



Pricing Supplement dated October 14, 2020 to the  
Prospectus dated August 1, 2019, Prospectus  
Supplement dated August 1, 2019 and the  
Prospectus Addendum dated May 11, 2020

**\$3,500,000,000 iPath® Bloomberg Commodity Index Total Return<sup>SM</sup> ETN<sup>1</sup>**

**\$200,000,000 iPath® Bloomberg Cocoa Subindex Total Return<sup>SM</sup> ETN<sup>2</sup>**

**\$125,000,000 iPath® Bloomberg Lead Subindex Total Return<sup>SM</sup> ETN**

This pricing supplement relates to three series of iPath® Exchange-Traded Notes (the “ETNs”) that Barclays Bank PLC may issue from time to time. The return of one series is linked to the performance of the Bloomberg Commodity Index Total Return<sup>SM</sup> (the “Commodity Index” or the “BCOM Index”), and the return of each of the other two series is linked to the performance of a sub-index of the Commodity Index (the “Sub-Indices,” and together with the Commodity Index, the “Indices”). The ETNs do not guarantee any return of principal at maturity and do not pay any interest during their term. Instead, you will receive a cash payment in U.S. dollars at maturity or upon early redemption based on the performance of the Index to which your ETNs are linked, less an investor fee.

***You may lose all or a substantial portion of your investment within a single day if you invest in the ETNs. Any payment on the ETNs at or prior to maturity, including any repayment of principal, is subject to the creditworthiness of Barclays Bank PLC and is not guaranteed by any third party. See “Risk Factors” beginning on page PS-13 of this pricing supplement for risks relating to an investment in the ETNs.***

***THE ETNS OFFER EXPOSURE TO COMMODITY FUTURES CONTRACTS AND NOT DIRECT EXPOSURE TO COMMODITIES OR THEIR SPOT PRICES. THESE FUTURES CONTRACTS WILL NOT TRACK THE PERFORMANCE OF THE RELEVANT COMMODITIES. In addition, the nature of the commodity futures market has historically resulted in a significant cost to maintain a rolling position in the futures contracts underlying the Indices. As a result, the levels of the Indices, which each track a rolling position in specified futures contracts, may experience significant declines as a result of these costs, known as roll costs, especially over a longer period. The relevant commodity or commodities will perform differently than the Indices and, in certain cases, may have positive performance during periods where the Index underlying your ETNs is experiencing negative performance. In turn, an investment in the ETNs may experience a significant decline in value over time, the risk of which increases the longer that the ETNs are held. For more information, see “Risk Factors” beginning on page PS-13 of this pricing supplement and the historical performance of the Indices presented below in this pricing supplement.***

***The ETNs may not be suitable for all investors and should be used only by investors with the sophistication and knowledge necessary to understand the risks inherent in the relevant Index, the futures contracts that the relevant Index tracks and investments in commodities as an asset class generally. Investors should consult with their broker or financial advisor when making an investment decision and to evaluate their investment in the ETNs and should actively manage and monitor their investments in the ETNs throughout each trading day.***

***Furthermore, because the investor fee reduces the amount of your return at maturity or upon early redemption, the level of the Index underlying your ETNs will need to increase significantly in order for you to receive at least the amount you invested in the ETNs at maturity or upon early redemption. If the increase in the level of the applicable Index is insufficient to offset the negative effect of the investor fee, or if the applicable Index level decreases, you will receive less than the amount you invested in the ETNs at maturity or upon early redemption.***

The principal terms of each series of ETNs are as follows:

**Issuer:** Barclays Bank PLC

**Series:** Global Medium-Term Notes, Series A

**Inception, Issuance and Maturity:**

- The ETNs linked to the Bloomberg Commodity Index Total Return<sup>SM</sup> (the “Commodity Index ETNs”) were first sold on June 6, 2006; were first issued on June 9, 2006; and are due on June 12, 2036.
- The ETNs linked to the Bloomberg Cocoa Subindex Total Return<sup>SM</sup> (the “Cocoa ETNs”) and the ETNs linked the Bloomberg Lead Subindex Total Return<sup>SM</sup> (the “Lead ETNs”) were each first sold on June 24, 2008; were each first issued on June 27, 2008; and each will be due on June 24, 2038.

<sup>1</sup> 10,000,000 Commodity Index ETNs, principal amount \$50 each, were issued on June 9, 2006, an additional 5,000,000 Commodity Index ETNs, principal amount \$50 each, were issued on October 3, 2006, an additional 5,000,000 Commodity Index ETNs, principal amount \$50 each, were issued on November 28, 2006, an additional 5,000,000 Commodity Index ETNs, principal amount \$50 each, were issued on December 26, 2006, an additional 5,000,000 Commodity Index ETNs, principal amount \$50 each, were issued on January 29, 2007, an additional 10,000,000 Commodity Index ETNs, principal amount \$50 each, were issued on April 13, 2007, an additional 5,000,000 Commodity Index ETNs, principal amount \$50 each, were issued on July 2, 2007, an additional 5,000,000 Commodity Index ETNs, principal amount \$50 each, were issued on August 13, 2007, an additional 10,000,000 Commodity Index ETNs, principal amount \$50 each, were issued on February 1, 2008 and an additional 10,000,000 Commodity Index ETNs, principal amount \$50 each, were issued on November 11, 2010.

<sup>2</sup> 500,000 Cocoa ETNs, principal amount \$50 each, were issued on June 27, 2008, an additional 500,000 Cocoa ETNs, principal amount \$50 each, were issued on October 21, 2009, an additional 800,000 Cocoa ETNs, principal amount \$50 each, were issued on May 17, 2012, an additional 1,200,000 ETNs, principal amount \$50 each, were issued on March 3, 2017, and an additional 1,000,000 ETNs, principal amount \$50 each, were issued on August 9, 2017.

**Secondary Market, CUSIP Numbers and ISINs:** We have listed each series of ETNs on the NYSE Arca stock exchange (“NYSE Arca”). The ticker symbols, CUSIP numbers and ISINs for the respective ETNs are as follows:

| ETN   | Ticker Symbol | CUSIP     | ISIN         |
|---|---------------|-----------|--------------|
| iPath® Bloomberg Commodity Index Total Return <sup>SM</sup> ETN | DJP           | 06738C778 | US06738C7781 |
| iPath® Bloomberg Cocoa Subindex Total Return <sup>SM</sup> ETN  | NIB           | 06739H313 | US06739H3131 |
| iPath® Bloomberg Lead Subindex Total Return <sup>SM</sup> ETN   | LD            | 06739H263 | US06739H2638 |

To the extent that such series of ETNs is listed and an active secondary market in that series of ETNs exists, we expect that investors will purchase and sell the ETNs in that series primarily in this secondary market. We are not required to maintain any listing of any series of ETNs on NYSE Arca or any other securities exchange.

**Underlying Indices:** The return on each series of ETNs is linked to the performance of the Index to which those ETNs are linked. The Commodity Index is designed to be a benchmark for commodities as an asset class, and the Sub-Indices are each designed to be benchmarks for specific types of commodities as an asset class. Each Index is intended to reflect the returns that are potentially available through an unleveraged investment in the futures contract or contracts on the physical commodity or commodities comprising the relevant Index plus the rate of interest that could be earned on cash collateral invested in specified Treasury Bills. