional invested in futures is reset every day and equals the value of the index. The underlying contract in each index rolls quarterly, 2 business days before the last Trade Date of the underlying future contract, following the respective exchange business calendar. Futures prices used in the indices are determined by end-of-day fixings at the relevant exchanges. Each index publication schedule follows the relevant exchange calendar.

Barclays Capital, the investment banking division of Barclays Bank PLC, is the Index Sponsor and is responsible for selecting the index components in accordance with the methodology that forms the basis of the Index.

A daily level for the Index will be calculated by the Index Sponsor. The index value will be published by the Index Sponsor as soon as reasonably possible on each index business day, subject to the occurrence of an index disrupted day as described herein.

8 Barclays Capital LBAR Indices

The Long Barclays Alternatives Replicator (LBAR) indices (each an “**Index**”) are designed to provide investors with a long exposure to the global hedge funds industry. The composition of the index is a dynamic basket of investable market instruments that rebalances on a monthly basis with the aim of delivering returns close to the benchmark performance of the global hedge fund industry.

The Barclays Capital LBAR indices consist of:

Name	Index currency	Bloomberg ticker
Barclays Capital LBAR USD TR Index	USD	BXIIILBAR
Barclays Capital LBAR USD ER Index	USD	BXIIILARE
Barclays Capital LBAR EUR TR Index	EUR	BXIIILBTE
Barclays Capital LBAR Alternative USD TR Index	USD	BXIIILBTR
Barclays Capital LBAR Alternative USD ER Index	USD	BXIIILBER

LBAR has an ongoing allocation via a proprietary replication engine developed by Barclays Capital QPS research team. Allocations are rebalanced monthly over a wide universe of underlying instruments, covering multiple asset classes and payoff profiles.

The weights of the underlying investment instruments, calibrated to capture the most recent market information, are derived from a rule based, discretion-free optimisation algorithm. The algorithm seeks to explain the excess return of the global hedge fund industry over USD LIBOR as a weighted sum of the underlying factors. LBAR total return and excess return versions are available.

Barclays Capital, the investment banking division of Barclays Bank PLC, is the Index Sponsor and is responsible for selecting the index components in accordance with the methodology that forms the basis of the Index.

A daily level for the Index will be calculated by the Index Sponsor. The index value will be published by the Index Sponsor as soon as reasonably possible on each index business day, subject to the occurrence of an index disrupted day.

9 Barclays Capital SBAR Indices

The Shortable Barclays Alternatives Replicator (SBAR) indices (each an “**Index**”) are designed to provide investors with a short exposure to the global hedge funds industry returns. The composition of the index is a dynamic basket of investable market instruments that rebalances on a monthly basis with the aim of delivering returns close to the benchmark performance of the global hedge fund Industry.

The Barclays Capital SBAR indices consist of:

Barclays Capital SBAR Indices	Index currency	Bloomberg ticker
Barclays Capital SBAR USD TR Index	EUR	BXIISBAR
Barclays Capital SBAR USD ER Index	EUR	BXIISARE

The weights of the underlying investment instruments, calibrated to capture the most recent market information, are derived from a rule based, discretion-free optimisation algorithm. The algorithm seeks to explain the excess return of the global hedge fund industry over USD LIBOR as a weighted sum of the underlying factors. SBAR total return and excess return versions are available.

Barclays Capital, the investment banking division of Barclays Bank PLC, is the Index Sponsor and is responsible for selecting the index components in accordance with the methodology that forms the basis of the Index.

A daily level for the Index will be calculated by the Index Sponsor. The index value will be published by the Index Sponsor as soon as reasonably possible on each index business day, subject to the occurrence of an index disrupted day.

10 Barclays Capital Advanced Emerging Market Indices

The Barclays Capital Advanced Emerging Market Indices (each an “**Index**”) are designed to provide exposure to Advanced Emerging Market countries that may achieve solid, stable, and sustainable economic growth in the view of Barclays Capital Research. Barclays Capital Research select emerging market countries using factors such as the growth Sharpe ratio and the tail risk during periods of economic stress.

The Barclays Capital Advanced Emerging Market indices consist of:

Name	Index currency	Target vol	Bloomberg ticker
Barclays Capital Advanced Emerging Markets TR USD Equity Index	USD	Not applicable	BXIIAMTU
Barclays Capital Advanced Emerging Markets ER USD Equity Index	USD	Not applicable	BXIIAMEU
Barclays Capital Advanced Emerging Markets TR EUR Equity Index	EUR	Not applicable	BXIIAMTE
Barclays Capital Advanced Emerging Markets ER EUR Equity Index	EUR	Not applicable	BXIIAMEE
Barclays Capital Advanced Emerging Markets TR GBP Equity Index	GBP	Not applicable	BXIIAMTG
Barclays Capital Advanced Emerging Markets ER GBP Equity Index	GBP	Not applicable	BXIIAMEG
Barclays Capital Advanced Emerging Markets Risk Controlled 10% USD ER	USD	10%	BXIIIM10U
Barclays Capital Advanced Emerging Markets Risk Controlled 15% USD ER	USD	15%	BXIIIM15U
Barclays Capital Advanced Emerging Markets Risk Controlled 18% USD ER	USD	18%	BXIIIM18U
Barclays Capital Advanced Emerging Markets Risk Controlled 10% EUR ER	EUR	10%	BXIIIM10E
Barclays Capital Advanced Emerging Markets Risk Controlled 15% EUR ER	EUR	15%	BXIIIM15E

Barclays Capital Advanced Emerging Markets Risk Controlled 18% EUR ER	EUR	18%	BXIIM18E
Barclays Capital Advanced Emerging Markets Risk Controlled 10% GBP ER	GBP	10%	BXIIM10G
Barclays Capital Advanced Emerging Markets Risk Controlled 15% GBP ER	GBP	15%	BXIIM15G
Barclays Capital Advanced Emerging Markets Risk Controlled 18% GBP ER	GBP	18%	BXIIM18G

The Index is constructed by creating a list of stocks for each Advanced Emerging Country, whereby market capitalisation and liquidity criteria are applied. The remaining stocks are ranked and selected by liquidity.

The constituents of the Index are common stocks, GDR's and ADR listed on the relevant exchanges. The constituents of each Index are weighted with respect to their liquidity and its weighting to such Index is capped to ensure diversification.

Total, price and excess returns version are calculated. The Index rebalances semi annually.

Barclays Capital, the investment banking division of Barclays Bank PLC, is the Index Sponsor and is responsible for selecting the index constituents in accordance with the methodology that forms the basis of the Index.

A daily value for the Index will be calculated by the Index Sponsor. The Index Value will be published by the Index Sponsor as soon as reasonably possible on each index business day, subject to the occurrence of disruption events as described herein. The Index will be calculated in USD, GBP and EUR.

There are Risk Controlled Indices (each one a “**Risk Controlled Index**”) based on the Index. Risk Controlled Indices are dynamic indices which are intended to target a specified level of risk on a chosen underlying Index.

Each Risk Controlled Index allocates varying exposure to the Index depending on the realised risk in the market. The risk is measured by using the realised volatility.

Based on the ratio of the target volatility to the realised volatility, a factor is calculated which is then used to determine the exposure the Risk Controlled Index takes to the Index. A dynamic mechanism is in place to systematically adjust the exposure. Risk Controlled Indices increase the exposure when the Index exhibits low realised volatility and decreases the exposure when the Index exhibits high realised volatility. There are various Risk Controlled Indices with different target volatilities and different currencies.

11 Barclays Capital Chips Indices

The Barclays Capital Chips indices (each an “**Index**”) are long only indices designed to provide exposure to quality equity stocks on various countries and sectors themes. Each

Index screens stocks based on specific factors such as a country factor, a sector factor or an accounting metric. The Index then filters the remaining stocks for quality based on two key metrics, namely the Price Earnings Ratio and the Return on Common Equity Ratio. The top remaining stocks are selected based on liquidity as measured by daily turnover for inclusion into the Index.

The Barclays Capital Chips indices consist of:

Name	Index currency	Target vol	Bloomberg ticker
Barclays Capital China Chips TR HKD Index	HKD	Not applicable	BXIICTH
Barclays Capital China Chips ER HKD Index	HKD	Not applicable	BXIICTEH
Barclays Capital China Chips PR HKD Index	HKD	Not applicable	BXIICTPH
Barclays Capital China Chips TR EUR Index	EUR	Not applicable	BXIICTE
Barclays Capital China Chips ER EUR Index	EUR	Not applicable	BXIICTEE
Barclays Capital China Chips PR EUR Index	EUR	Not applicable	BXIICTPE
Barclays Capital UK Chips TR GBP Index	GBP	Not applicable	BXIICTG
Barclays Capital UK Chips ER GBP Index	GBP	Not applicable	BXIICTEG
Barclays Capital UK Chips PR GBP Index	GBP	Not applicable	BXIICTPG
Barclays Capital UK Chips TR EUR Index	EUR	Not applicable	BXIICTE
Barclays Capital UK Chips ER EUR Index	EUR	Not applicable	BXIICTEE
Barclays Capital UK Chips PR EUR Index	EUR	Not applicable	BXIICTPE

Name	Index currency	Target vol	Bloomberg ticker
Barclays Capital US Chips TR USD Index	USD	Not applicable	BXIICATU
Barclays Capital US Chips ER USD Index	USD	Not applicable	BXIICAEU
Barclays Capital US Chips PR USD Index	USD	Not applicable	BXIICAPU
Barclays Capital US Chips TR EUR Index	EUR	Not applicable	BXIIcate
Barclays Capital US Chips ER EUR Index	EUR	Not applicable	BXIIcaEE
Barclays Capital US Chips PR EUR Index	EUR	Not applicable	BXIIcaPE
Barclays Capital German Chips TR EUR Index	EUR	Not applicable	BXIIcGTE
Barclays Capital German Chips ER EUR Index	EUR	Not applicable	BXIIcGEE
Barclays Capital German Chips PR EUR Index	EUR	Not applicable	BXIIcGPE
Barclays Capital German Chips TR USD Index	USD	Not applicable	BXIIcGTU
Barclays Capital German Chips ER USD Index	USD	Not applicable	BXIIcGEU
Barclays Capital German Chips PR USD Index	USD	Not applicable	BXIIcGPU
Barclays Capital European Chips TR EUR Index	EUR	Not applicable	BXIIcETE
Barclays Capital European Chips ER EUR Index	EUR	Not applicable	BXIIcEEE

Name	Index currency	Target vol	Bloomberg ticker
Barclays Capital European Chips PR EUR Index	EUR	Not applicable	BXIICEPE
Barclays Capital European Chips TR USD Index	USD	Not applicable	BXIICETU
Barclays Capital European Chips ER USD Index	USD	Not applicable	BXIICEEU
Barclays Capital European Chips PR USD Index	USD	Not applicable	BXIICEPU
Barclays Capital Green Chips TR EUR Index	EUR	Not applicable	BXIICNTE
Barclays Capital Green Chips ER EUR Index	EUR	Not applicable	BXIICNEE
Barclays Capital Green Chips PR EUR Index	EUR	Not applicable	BXIICNPE
Barclays Capital Green Chips TR USD Index	USD	Not applicable	BXIICNTU
Barclays Capital Green Chips ER USD Index	USD	Not applicable	BXIICNEU
Barclays Capital Green Chips PR USD Index	USD	Not applicable	BXIICNPU
Barclays Capital Black Chips TR EUR Index	EUR	Not applicable	BXIICBTE
Barclays Capital Black Chips ER EUR Index	EUR	Not applicable	BXIICBEE
Barclays Capital Black Chips PR EUR Index	EUR	Not applicable	BXIICBPE

Name	Index currency	Target vol	Bloomberg ticker
Barclays Capital Black Chips TR USD Index	USD	Not applicable	BXICBTU
Barclays Capital Black Chips ER USD Index	USD	Not applicable	BXICBEU
Barclays Capital Black Chips PR USD Index	USD	Not applicable	BXICBPU
Barclays Capital Grey Chips TR EUR Index	EUR	Not applicable	BXICYTE
Barclays Capital Grey Chips ER EUR Index	EUR	Not applicable	BXICYEE
Barclays Capital Grey Chips PR EUR Index	EUR	Not applicable	BXICYPE
Barclays Capital Grey Chips TR USD Index	USD	Not applicable	BXICYTU
Barclays Capital Grey Chips ER USD Index	USD	Not applicable	BXICYEU
Barclays Capital Grey Chips PR USD Index	USD	Not applicable	BXICYPU
Barclays Capital China Chips Risk Controlled 15% HKD ER Index	HKD	15%	BXIIH15H
Barclays Capital China Chips Risk Controlled 15% EUR ER Index	EUR	15%	BXIIH15E
Barclays Capital China Chips Risk Controlled 18% HKD ER Index	HKD	18%	BXIIH18H

Name	Index currency	Target vol	Bloomberg ticker
Barclays Capital China Chips Risk Controlled 18% EUR ER Index	EUR	18%	BXIIH18E
Barclays Capital UK Chips Risk Controlled 10% GBP ER Index	GBP	10%	BXIIU10G
Barclays Capital UK Chips Risk Controlled 10% EUR ER Index	EUR	10%	BXIIU10E
Barclays Capital UK Chips Risk Controlled 15% GBP ER Index	GBP	15%	BXIIU15G
Barclays Capital UK Chips Risk Controlled 15% EUR ER Index	EUR	15%	BXIIU15E
Barclays Capital US Chips Risk Controlled 10% USD ER Index	USD	10%	BXIIAU10
Barclays Capital US Chips Risk Controlled 10% EUR ER Index	EUR	10%	BXIIAE10
Barclays Capital US Chips Risk Controlled 15% USD ER Index	USD	15%	BXIIAU15
Barclays Capital US Chips Risk Controlled 15% EUR ER Index	EUR	15%	BXIIAE15
Barclays Capital European Chips Risk Controlled 10% EUR ER Index	EUR	10%	BXIIIE10E

Name	Index currency	Target vol	Bloomberg ticker
Barclays Capital European Chips Risk Controlled 15% EUR ER Index	EUR	15%	BXIE15E
Barclays Capital Green Chips Risk Controlled 10% USD ER Index	USD	10%	BXIIN10U
Barclays Capital Green Chips Risk Controlled 10% EUR ER Index	EUR	10%	BXIIN10E
Barclays Capital Green Chips Risk Controlled 15% USD ER Index	USD	15%	BXIIN15U
Barclays Capital Green Chips Risk Controlled 15% EUR ER Index	EUR	15%	BXIIN15E
Barclays Capital Black Chips Risk Controlled 10% USD ER Index	USD	10%	BXIIB10U
Barclays Capital Black Chips Risk Controlled 10% EUR ER Index	EUR	10%	BXIIB10E
Barclays Capital Black Chips Risk Controlled 15% USD ER Index	USD	15%	BXIIB15U
Barclays Capital Black Chips Risk Controlled 15% EUR ER Index	EUR	15%	BXIIB15E
Barclays Capital Grey Chips Risk Controlled 10% USD ER Index	USD	10%	BXIY10U

Name	Index currency	Target vol	Bloomberg ticker
Barclays Capital Grey Chips Risk Controlled 10% EUR ER Index	EUR	10%	BXIIY10E
Barclays Capital Grey Chips Risk Controlled 15% USD ER Index	USD	15%	BXIIY15U

The Barclays Capital Chips Index range consists of the following Indices:

- The Barclays Capital European Chips Index consists of leading names in the Western Europe region with positive growth and high earnings growth expectations;
- The Barclays Capital US Chips Index consists of quality American stocks with a strong focus on Research and Development as measured by the average annual R&D expenditure growth;
- The Barclays Capital UK Chips Index consists of quality UK stocks which are founded in the UK with the high earnings growth expectations;
- The Barclays Capital Green Chips Index consists of quality stocks involved in the environmentally friendly energy generation and green sectors;
- The Barclays Capital Black Chips Index consists of quality stocks that are profitable with high dividends and low debt ratios;
- The Barclays Capital Grey Chips Index consists of quality stocks involved in senior health care, senior lifestyle and senior financial support;
- The Barclays Capital China Chips Index consists of quality Chinese stocks.

The constituents of each Index are common stocks, listed on the relevant exchanges specific for each Index and which have passed a screening based on market capitalisation and liquidity criteria as measured by the daily turnover.

The constituents of each Index are weighted with respect to their free float adjusted market capitalisation and its weighting to such Index is capped. For each Index, the total, price and excess return versions are calculated. Each Index is rebalanced on a quarterly basis and is calculated in various currencies, where applicable.

Barclays Capital, the investment banking division of Barclays Bank PLC, is the Index Sponsor and is responsible for selecting the Index Constituents in accordance with the methodology that forms the basis of the Index.

A daily value for the Index will be calculated by the Index Sponsor. The index value will be published by the Index Sponsor as soon as reasonably possible on each index business day, subject to the occurrence of disruption events.

There are Risk Controlled Indices (each one a “**Risk Controlled Index**”) based on the Index. Risk Controlled Indices are dynamic indices which are intended to target a specified level of risk on a chosen underlying Index.

Each Risk Controlled Index allocates varying exposure to the Index depending on the realised risk in the market. The risk is measured by using the realised volatility.

Based on the ratio of the target volatility to the realised volatility, a factor is calculated which is then used to determine the exposure the Risk Controlled Index takes to the Index. A dynamic mechanism is in place to systematically adjust the exposure. Risk Controlled Indices increase the exposure when the Index exhibits low realised volatility and decreases the exposure when the Index exhibits high realised volatility. There are various Risk Controlled Indices with different target volatilities and different currencies.

12 Barclays Capital Emerging 7 Indices

The Barclays Capital Emerging 7 Indices (each an “**Index**”) are designed to provide exposure to the largest emerging market countries. The countries that constituent the Index are Brazil, Russia, India, China, Indonesia, Mexico and Turkey.

The Barclays Capital Emerging 7 indices consist of:

Name	Index currency	Bloomberg ticker
Barclays Capital Emerging 7 ER USD Index	USD	BXIIIE7EU
Barclays Capital Emerging 7 TR USD Index	USD	BXIIIE7TU
Barclays Capital Emerging 7 ER EUR Index	EUR	BXIIIE7EE
Barclays Capital Emerging 7 TR EUR Index	EUR	BXIIIE7TE
Barclays Capital Emerging 7 ER GBP Index	GBP	BXIIIE7EG
Barclays Capital Emerging 7 TR GBP Index	GBP	BXIIIE7TG

The Index is constructed by creating a list of stocks from each country that meet the market capitalisation and liquidity criteria. The remaining stocks are ranked and selected liquidity.

The constituents of the Index are common stocks, GDR’s and ADR listed on the relevant Exchanges. The constituents of each Index are weighted with respect to their liquidity and its weighting to such Index is capped to ensure diversification.

The total, price and excess returns version are calculated, USD, GBP and EUR versions are available. The Index rebalances semi annually.

Barclays Capital, the investment banking division of Barclays Bank PLC, is the Index Sponsor and is responsible for selecting the Index Constituents in accordance with the methodology (as described in the Index Methodology) that forms the basis of the Index.

A daily value for the Index (the “**Index Value**”) will be calculated by the Index Sponsor. The Index Value will be published by the Index Sponsor as soon as reasonably possible on each Index Business Day, subject to the occurrence of Disruption Events as described herein.

There are Risk Controlled Indices (each one a “**Risk Controlled Index**”) based on the Index. Risk Controlled Indices are dynamic indices which are intended to target a specified level of risk on a chosen underlying Index.

Each Risk Controlled Index allocates varying exposure to the Index depending on the realised risk in the market. The risk is measured by using the realised volatility. Based on the ratio of the target volatility to the realised volatility, a factor is calculated which is then used to determine the exposure the Risk Controlled Index takes to the Index. A dynamic mechanism is in place to systematically adjust the exposure. Risk Controlled Indices increase the exposure when the Index exhibits low realised volatility and decreases the exposure when the Index exhibits high realised volatility. There are various Risk Controlled Indices with different target volatilities and different currencies.

Part B – General Terms and Conditions for Securities Linked to Barclays Capital Equity Indices

The Equity Linked Annex shall be incorporated by reference into this Part B, subject to amendments and provisions below. Accordingly, this Part B should be read in conjunction with the Equity Linked Annex. In the event of any inconsistency between the Equity Linked Annex and this Part B, this Part B shall prevail. All references to Condition numbers below are to such Conditions in the Equity Linked Annex.

A Barclays Capital Index to which this Section 3 of the Barclays Capital Index Annex applies shall be a Multi-exchange Index and the Equity Linked Annex shall be amended as set out below.

1 Definitions

The definitions in Part C (*Definitions Applicable to Equity Linked Securities*) of the Equity Linked Annex shall be amended as set out below.

“**Commodity Index**” means, in relation to a Barclays Capital Index, a Component that is a commodity index, as determined by the Determination Agent;

“**Component**” means, in relation to an Barclays Capital Index, a component or sub-component (if the component is a Barclays Capital Index), which may include but not limited to, Share, Index, Commodity Index and/or cash, that comprises such Barclays Capital Index;

“**Exchange**” has the meaning, with respect to a Component:

- (a) that is a Commodity Index, each exchange or principal trading market for such Index or, otherwise, in the commodity reference price for such Index as determined by the Determination Agent;
- (b) that is an Index, in respect of each component of such Index, the principal stock exchange on which such component of such Index is principally traded, as determined by the Determination Agent; or

- (c) that is a Share, the principal stock exchange or quotation system principal traded for such Share, as determined by the Determination Agent, 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;

“Index” means (i) the Barclays Capital Index or (ii) with respect to a Component, an index that comprises such Barclays Capital Index;

“Barclays Capital Index” means the proprietary index specified in the applicable Final Terms as a Reference Asset;

“Barclays Capital Index Linked Security” means a Security, payments or deliveries in respect of which will be contingent on and/or calculated by reference to the Barclays Capital Index; and

“Related Exchange” means 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 Component.

Part C – Component Fallback Terms and Conditions for Securities Linked to Barclays Capital Equity Indices

If “Component Fallback” is specified as Applicable in the applicable Final Terms for any Barclays Capital Equity Index Linked Securities linked to the Barclays Capital Indices in this Section 3, this Part C shall apply to such Barclays Capital Equity Index Linked Securities. In the event of any inconsistency between Part B of this Section 3 and this Part C, this Part C shall prevail. All references to Condition numbers below are to such Conditions in the Equity Linked Annex.

If “Component Fallback” is specified as Not Applicable, this Part C shall not apply (and only the other parts of this Section 3 shall apply) to such Barclays Capital Index Linked Securities.

1 Risk Factors

Index Disrupted Days in relation to the Barclays Capital Index

Where the Determination Agent has determined that a day on which a valuation or determination is to be made in respect of any Barclays Capital Index is an Index Disrupted Day in respect of a Component, the Determination Agent may determine a level of the Barclays Capital Index for such day. Such a determination may be different to the level of Barclays Capital Index published by the Index Sponsor for such day.

Any such determination may have an effect on the timing of valuation and consequently may adversely affect the value of the Barclays Capital Index, the Final Cash Settlement Amount and the value of the Barclays Capital Index Linked Securities.

Prospective investors may therefore receive an amount that is different from an amount that would be received if levels of the Barclays Capital Index published by the Index Sponsor were used. Prospective investors should review the conditions herein to ascertain how such provisions apply to the Barclays Capital Index Linked Securities.

2 Component Disruption and Application of the Relevant Annex

Where a Component:

- (a) is a Share or an Index, unless otherwise specified in the applicable Final Terms, the share and index provisions in the Equity Linked Annex, as amended by this Section 3 of the Barclays Capital Index Annex shall be deemed to be incorporated herein and shall apply to such Component and any elections shall be made in the applicable Final Terms; or
- (b) is a Commodity Index, unless otherwise specified in the applicable Final Terms, the index provisions in the Commodity Linked Annex, as amended by this Section 3 of the Barclays Capital Index Annex, shall be deemed to be incorporated herein and shall apply to such Component and any elections shall be made in the applicable Final Terms;
- (c) is an Inflation Index, unless otherwise specified in the applicable Final Terms, the index provisions in the Inflation Linked Annex, as amended by this Section 3 of the Barclays Capital Index Annex, shall be deemed to be incorporated herein and shall apply to such Component and any elections shall be made in the applicable Final Terms; or
- (d) is another underlying asset, the Relevant Annex (if applicable) shall be specified in the relevant Final Terms.

3 Consequence of an Index Disrupted Day

If, in the opinion of the Determination Agent, a Scheduled Trading Day is an Index Disrupted Day, the Determination Agent shall determine the level of each Component and the resulting Barclays Capital Index (in its reasonable discretion) for such Scheduled Trading Day and the Final Cash Settlement Amount may be adjusted by the Determination Agent to take into account any adjustment to a Component as a result of such Index Disrupted Day.

The level of each Component that is not subject to any of the events described in the definition of "Index Disrupted Day" shall be determined separately by the Determination Agent on such day as if such day was not an Index Disrupted Day.

The level of each Component (or sub-component thereof) that is subject to any of the events described in the definition of "Index Disrupted Day" shall be determined separately in accordance with the relevant disruption or fallback provisions specified in the Relevant Annex, as amended by these Barclays Capital Equity Index Conditions, as the case may be.

For the purposes of the above, references to an "Index" in the Equity Linked Annex and "Commodity Index" in the Commodity Linked Annex shall be read and construed separately with respect to each index component (or sub-component thereof), as applicable.

Notwithstanding any provision of the Conditions, to the extent that an Index Disrupted Day has occurred and is subsisting, the Issuer shall postpone the Redemption Date of the Securities until the first day on which no Index Disrupted Day is occurring.

4 **Components Comprising Bonds or Cash**

In the event that that no value or rate for an index component that is a Bond or Cash is published on a relevant date, the Determination Agent may in its reasonable discretion determine the relevant value or rate of such index component on such relevant date.

5 **Commodity Business Day Convention**

With respect to a Component that is a Commodity Index, the Commodity Business Day Convention provisions in the Commodity Linked Annex shall be deemed to be incorporated herein and shall apply to such index component and the Commodity Business Day Convention shall be specified in the applicable Final Terms.

6 **Consequence of a Barclays Capital Index Disruption**

If “Barclays Capital Index Disruption” is specified as applicable in the relevant Final Terms, upon the occurrence of any Barclays Capital Index Disruption, the Issuer shall, in its sole discretion, deem such Barclays Capital Index Disruption to constitute an Additional Disruption Event for the purposes of this provisions and shall adjust, redeem, cancel and/or take any other necessary action in accordance with the applicable provisions of Condition 5 or 6 of the Base Conditions as the case may be in respect of the Securities.

7 **Definitions**

“**Commodity Market Disruption Event**” shall have the meaning given to it in the Commodity Linked Annex or in the applicable Final Terms;

“**Commodity Reference Price**” shall have the meaning, with respect to an index component, given to it in Section 3 of Part C of the Commodity Linked Annex unless otherwise specified in the applicable Final Terms;

“**Disruption Fallback**” shall have the meaning given to it in the Commodity Linked Annex or in the applicable Final Terms;

“**Exchange**” has the meaning, with respect to a Component:

- (a) that is a Commodity Index, each exchange or principal trading market specified in the applicable Final Terms or, otherwise, in the Commodity Reference Price; or
- (b) that is an Index, (a) other than where Multi-exchange Index is specified in the applicable Final Terms, 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 components underlying such Index has temporarily relocated provided that the Determination Agent has determined that there is comparable liquidity relative to the components underlying such Index on such temporary substitute exchange or quotation system as on the original Exchange, or (b) where Multi-exchange Index is specified in the applicable Final Terms, in respect of each component of such Index, the principal stock exchange on which such component of such Index is principally traded, as determined by the Determination Agent; or
- (c) that is 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;

“Exercise Cash Settlement Amount” means, in respect to a Warrant, an amount per Calculation Amount in the Settlement Currency specified, or determined in the manner specified for such purpose, in the applicable Final Terms, subject to amendment as set out in the terms herein;

“Final Cash Settlement Amount” means, in relation to a Note or a Certificate, an amount per Calculation Amount (determined as at the Redemption Date) in the Settlement Currency specified, or determined in the manner specified for such purpose, in the applicable Final Terms, subject to amendment as set out in the terms herein;

“Index Business Day” means a day on which the Index is published by the Index Sponsor;

“Index Disrupted Day” means:

- (a) in relation to a Component that is a Share, any Scheduled Trading Day on which a relevant Exchange or Related Exchange fails to open for trading during its regular trading session or a Market Disruption Event has occurred; or
- (b) in relation to a Component that is an 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; or
- (c) in relation to a Component that is a Commodity Index, any Commodity Business Day on which a Commodity Market Disruption Event has occurred; or
- (d) in relation to a Component that is an Inflation Index, a day that is disrupted in accordance with the provisions in the Inflation Linked Annex as determined by the Determination Agent;

“Index Sponsor” means, in relation to an 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 such Index;

“Inflation Index” means, in relation to a Barclays Capital Index, a Component that is an inflation index, as determined by the Determination Agent;

“Price Source” means, with respect to a Component, where applicable:

- (a) in respect of a Commodity Reference Price, 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 applicable Final Terms or, otherwise, in the relevant Commodity Reference Price; or
- (b) otherwise, as specified in the applicable Final Terms;

“Pricing Date” means, unless otherwise specified in the applicable Final Terms, in respect of a Commodity Reference Price, each relevant Scheduled Trading Day, which date is a day in respect of which a Relevant Commodity Price is to be determined;

“Barclays Capital Index Disruption” means the occurrence of any of the following (as determined by the Determination Agent):

- (a) a general moratorium in respect of banking activities in the country in which a Relevant Exchange is located is either announced or imposed; or
- (b) it becomes impossible to obtain an exchange rate on any Business Day in the inter-bank market; or
- (c) any expropriation, confiscation, requisition, nationalisation or other action by any governmental authority which deprives the Issuer (or any of its affiliates) of all or substantially all of its assets in the country of the principal financial centre of the currency of a Component; or
- (d) the imposition of any tax and/or levy with punitive character is imposed or announced in the country of the principal financial centre of the currency of a Component; or
- (e) limitations on the repatriation of invested capital in the country of the principal financial centre of the currency of a Component are announced or imposed; or
- (f) any event regarding the maintenance of portfolio securities and cash with sub-custodians and securities depositories in the country of the currency of a Component occurs which deprives the Issuer (or any of its affiliates) of all or substantially all of its assets in the country of the principal financial centre of the currency of such Component; or
- (g) a Share Company in respect of a Component files for liquidation or any of its Shares cease to trade or are de-listed;

“Related Exchange” means, in respect of a Component, subject to the proviso below, each exchange or quotation system specified as such for a Component 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 and options contracts relating to such index component 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 Component on such temporary substitute exchange or quotation system as on the original Related Exchange), provided, however 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 Component;

“Redemption Date” means, in respect of any Series of Securities that are Notes or Certificates, the date specified as such in the applicable Final Terms. The Redemption Date may be delayed in on the occurrence of disrupted days and disruptions as set out herein; and

“Valuation Date” means the date specified as a Valuation Date in the applicable Final Terms (the **“Scheduled Valuation Date”**), or if such date is not an Index Business Day, the immediately following Index Business Day. If the Scheduled Valuation Date is an Index Disrupted Day, then the Valuation Date shall be deemed to be postponed in accordance with the provisions herein.

SECTION 4 – ADDITIONAL PROVISIONS FOR BARCLAYS CAPITAL FX INDEX LINKED SECURITIES

Where this Section 4 of the Barclays Capital Index Annex is specified in the applicable Final Terms for any Barclays Capital FX Index Linked Securities, paragraphs 1 – 3 of Section 1 of the Barclays Capital Index Annex shall together with this Section 4 apply to such Barclays Capital FX Index Linked Securities in accordance with the provisions herein. Accordingly, paragraphs 1 – 3 of Section 1 should be read in conjunction with this Section 4.

Part A – General Information Relating to Barclays Capital FX Indices

1 Barclays Intelligent Carry Index™

The Barclays Intelligent Carry Index™ (the “**ICI**”) aims to generate returns through a risk-adjusted carry strategy, as described below. The following currencies are included in the investment portfolio of the ICI: EUR, USD, JPY, CHF, SEK, NOK, CAD, NZD, AUD and GBP (the “**ICI Components**”).

Each month the ICI takes long and short positions in the ICI Components through one month forwards (the “**ICI Positions**”). The sum of the long positions is equal to the sum of the short positions.

The ICI Positions rebalance once a month and the size of each of the ICI Positions is determined by a systematic algorithm (the “**ICI Algorithm**”). The ICI Algorithm considers the following inputs for each currency in the ICI Components: expected return (based on a one year interest rate), volatility (based on one year realised volatility) and correlations with other currencies (based on one year historical correlations). Using these inputs the composition of the portfolio of ICI Components is optimised and rebalanced by the Index Sponsor to determine the positions that result in maximum expected return, with a target volatility of 5 per cent..

Barclays Capital, the investment banking division of Barclays Bank PLC, is the Index Sponsor of the ICI and is responsible for selecting the ICI Positions in accordance with the methodology that forms the basis of the ICI. A level for the ICI (for this purpose the “**ICI Value**”) will be calculated by the Index Sponsor. The ICI Value is scheduled to be published by the Index Sponsor as soon as reasonably possible on each Index Business Day in accordance with the Index Methodology, subject to the occurrence of a Disrupted Day. The ICI Value in respect of the relevant Barclays Capital FX Index Linked Securities will be calculated in the currency specified in the applicable Final Terms. The ICI may be Excess Return or Total Return, as specified in the applicable Final Terms. The “**Excess Return**” versions of the ICI track the performance of the Index Components, while the “**Total Return**” versions of the ICI track the performance of the Index Components and also have a cash component that reflects the accrual of interest on the Index Value.

2 Barclays Adaptive FX Trend Index™

The Barclays Adaptive FX Trend Index™ (the “**Trend Index**”) aims to generate returns by taking trend-following and mean-reverting positions in currency exchange rates based on their volatility, as described below. The following currencies are included in the investment

portfolio of the Trend Index: EUR, USD, JPY, CHF, SEK, NOK, CAD, NZD, AUD and GBP (the “**Trend Index Components**”).

Each Index Business Day the Trend Index takes long and short exposure to currencies in the Trend Index Components through spot positions (the “**Trend Positions**”). The sum of the long positions is equal to the sum of the short positions.

The portfolio of the Trend Index Components rebalances once per Index Business Day and the size of the Trend Position of each currency within the Trend Index is determined by a systematic algorithm (the “**Trend Algorithm**”). The Trend Algorithm considers the volatility, spot rate and moving averages of the currency exchange rates within the Trend Index Components. The “moving average” of any pair of currencies is determined as the average of the spot rates of such currency pair within a set preceding period (for the purposes of the Trend Index, the Trend Algorithm considers the preceding 32 day, 61 day and 117 day periods).

If the Trend Algorithm indicates that the current volatility of a currency pair is low compared to historical levels (a “**Trend Following Currency Pair**”), the Trend Index takes positions for that currency pair which follow the observed trend. If the Trend Algorithm indicates that the current volatility of a currency pair is high compared to historical levels, the Trend Index takes positions for that currency pair which are against the observed trend anticipating that the currency pair will revert to historical mean levels for such currency pair (a “**Mean Reverting Currency Pair**”). To determine whether the volatility of a currency pair is currently low or high compared to historical levels, the Trend Index compares the current three month realised volatility level for such currency pair against the daily three month realised volatility levels for such currency pair over the preceding one year period.

For Trend Following Currency Pairs, the Trend Index takes a long position if the spot rate for such currency pair is above at least two moving averages; and a short position if the spot rate is below at least two of the moving averages. For Mean Reverting Currency Pairs, the Trend Index takes a long position if the spot rate is below at least two moving averages; and a short position if the spot rate is above at least two of the moving averages. The size of the position in each currency pair is determined by its current three month realised volatility. The positions are aggregated and the resulting portfolio of the Trend Index Components comprising the Index is scaled to target a volatility level of 5 per cent..

Barclays Capital, the investment banking division of Barclays Bank PLC, is the Index Sponsor of the Trend Index and is responsible for selecting the Trend Positions in accordance with the methodology that forms the basis of the Trend Index. A level for the Trend Index (for this purpose the “**Index Value**”) will be calculated by the Index Sponsor. The Index Value is scheduled to be published by the Index Sponsor as soon as reasonably possible on each Index Business Day in accordance with the Index Methodology, subject to the occurrence of a Disrupted Day. The Trend Index in respect of the relevant Barclays Capital FX Index Linked Securities will be calculated in the currency specified in the applicable Final Terms. The Trend Index may be Excess Return or Total Return, as specified in the applicable Final Terms. The “**Excess Return**” versions of the Trend Index track the performance of the Index Components, while the “**Total Return**” versions of the Trend Index track the performance of the Index Components and also have a cash component that reflects the accrual of interest on the Index Value.

3 Barclays FX Value Convergence Index™

The Barclays FX Value Convergence Index™ (the “**Value Index**”) aims to generate returns through a valuation-based strategy of investing in foreign exchange rates. The following G10 currencies are included in the investment portfolio of the Value Index: EUR, USD, JPY, CHF, SEK, NOK, CAD, NZD, AUD and GBP (the “**Value Index Components**”).

Each month the Value Index takes long and short positions in the Value Index Components through one month forwards (the “**Value Positions**”). The sum of the long positions is equal to the sum of the short positions.

The Value Positions rebalance once per month and the size of notional amount of the Value Positions is determined by a systematic algorithm (the “**Value Algorithm**”). The Value Algorithm considers the spot rate and the purchasing power parity (“**PPP**”) rate of each of the 45 crosses between the currencies which form the Value Index Components (the “**Value Crosses**”). PPP is a theory of long-term equilibrium of currency **exchange rates** based on relative price levels of two countries or economic areas. The concept is founded on the idea that in absence of transaction costs, identical goods will have the same price in different markets. The Value Index uses the PPP rate determined by the Organisation for Economic Co-Operation and Development.

There are two filters in the Value Algorithm. The first filter removes all currency pairs within the Value Crosses that have consistently traded above or below their PPP rate for the preceding 10 years, so that these currency pairs are not considered for that month's allocation of the composition of the Value Index. The second filter removes all currency pairs within the Value Crosses that have been trending away from their PPP rate over the preceding one year. The currency pairs that remain are included in that month's Value Positions. The Value Index takes long positions in the remaining currency pairs whose current spot rates are below their current PPP rate and short positions in remaining currency pairs whose current spot rates are above their current PPP rate. The positions are aggregated and the resulting portfolio of Value Index Components is scaled to target a volatility level of 5 per cent..

Barclays Capital, the investment banking division of Barclays Bank PLC, is the Index Sponsor of the Value Index and is responsible for selecting the Value Positions in accordance with the methodology that forms the basis of the Value Index. A level for the Value Index (for this purpose the “**Index Value**”) will be calculated by the Index Sponsor. The Index Value is scheduled to be published by the Index Sponsor as soon as reasonably possible on each Index Business Day in accordance with the Index Methodology, subject to the occurrence of a Disrupted Day. The Value Index in respect of the relevant Barclays Capital FX Index Linked Securities will be calculated in the currency specified in the applicable Final Terms. The Value Index may be Excess Return or Total Return, as specified in the applicable Final Terms. The “**Excess Return**” versions of the Value Index track the performance of the Index Components, while the “**Total Return**” versions of the Value Index track the performance of the Index Components and also have a cash component that reflects the accrual of interest on the Index Value.

4 Barclays FX Switch Index™

The Barclays FX Switch Index™ (the “**Switch Index**”) provides exposure to a diversified portfolio of currency exchange rates through dynamic allocation between three underlying indices, with allocation based on the current market environment (as further described

below). The following three indices are included in the dynamic allocation process: the Barclays Intelligent Carry Index™ (the “**Carry Index**”), the Barclays Adaptive FX Trend Index™ (the “**Trend Index**”) and the Barclays FX Value Convergence Index™ (the “**Value Index**”) (together, the “**Underlying Indices**”). Please see the description of each Underlying Index in Paragraphs 1, 2 and 3 above.

Each month a systematic Carry Indicator is used to determine whether the carry environment is favourable or unfavourable, as further described below. This is determined on the same day as the Carry Index is rebalanced in accordance with its methodology. The “**Carry Indicator**” is determined as follows. On the day the expected return of the Carry Index is calculated for the current month (the “**Current Expected Return**”), it is compared with the expected return over the last two years. If the Current Expected Return is below the 25th percentile when measured against historical expected returns (i.e. significantly lower than it has been historically), then the carry environment is deemed to be unfavourable and the composition of the Switch Index for that month is: 0 per cent invested in the Carry Index, 50 per cent invested in the Trend Index and 50 per cent invested in the Value Index. If the Current Expected Return is greater than the 25th percentile when measured against historical performance, the carry environment is considered to be favourable and the composition of the Switch Index for that month is: 50 per cent invested in the Carry Index, 25 per cent invested in the Trend Index and 25 per cent invested in the Value Index. If the Current Expected Return is equal to the 25th percentile, the Switch Index maintains the current position.

Barclays Capital, the investment banking division of Barclays Bank PLC, is the Index Sponsor of the Switch Index and is responsible for the methodology that forms the basis of the Switch Index. A level for the Switch Index (for this purpose the “**Index Value**”) will be calculated by the Index Sponsor. The Index Value is scheduled to be published by the Index Sponsor as soon as reasonably possible on each Index Business Day in accordance with the Index Methodology, subject to the occurrence of a Disrupted Day. The Switch Index in respect of the relevant Barclays Capital FX Index Linked Securities will be calculated in the currency specified in the applicable Final Terms. The Switch Index may be Excess Return or Total Return, as specified in the applicable Final Terms. The “**Excess Return**” versions of the Switch Index track the performance of the Index Components, while the “**Total Return**” versions of the Switch Index track the performance of the Index Components and also have a cash component that reflects the accrual of interest on the Index Value.

5 Barclays Capital Trade-Weighted Dollar Diversification Index™

The Barclays Capital Trade-Weighted Dollar Diversification Index™ (the “**Dollar Diversification Index**”) aims to provide investors with a short exposure to the performance of the US Dollar versus a basket of 10 currencies of countries that are key trading partners of the United States (the “**Dollar Diversification Basket**”).

Under the Index Methodology, the Index Sponsor selects the Dollar Diversification Basket based on United States trade data, as published by the International Monetary Fund. The weight of each currency in the Dollar Diversification Basket is in proportion to the volume of trade between the United States and the relevant countries and, each month, is scaled to target a volatility level of 5 per cent for the Dollar Diversification Basket, subject to an upper bound of 200 per cent on the sum of the weights. The Dollar Diversification Basket is revised annually to capture any material changes in United States trade flows.

The portfolio of long positions in the Dollar Diversification Basket is expressed through one month forwards. The portfolio of FX forwards settles on a monthly basis and reinvests into a new set of forwards each month.

Barclays Capital, the investment banking division of Barclays Bank PLC, is the Index Sponsor of the Dollar Diversification Index and is responsible for the methodology that forms the basis of the Dollar Diversification Index. A level for the Dollar Diversification Index (for this purpose the “**Index Value**”) will be calculated by the Index Sponsor. The Index Value is scheduled to be published by the Index Sponsor as soon as reasonably possible on each Index Business Day in accordance with the Index Methodology, subject to the occurrence of a Disrupted Day. The Dollar Diversification Index in respect of the relevant Barclays Capital FX Index Linked Securities will be calculated in the currency specified in the applicable Final Terms. The Dollar Diversification Index may be Excess Return or Total Return, as specified in the applicable Final Terms. The “**Excess Return**” versions of the Dollar Diversification Index track the performance of the Index Components, while the “**Total Return**” versions of the Dollar Diversification Index track the performance of the Index Components and also have a cash component that reflects the accrual of interest on the Index Value.

6 Barclays Capital Trade-Weighted Dollar Bull Index™

The Barclays Capital Trade-Weighted Dollar Bull Index™ (the “**Dollar Bull Index**”) aims to provide investors with a long exposure to the performance of the US Dollar versus a basket of 10 currencies of countries that are key trading partners of the United States (the “**Dollar Bull Basket**”).

Under the Index Methodology, the Index Sponsor selects the Dollar Bull Basket based on United States trade data, as published by the International Monetary Fund. The weight of each currency in the Dollar Bull Basket is in proportion to the volume of trade between the United States and the relevant countries and, each month, is scaled to target a volatility level of 5 per cent for the Dollar Bull Basket, subject to an upper bound of 200 per cent. on the sum of the weights. The Dollar Bull Basket is revised annually to capture any material changes in United States trade flows.

The portfolio of short positions in the Dollar Bull Basket is expressed through one month currency forwards. The portfolio of currency forwards settles on a monthly basis and reinvests into a new set of forwards each month.

Barclays Capital, the investment banking division of Barclays Bank PLC, is the Index Sponsor of the Dollar Bull Index and is responsible for the methodology that forms the basis of the Dollar Bull Index. A level for the Dollar Bull Index (for this purpose the “**Index Value**”) will be calculated by the Index Sponsor. The Index Value is scheduled to be published by the Index Sponsor as soon as reasonably possible on each Index Business Day in accordance with the Index Methodology, subject to the occurrence of a Disrupted Day. The Dollar Bull Index in respect of the relevant Barclays Capital FX Index Linked Securities will be calculated in the currency specified in the applicable Final Terms. The Dollar Bull Index may be Excess Return or Total Return, as specified in the applicable Final Terms. The “**Excess Return**” versions of the Dollar Bull Index track the performance of the Index Components, while the “**Total Return**” versions of the Dollar Bull Index track the performance of the Index Components and also have a cash component that reflects the accrual of interest on the Index Value.

7 **Barclays Commodity Producers Currency Index-6™ (Delta-1 version)**

The Barclays Commodity Currency Producers Index-6™ (Delta-1 version) (the “**Delta-1 CPCI**”) provides exposure to a portfolio of currencies of commodity producing countries (the “**Delta-1 CPCI Basket**”).

The Delta-1 CPCI takes long positions equal to one sixth of the Index Value in the following currencies against the USD: Australian Dollar (AUD), Brazilian Real (BRL), Canadian Dollar (CAD), Norwegian Krone (NOK), Russian Rouble (RUB), South African Rand (ZAR). (the “**Delta-1 CPCI Portfolio**”). The Delta-1 CPCI Portfolio is expressed through rolling one month FX forward positions.

Barclays Capital, the investment banking division of Barclays Bank PLC, is the Index Sponsor of the Delta-1 CPCI and is responsible for the methodology that forms the basis of the Delta-1 CPCI. A level for the Delta-1 CPCI (for this purpose the “**Index Value**”) will be calculated by the Index Sponsor. The Index Value is scheduled to be published by the Index Sponsor as soon as reasonably possible on each Index Business Day in accordance with the Index Methodology, subject to the occurrence of a Disrupted Day. The Delta-1 CPCI in respect of the relevant Barclays Capital FX Index Linked Securities will be calculated in the currency specified in the applicable Final Terms. The Delta-1 CPCI may be Excess Return or Total Return, as specified in the applicable Final Terms. The “**Excess Return**” versions of the Delta-1 CPCI track the performance of the Index Components, while the “**Total Return**” versions of the Delta-1 CPCI track the performance of the Index Components and also have a cash component that reflects the accrual of interest on the Index Value.

8 **Barclays Commodity Producers Currency Index-6™ (Volatility controlled version)**

The Barclays Commodity Currency Producers Index-6™ (Volatility controlled version) (the “**Volatility Controlled CPCI**”) provides exposure to a portfolio of currencies of commodity producing countries (the “**Volatility Controlled CPCI Basket**”).

The Volatility Controlled CPCI takes equally weighted long positions in the following currencies against the USD: Australian Dollar (AUD), Brazilian Real (BRL), Canadian Dollar (CAD), Norwegian Krone (NOK), Russian Rouble (RUB), South African Rand (ZAR) (the “**Volatility Controlled CPCI Portfolio**”). The position sizes are determined based on three month historical volatility and chosen to target a volatility level of 5 per cent for the Volatility Controlled CPCI. The Volatility Controlled CPCI Portfolio is expressed through rolling one month FX forward positions.

Barclays Capital, the investment banking division of Barclays Bank PLC, is the Index Sponsor of the Volatility Controlled CPCI and is responsible for the methodology that forms the basis of the Volatility Controlled CPCI. A level for the Volatility Controlled CPCI (for this purpose the “**Index Value**”) will be calculated by the Index Sponsor. The Index Value is scheduled to be published by the Index Sponsor as soon as reasonably possible on each Index Business Day in accordance with the Index Methodology, subject to the occurrence of a Disrupted Day. The Volatility Controlled CPCI in respect of the relevant Barclays Capital FX Index Linked Securities will be calculated in the currency specified in the applicable Final Terms. The Volatility Controlled CPCI may be Excess Return or Total Return, as specified in the applicable Final Terms. The “**Excess Return**” versions of the Volatility Controlled CPCI track the performance of the Index Components, while the “**Total**

Return” versions of the Volatility Controlled CPCI track the performance of the Index Components and also have a cash component that reflects the accrual of interest on the Index Value.

Part B – Risk Factors Relating to Barclays Capital FX Index Linked Securities

Barclays Capital FX Index Linked Securities have a different risk profile to ordinary unsecured debt securities. This section describes additional factors prospective investors should have regard to when considering an investment in a Barclays Capital FX Index Linked Security. Prospective investors are also referred to the factors set out in the sections headed “Risk Factors” of the Base Prospectus and paragraph 2 of Section 1 of the Barclays Capital Index Annex (*Risk Factors Relating to Barclays Capital Index Linked Securities*).

Fluctuations in exchange rates of the relevant currency (or basket of currencies) which comprise the Index Components in respect of the relevant Index will affect the value of Barclays Capital FX Index Linked Securities. Furthermore, investors who intend to convert gains or losses from the redemption, exercise or sale of Barclays Capital FX Index Linked Securities 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. Depending on their terms, purchasers of some Barclays Capital FX Index Linked Securities may risk losing their entire investment if exchange rates of the relevant currency (or basket of currencies) move sufficiently in an unanticipated direction.

Where the Barclays Capital FX Index Linked Securities are denominated in an emerging market currency or linked to one or more emerging market currencies, such emerging market currencies can be significantly more volatile than currencies of more developed markets. Emerging market currencies are highly exposed to the risk of a currency crisis happening in the future and this could trigger the need for the Determination Agent to make adjustments to the terms and conditions of the Securities. Governments have imposed from time to time, and may in the future impose, exchange controls that could also affect the availability of a relevant currency. Even if there are no actual exchange controls, it is possible that a relevant currency would not be available when payments on the relevant Barclays Capital FX Index Linked Securities are due.

Pursuant to the Barclays Capital FX Index Linked Conditions, the Determination Agent has particular discretion to make determinations in respect of the occurrence of a Disrupted Day and/or Index Adjustment Event and the consequences in respect thereof. Investors should read the Barclays Capital FX Index Linked Conditions to understand the effect of any such exercise of discretion on the Barclays Capital FX Index Linked Securities.

If additional securities or options relating to particular Barclays Capital FX Indices are subsequently issued, the supply of certificates, warrants, securities and options relating to such indices in the market will increase, would cause the price at which the relevant Securities and such other certificates, warrants, securities or options trade in the secondary market to decline significantly. Prospective investors are referred to the definition of “FX Disruption Events” in Barclays Capital FX Index Linked Condition 3.

Part C – Additional Terms and Conditions for Securities Linked to Barclays Capital FX Indices

*The terms and conditions applicable to Barclays Capital FX Index Linked Securities (the “**Barclays Capital FX Index Linked Securities**”) shall comprise the Base Conditions and the additional terms and conditions set out below (the “**Barclays Capital FX Index Linked Conditions**”), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the Base Conditions and the Barclays Capital FX Index Linked Conditions set out below, the Barclays Capital FX Index Linked Conditions shall prevail. Capitalised terms used herein but not otherwise defined shall have the meanings given to them in the Base Conditions.*

1 Interest

If Interest is specified as applicable in the applicable Final Terms, and provided that no event that may lead to the early redemption or termination of the Barclays Capital FX Index Linked Securities has previously occurred as determined by the Determination Agent, the Interest Amount payable in respect of a Barclays Capital FX Index Linked Security on each Interest Payment Date will be calculated according to the methodology set out in the applicable Final Terms and the Base Conditions, and may be calculated by reference to the performance of one or more Barclays Capital FX Indices and/or Condition 4 of the Base Conditions, as further described in the applicable Final Terms.

2 Redemption

The Final Cash Settlement Amount payable in respect of a Barclays Capital FX Index Linked Security on the Redemption Date, provided that no event that may lead to the early redemption or termination of the Barclays Capital FX Index Linked Securities has previously occurred as determined by the Determination Agent, will be calculated according to the methodology set out in the applicable Final Terms and the Base Conditions, and may be calculated by reference to the performance of one or more Barclays Capital FX Indices, as further described in the applicable Final Terms.

2.1 Settlement Method

With respect to Condition 5 of the Base Conditions, the Settlement Method for Barclays Capital FX Index Linked Securities shall always be “Cash Settlement”.

2.2 Early Redemption

Where the Determination Agent determines that an Additional Disruption Event has occurred with respect to a Barclays Capital FX Index Linked Security and determines that it shall cancel or redeem such Barclays Capital FX Index Linked Security pursuant to Condition 5.4 of the Base Conditions, the Issuer shall give notice of such determination to the Securityholders in accordance with Condition 16 of the Base Conditions and, the Issuer may, subject to Conditions 7, 8 and 9 of the Base Conditions, redeem each Barclays Capital FX Index Linked Security (in whole or in part) at its Early Cash Settlement Amount on the Early Cash Redemption Date.

2.3 Averaging

If “Averaging” is specified as applicable in the applicable Final Terms, and provided that no event that may lead to the early redemption or termination of the Barclays Capital FX Index Linked Securities has previously occurred as determined by the Determination Agent, the Interest Amount and/or Final Cash Settlement Amount payable in respect of a Barclays Capital FX Index Linked Security on each Interest Payment Date and/or the Redemption Date will be calculated according to the methodology set out in the applicable Final Terms and the Base Conditions by reference to the performance of one or more Barclays Capital FX Indices on the applicable Valuation Dates, as further described in the applicable Final Terms.

3 Barclays Capital FX Index Adjustment Events and Disruption

3.1 Disrupted Day

If, in the opinion of the Determination Agent, a Rate Calculation Date is a Disrupted Day and subject to the determination by the Determination Agent of the occurrence of an Index Adjustment Event, then the Rate Calculation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the five Scheduled Trading Days immediately following the original date is a Disrupted Day. In that case (1) the fifth Scheduled Trading Day shall be deemed to be the Rate Calculation Date, notwithstanding the fact that such day is a Disrupted Day, and (2) the Determination Agent shall determine the level of the Barclays Capital FX Index on the fifth Scheduled Trading Day in accordance with the formula for and method of calculating the Barclays Capital FX Index last in effect prior to the occurrence of the first Disrupted Day, subject to the determination by the Determination Agent of the occurrence of an Index Adjustment Event.

3.2 Successor Index Sponsor or Substitution of Barclays Capital FX Index with substantially similar calculation

If a Barclays Capital FX Index is:

- (a) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Determination Agent (the “**Successor Index Sponsor**”), then that Successor Index Sponsor shall be deemed to be the Index Sponsor; or
- (b) replaced by a successor index using, in the opinion of the Determination Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Barclays Capital FX Index (the “**Successor Index**”), then that Successor Index will be deemed to be the Barclays Capital FX Index.

The Determination Agent shall notify the Issuer and the Securityholders in accordance with Condition 16 of the Base Conditions as soon as reasonably practicable after it becomes aware of a Successor Index Sponsor and/or a Successor Index.

3.3 Index Adjustment Events

If, on or prior to any date on which the Index Level is to be calculated, including without limitation any Averaging Date or Rate Calculation Date (a “**Determination Date**”), the Determination Agent determines that the Index Sponsor:

- (a) makes, or announces that it will make, a material change to the rules, formula for or the method of calculating the Barclays Capital FX Index (however described) or in any other way materially modifies the Barclays Capital FX Index (other than a modification prescribed in that formula or method to maintain that Barclays Capital FX Index in the event of changes to the Barclays Capital FX Index constituent and/or their weightings and other routine events) (an “**Index Modification**”), or
- (b) permanently cancels the Barclays Capital FX Index and the Determination Agent determines that no Successor Index has been designated (an “**Index Cancellation**”) or designates a Successor Index which, in the opinion of the Determination Agent in its sole discretion, is not calculated using the same or a substantially similar methodology as was used in respect of the Barclays Capital Interest Rate Index (a “**Successor Index Variation**”), or
- (c) fails to calculate and announce the Barclays Capital FX Index and the Determination Agent determines that there is no Successor Index Sponsor or Successor Index (an “**Index Disruption**”),

(Index Disruption, Index Modification, Successor Index Variation and Index Cancellation together, “**Index Adjustment Events**”), then the Determination Agent shall determine if such Index Adjustment Event has a material effect on the relevant Barclays Capital FX Index Linked Securities, the Determination Agent may, in its sole discretion, deem such Index Adjustment Event to constitute an Additional Disruption Event for the purposes of these provisions and shall adjust, redeem, cancel and/or take any other necessary action in accordance with the applicable provisions of Condition 5 or 6 of the Base Conditions as the case may be in respect of the Securities. The Determination Agent shall notify the Issuer and Securityholders in accordance with Condition 16 of the Base Conditions.

3.4 Error in Index Calculation

Notwithstanding anything to the contrary in these FX Linked Conditions, if, on any Determination Date there is, in the reasonable opinion of the Determination Agent, a manifest error in the calculation of the level of the Barclays Capital FX Index as published by the Index Sponsor, the Determination Agent may calculate the level of such Barclays Capital FX Index to use in lieu of the level published on such date by the Index Sponsor. Such calculation will be determined in accordance with the methodology and formula for calculating the level of the Barclays Capital FX Index used by the Index Sponsor.

3.5 Correction to Published Prices

If the level of a Barclays Capital FX Index published or announced on a given day and used or to be used by the Determination Agent in respect of that day is subsequently corrected and the correction is published or announced by the Index Sponsor or a Successor Index Sponsor within 20 Scheduled Trading Days after the original publication or announcement, the Determination Agent may, in its sole discretion, recalculate any relevant payment amounts (the “**Actual Amount**”) using such corrected level of the Barclays Capital FX Index. The Determination Agent shall notify the parties of any such correction, the revised level of the Barclays Capital FX Index and, the amount (if any) that should have been paid as a result of that correction (the “**Adjusted Amount**”). Upon being notified of the Adjusted Amount, the Issuer may (but shall not be obliged to) take such action as it considers necessary or appropriate to either pay or deliver additional amounts (if the Adjusted Amount is greater than the Actual Amount) or recover amounts (if the

Adjusted Amount is less than the Actual Amount), from the person to whom the Actual Amounts were paid or delivered. Notwithstanding the foregoing, under no circumstances shall the Issuer be obligated to recover any monies from any Relevant Clearing System. The Determination Agent shall not be obliged to make any determination under this Condition and shall have no liability to any person for any determination made or not made under this Condition. Notwithstanding the foregoing, where the Determination Agent, in its sole discretion, determines that the level of the Barclays Capital FX Index published or announced on a given day and used or to be used by it to determine any amounts in respect of that day is expected to be subsequently corrected, then the Determination Agent may, in its sole discretion, delay the determination or calculation of such amounts in respect of such day (but for not more than 5 Scheduled Trading Days following such day) and instead notify the parties of the expected correction. If the Determination Agent notifies the parties of an expected correction to any amounts, no payments shall be due in respect of the Barclays Capital FX Index Linked Securities until the Determination Agent determines or calculates the correct amounts and the day on which such payments are due shall be delayed to the same extent as was the determination or calculation of the correct amount. No additional amounts shall be payable or deliverable as a result of any such delay.

3.6 Adjustment to Payment Dates

If, as a result of a delay or postponement pursuant to the occurrence of a Disrupted Day or Index Adjustment Event, the level of the Barclays Capital FX Index used to determine any amount payable on any Payment Date is unavailable, such Payment Date(s) will be delayed or postponed to fall on the fifth (5th) Business Day following the determination of the level of the Barclays Capital FX Index under the Disrupted Day or Index Adjustment provisions. No additional amounts shall be payable as a result of any such delay or postponement.

3.7 Consequences of the occurrence of FX Disruption Events

If FX Disruption Events are specified as applicable in the applicable Final Terms and an FX Disruption Event occurs at any time the Issuer may in its sole and absolute discretion take any one or more of the following actions:

- (a) deduct from any payments to be made in respect of the Securities an amount calculated by the Determination Agent as representing a cost, expense, charge and/or deduction arising in connection with such FX Disruption Event(s) or under any other adjustment with respect thereto; and/or
- (b) adjust any Valuation Date, Interest Payment Date, Redemption Date, Optional Early Redemption Payment Date, and/or any other date for payment of the relevant amount and/or or calculation thereof; and/or
- (c) (in the case of a Price Source Disruption) specify and adopt:
 - (i) an appropriate alternate fallback or alternative price or rate source or method of determination selected by the Determination Agent in its sole discretion (which may (or may not) be by reference to dealer poll or such other publication page or service as may replace the relevant page or service for the purpose of displaying a currency exchange rate comparable or equivalent); or

- (ii) a replacement of any one or more relevant currencies, as the case may be; and/or
- (d) treat the relevant FX Disruption Event(s) as if an Additional Disruption Event had occurred in respect of the Securities for the purposes of exercising any applicable rights under the Base Conditions (including, without limitation, exercising the cancellation or adjustment rights in Condition 5.4 or 6.2 of the Base Conditions).

PART D – Definitions Applicable to Barclays Capital FX Index Linked Securities

“Averaging Date” means, in respect of the Barclays Capital FX Index Linked Securities, 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 the Averaging Date shall be deemed to be postponed in accordance with Barclays Capital FX Index Linked Condition 3.

“Barclays Capital FX Index” means the Barclays Capital FX Index specified in the applicable Final Terms. Further information on each Barclays Capital FX Index is set out in Part A of Section 4 of the Barclays Capital Index Annex and in the applicable Final Terms, and as further described by the Index Sponsor on the Barclays Index Products Website.

“Barclays Capital FX Index Linked Security” means a Security, payments or deliveries in respect of which will be contingent on and/or calculated by reference to the Barclays Capital FX Index.

“Disrupted Day” means any Scheduled Trading Day on which (i) the Index Sponsor fails to publish the level of the Barclays Capital FX Index; (ii) there is a temporary or permanent discontinuance or unavailability of the Index Fixing Page; or (iii) there occurs any suspension of, impairment of, or limitation imposed on, trading of the Index Components or any event, which the Determination Agent determines is material, which disrupts or impairs the ability of the Issuer or of any market participants to effect transactions in the Barclays Capital FX Index or Index Components, or obtain market values for spot, forward, futures, options or derivatives contracts relating to the Barclays Capital FX Index or Index Components.

“Fee Level” means the fee payable per annum specified in the applicable Final Terms.

“FX Disruption Event(s)” means the occurrence (in the sole determination of the Determination Agent) of any of the following events:

- (a) **“Currency Replacement”**: a currency relevant to the Barclays Capital FX Index and/or the Issuer’s obligations in respect of the Securities (including its hedging obligations in respect thereof) is replaced by a new currency in a relevant jurisdiction;
- (b) **“Dual Exchange Rate”**: a relevant exchange rate splits into dual or multiple currency exchange rates;
- (c) **“Governmental Authority Event”**: A governmental authority has given public notice of its intention to impose any controls which are likely to materially affect the Issuer’s ability to perform and/or hedge its obligations with respect to the Securities or to unwind any such hedge;

- (d) **“Illiquidity”**: it is or becomes or is likely to become impossible or impracticable for the Issuer to obtain any relevant currency or obtain or use a relevant exchange rate in an appropriate amount;
- (e) **“Inconvertibility”**: the occurrence of any event that makes it or is likely to make it impossible and/or impracticable for the Issuer to convert a relevant currency into another through customary legal channels (including, without limitation, any event that has the direct or indirect effect of hindering, limiting or restricting convertibility by way of any delays, increased costs or discriminatory rates of exchange or any current or future restrictions on repatriation of one currency into another currency);
- (f) **“Non-Transferability”**: the occurrence of any event in or affecting any relevant jurisdiction that makes it or is likely to make it impossible and/or impracticable for the Issuer to deliver any relevant currency into a relevant account in such jurisdiction; and/or
- (g) **“Price Source Disruption”**: it becomes impossible or impracticable to obtain a relevant exchange rate on or in respect of a Valuation Date.

“Index Business Day” means a day on which the Barclays Capital FX Index is due to be published by the Index Sponsor in accordance with the rules thereof.

“Index Component” means a currency and/or rate of exchange between currencies which, together with any other relevant currency and/or rate of exchange between currencies, comprises the Barclays Capital FX Index or any other index component specified in the applicable Final Terms.

“Index Fee” means, if the applicable Final Terms specifies that Index Fees are applicable, the fee payable per annum in order to cover certain costs, fees and expenses which may include, without limitation, administration and running costs, hedging costs, commissions and structuring fees. Additionally, hedging costs may be deducted, which are variable and depend (without limitation) on market conditions and the components of the Barclays Capital FX Index. All back-testing, modelling and scenario analysis carried out by the Index Sponsor incorporates this payment, and all data is presented net of this payment.

“Index Fixing Page” means the publication or source that publishes the Index Level of the Barclays Capital FX Index and The Barclays Capital Index Products website (the **“Barclays Index Products Website”**) at the internet address <http://ecommerce.barcap.com/indices> and such other sources as specified in the applicable Final Terms (the **“Additional Index Fixing Page”**) or such other medium or website as may replace such Additional Index Fixing Page and/or Barclays Website as may be nominated by the Index Sponsor for the purposes of publishing the Index Level from time to time. The Additional Index Fixing Page(s) are provided for information purposes only. If there is any discrepancy between the index level published by the Barclays Index Products Website and the index level published on the Additional Index Fixing Page, the index level published on the Barclays Index Products Website shall prevail.

“Index Level” means, in respect of any Rate Calculation Date, the level of the Barclays Capital FX Index published by the Index Sponsor in respect of such Rate Calculation Date on the Index Fixing Page. If the applicable Final Terms specify that Index Fees are applicable, the Index Level is net of a deduction of fee per annum equal to the Index Fee specified in the applicable Final Terms.

“Index Methodology” means the methodology employed by the Index Sponsor in respect of any Barclays Capital FX Index.

“Index Sponsor” means, in relation to a Barclays Capital FX Index, Barclays Capital, the investment banking division of Barclays Bank PLC or any entity replacing Barclays Capital as sponsor of the Index, being 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 such Barclays Capital FX Index. For the avoidance of doubt, the term “Index Sponsor” as described herein refers to the Index Sponsor in its capacity as Index Sponsor only and not in any other capacity (including, for the avoidance of doubt, the capacity of Determination Agent).

“Participation” or **“P”** means the percentage specified in the applicable Final Terms.

“Payment Date” means a date on which a payment is due in respect of a Barclays Capital FX Index Linked Security including, without limitation, any Interest Payment Date and/or the Redemption Date.

“Rate Calculation Date” means any Valuation Date, any Averaging Date or, any other date specified as such in the applicable Final Terms on which a calculation is required to be made in respect of any Barclays Capital FX Index Linked Security.

“Scheduled Trading Day” means any day:

- (a) that is a Business Day in the places (if any) specified in the applicable Final Terms; and
- (b) on which the Index Sponsor is scheduled to publish the Index Level.

“Strike Date” means the date specified in the applicable Final Terms or if such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day.

“Valuation Date” means the date(s) specified as a Valuation Date in the applicable Final Terms (the **“Scheduled Valuation Date”**), or if such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day. If the Scheduled Valuation Date is a Disrupted Day, then the Valuation Date shall be deemed to be postponed in accordance with Barclays Capital FX Index Condition 3.

“Valuation Time” means the time at which the official closing level of the Index is calculated and published by the Index Sponsor.

Part E – Amendments to Final Terms

The pro forma Final Terms (the **“Pro Forma Final Terms”**) set forth in the Base Prospectus shall be deemed amended in accordance with the following provisions:

- 1 The following shall be deemed inserted below “Mutual Funds Annex” in paragraph 11 of the Pro Forma Final Terms:

["Barclays Capital Index Linked Annex"]

- 2 A new paragraph 42(A) shall be deemed inserted in the Pro Forma Final Terms beneath paragraph 42.

“42(A) Barclays Capital FX Index Linked [Applicable] [Not Applicable]

Securities:

- (a) Barclays Capital Index *[insert index name, currency and whether Excess Return or Total Return]*, as described in Part A of Section 4 of the Barclays Capital Index Annex
- (b) Index Components: *[describe additional Index Components]*
- (c) Additional Index Fixing Page *[Not Applicable] [provide BBG/Reuters page]*
- (d) FX Disruption Events: *[Applicable] [Not Applicable]*
- (e) Averaging Dates: *[specify] [Not Applicable]*
- (f) Valuation Date(s): *[specify] [Not Applicable]*
- (g) Strike Date: *[specify] [Not Applicable]*
- (h) Index Fee: *[specify] [Not Applicable]*
- (i) Fee Level: *[specify] [Not Applicable]*

SECTION 5 – ADDITIONAL PROVISIONS FOR BARCLAYS CAPITAL INTEREST RATE INDEX LINKED SECURITIES

Where this Section 5 of the Barclays Capital Index Annex is specified in the applicable Final Terms for any Barclays Capital Interest Rate Index Linked Securities, paragraphs 1 – 3 of Section 1 of the Barclays Capital Index Annex shall together with this Section 5 apply to such Barclays Capital Interest Rate Index Linked Securities in accordance with the provisions herein. Accordingly, paragraphs 1 – 3 of Section 1 should be read in conjunction with this Section 5.

Part A – General Information Relating to Barclays Capital Interest Rate Indices

1 Barclays Capital Exceed Indices

The Barclays Capital Exceed family of indices record the performance of the relevant Barclays Capital Exceed trading strategy. The Barclays Capital Exceed trading strategies aim to take advantage of the tendency of interest rate markets to over-predict the level of short-term interest rates actually realised in the future. This tendency is due to “term premium”. Term premium is the component of an interest rate which compensates investors for the uncertainty in the future level of rates: by agreeing to a particular interest rate over a particular term, an investor foregoes the possibility of taking advantage of any future increase in interest rates by re-investing at such an increased rate. For terms of up to three or four years at least, interest rates for longer terms are thus usually higher than those for shorter terms. The tendency of interest rate markets to over-predict the future level of short-term interest rates has been observed in falling- or stable-rate environments. However, this behaviour has tended to diminish or reverse in rising-rate environments. The Barclays Capital Exceed strategies are transparent, purely rules-based trading strategies that aim to benefit from this behaviour.

The Exceed strategy for a given interest rate market consists of taking either a “long” position (positive exposure) or a “short” position (negative exposure) in highly liquid “futures” contracts for 3-month interest rates. An interest rate future is a contract whose price reflects the expected level of an interest rate for a given term starting at a specified date in the future. The Exceed strategy for a given market trades the futures contract for a 3-month cash deposit rate starting between 12 months and 9 months in the future. The default position is long. The long position aims to enable the strategy to extract a positive return from the term premium usually observed in short-term interest rates. However, when short-term interest rates are rising, this term premium can diminish and it may be advantageous to switch to a short position. On the monthly index roll date, the strategy uses a signal to determine the position for that month in the relevant contract. The signal is constructed from the recent history of market levels for certain interest rate instruments. The traded contract is “rolled” quarterly: every three months, the traded contract changes to the succeeding futures contract with start date for the underlying cash deposit close to 12 months in the future. For the avoidance of doubt, the Exceed strategy, in particular the signal, is purely algorithmic, with no discretionary element.

A list of the principal indices in the Exceed family is given in the table below:

Sub-Family	Index	Interest Rate Market(s)
Exceed	Exceed EUR Monthly	EUR
	Exceed EUR II	EUR
	Exceed USD Monthly	USD
	Exceed USD II	USD
	Atlantic Exceed	EUR & USD
	Atlantic Exceed II	EUR & USD
	Atlantic Exceed 5	EUR & USD
	Atlantic Exceed in JPY	EUR & USD
	Atlantic Exceed in JPY Version 2	EUR & USD
	Atlantic Exceed in JPY Version 3	EUR & USD
Exceed Plus	EUR Exceed Plus	EUR
	USD Exceed Plus	USD
	GBP Exceed Plus	GBP
	GBP Exceed Plus 5	GBP
	JPY Exceed Plus	JPY
Target Exceed	EUR Target Exceed	EUR
	EUR Target Exceed Series A-1	EUR
	USD Target Exceed	USD
	USD Target Exceed Series A-1	USD
	GBP Target Exceed	GBP
	GBP Target Exceed Series A-1	GBP
	JPY Target Exceed	JPY
	Atlantic Target Exceed	EUR & USD
	Global Target Exceed	EUR & USD & GBP & JPY
	Global Target Exceed 5Q	EUR & USD & GBP & JPY
	Global Target Exceed X	EUR & USD & GBP & JPY
	Global Target Exceed in JPY Structured Version 1	EUR & USD & GBP & JPY
	Global Target Exceed DSE Series A-1 in JPY Structured Version 1	EUR & USD & GBP

Sub-Family	Index	Interest Rate Market(s)
	Global Target Exceed in JPY Structured Version 2 ER	EUR & USD & GBP & JPY
	Global Target Exceed in JPY Structured Version 2 TR	EUR & USD & GBP & JPY
	Global Target Exceed in JPY Structured Version 2 TR + BRL1	EUR & USD & GBP & JPY

2 Barclays Capital Bond Futures Indices

The Barclays Capital Bond Futures family of indices reflect the performance of a rolling long position in specific government bond futures contracts. The family of indices covers the US, German, UK and Japanese bond futures markets.

The return of each index is calculated by tracking the daily price movements of the relevant futures contract. To avoid physical delivery when the futures contract expires, the relevant futures contract is “rolled” every quarter. This means that, every three months, the traded contract changes from that closest to expiry to the succeeding futures contract with expiry date three months later. The “long” position means that the index has positive exposure to changes in price of the relevant futures contract.

The indices follow a standard and similar roll schedule, apart from the JGB Alternative-Roll 10yr Futures Index. The standard indices roll futures on the third business day before the last day of the month which precedes the delivery month of the contract. The JGB Alternative-Roll 10yr Futures Index rolls futures quarterly, three business days prior to the last trade date of the contract as defined by the Tokyo Stock Exchange. Futures prices used in the indices are determined by end-of-day prices published by the relevant exchanges. Each index publication schedule follows the relevant exchange calendar.

A list of the indices is given in the table below:

Index
US 2yr Treasury Futures
US 5yr Treasury Futures
US 10yr Treasury Futures
US 30yr Treasury Futures
US Ultra Long Treasury Futures
Euro-Schatz Futures
Euro-Bobl Futures
Euro-Bund Futures
UK Long Gilt Futures

Index
JGB 10yr Futures
JGB Alternative-Roll 10yr Futures.

Part B – Terms and Conditions for Barclays Capital Interest Rate Index Linked Securities

The terms and conditions applicable to Barclays Capital Interest Rate Index Linked Securities shall comprise the Base Conditions and the additional terms and conditions set out below (the “**Barclays Capital Interest Rate Index Linked Conditions**”), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the Base Conditions and the Barclays Capital Interest Rate Index Linked Conditions set out below, the Barclays Capital Interest Rate Index Linked Conditions shall prevail. Capitalised terms used herein but not otherwise defined shall have the meanings given to them in the Base Conditions.

1 Interest

If Interest is specified as applicable in the applicable Final Terms and, provided that no event that may lead to the early redemption or termination of the Securities has previously occurred as determined by the Determination Agent, the Interest Amount (if any) payable in respect of a Barclays Capital Interest Rate Index Linked Security on each Interest Payment Date will be calculated according to the methodology set out in the applicable Final Terms and the Base Conditions, and may be calculated by reference to the performance of one or more Barclays Capital Interest Rate Indices and/or Condition 4 of the Base Conditions, as further described in the applicable Final Terms.

2 Redemption

The Final Cash Settlement Amount payable in respect of a Barclays Capital Interest Rate Index Linked Security on the Redemption Date, provided that no event that may lead to the early redemption or termination of the Securities has previously occurred as determined by the Determination Agent, will be calculated according to the methodology set out in the applicable Final Terms and the Base Conditions, and may be calculated by reference to the performance of one or more Barclays Capital Interest Rate Indices, as further described in the applicable Final Terms.

2.1 Settlement Method

With respect to Condition 5 of the Base Conditions, the Settlement Method for Barclays Capital Interest Rate Index Linked Securities shall always be “Cash Settlement”.

2.2 Early Redemption

Where the Determination Agent determines that an Additional Disruption Event has occurred with respect to a Barclays Capital Interest Rate Index Linked Security and determines that it shall cancel or redeem such Barclays Capital Interest Rate Index Linked Security pursuant to Condition 5.4 of the Base Conditions, the Issuer shall notify the Securityholders in accordance with Condition 16 of the Base Conditions and, subject to Conditions 7, 8 and 9 of the Base Conditions, redeem each Barclays Capital Interest Rate

Index Linked Security at its Early Cash Settlement Amount on the Early Cash Redemption Date.

3 Barclays Capital Interest Rate Index Adjustment Events

3.1 Successor Index or Successor Index Sponsor

If, on or prior to any Index Fixing Date, the Barclays Capital Interest Rate Index is:

- (a) 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 Barclays Capital Interest Rate Index (a “**Successor Index**”), then that Successor Index shall be deemed to be the Barclays Capital Interest Rate Index; or
- (b) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Determination Agent (a “**Successor Index Sponsor**”), then that Successor Index Sponsor shall be deemed to be the Index Sponsor.

The Determination Agent shall notify the Issuer and Securityholders in accordance with Condition 16 of the Base Conditions as soon as reasonably practicable of such designation of a Successor Index as the Barclays Capital Interest Rate Index and/or Successor Index Sponsor as the Index Sponsor.

3.2 Index Disruption Events

If, on or prior to any Index Fixing Date, the Index Sponsor:

- (a) announces any change whatsoever to the rules, formula or method of calculation (howsoever described) of the Barclays Capital Interest Rate Index which, in the opinion of the Determination Agent in its sole discretion, is material (a “**Material Index Modification**”); or
- (b) announces that it shall cease to publish the Index Level on or prior to such date and no Successor Index exists (an “**Index Cancellation**”); or
- (c) fails to publish the Index Level for any Index Business Day (an “**Index Publication Disruption**”) and such Index Publication Disruption in respect of such Index Business Day continues for ten consecutive Index Business Days (a “**Persistent Index Disruption**”),

then the Determination Agent may, in its sole discretion, deem such Material Index Modification or Index Cancellation or Persistent Index Disruption (each, an “**Index Disruption Event**”) to be an Additional Disruption Event for the purposes of Condition 24 of the Base Conditions and shall adjust, redeem, cancel and/or take any other necessary action in accordance with the applicable provisions of Condition 5 or 6 of the Base Conditions as the case may be in respect of the Securities. The Determination Agent shall notify the Issuer and Securityholders of such Additional Disruption Event in accordance with Condition 16 of the Base Conditions.

For the avoidance of doubt, if in the opinion of the Determination Agent, an Index Publication Disruption occurs in respect of an Index Fixing Date, then the Index Level for that Index Fixing Date will be the Index Level that is subsequently published by the Index Sponsor in respect of that original scheduled Index Fixing Date.

3.3 Index Disruption Payment Adjustment

If, as a result of a delay pursuant to the occurrence of an Index Publication Disruption or an Index Disruption Event, the Index Level required to determine a payment in respect of (a) an Interest Payment Date or (b) the Redemption Date is not calculated by the Index Sponsor or observable on the Index Fixing Page at least two Business Days prior to (a) such Interest Payment Date or (b) the Redemption Date, then (a) such Interest Payment Date or (b) the Redemption Date shall be adjusted to occur on the second Business Day following the determination of any amounts payable pursuant to the Barclays Capital Interest Rate Index Linked Condition 3.2 above.

3.4 Error in Publication

If, within thirty days of publication, and at least two Business Days prior to the Redemption Date, the Index Sponsor announces a correction to an Index Level to remedy an error in its original publication, then the Determination Agent shall determine the amount, if any, which is payable or deductible by the Issuer as a result of that correction. If the Determination Agent determines that any such amount is payable or deductible, then the Determination Agent shall notify the Issuer and Securityholders, as soon as reasonably practicable, of (a) that correction and (b) that amount, and take such other action as it may deem necessary to give effect to such correction.

PART C – Definitions Applicable to Barclays Capital Interest Rate Index Linked Securities

“Index Business Day” means any day for which the Index Sponsor is scheduled to publish the Index Level.

“Index Fixing Date” means any day for which the Index Level is to be determined in respect of a Barclays Capital Interest Rate Index Linked Security, as set out in the applicable Final Terms.

“Index Fixing Page” means the publication or source that publishes the Index Level for each Index Business Day, being the Barclays Capital Index Products website (the **“Barclays Index Products Website”**) at the internet address <http://ecommerce.barcap.com/indices>, and such other source(s) as specified in the applicable Final Terms (the **“Additional Index Fixing Page(s)”**) or such other medium or website as may replace the Barclays Index Products Website and/or such Additional Index Fixing Page(s) as may be nominated by the Index Sponsor for the purposes of publishing the Index Level from time to time. The Additional Index Fixing Page(s) are provided for information purposes only. If there occurs any discrepancy between the Index Level published on the Barclays Index Products Website and the Index Level published on the Additional Index Fixing Page(s), then the Index Level published on the Barclays Index Products Website shall prevail.

“Index Level” means, in respect of any Index Business Day, the level of the Barclays Capital Interest Rate Index for such day as published by the Index Sponsor on the Index Fixing Page.

“Index Sponsor” means, in relation to a Barclays Capital Interest Rate Index, Barclays Capital, the investment banking division of Barclays Bank PLC, or any entity replacing Barclays Capital as sponsor of the Barclays Capital Interest Rate Index, being the

corporation or 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 Barclays Capital Interest Rate Index and (b) that announces (directly or through an agent) the Index Level for each Index Business Day. For the avoidance of doubt, the term “Index Sponsor” as described herein refers to the Index Sponsor in its capacity as Index Sponsor only and not in any other capacity (including, for the avoidance of doubt, the capacity of Determination Agent).

“**Barclays Capital Interest Rate Index**” means, in relation to a Barclays Capital Interest Rate Index Linked Security, the index as specified in the applicable Final Terms. Further information on each Barclays Capital Interest Rate Index is set out in Part A of Section 5 of the Barclays Capital Index Annex.

“**Barclays Capital Interest Rate Index Linked Security**” means a Security, payments in respect of which will be contingent on and/or calculated by reference to the Barclays Capital Interest Rate Index.

Part D – Amendments to Final Terms

The pro forma Final Terms (the “**Pro Forma**”) set forth in the Base Prospectus shall be deemed amended in accordance with the following provisions:

- 1 The following shall be deemed inserted below “Mutual Fund Linked Annex” in paragraph 11 of the Pro Forma Final Terms:

[“Barclays Capital Index Linked Annex”]

- 2 A new paragraph 42(A) shall be deemed inserted in the Pro Forma Final Terms beneath paragraph 42.

“42(A) Barclays Capital Interest Rate Index [Applicable] [Not Applicable]
Linked Securities:

- (i) Barclays Capital Index: [insert index name], as described in Part A of Section 5 of the Barclays Capital Index Annex
- (ii) Additional Index Fixing Page(s): [Not Applicable][OR][insert BBG/Reuters page]
- (iii) Currency in which the Index Level is published: [Specify]
- (iv) Index Fixing Date(s): [Specify]”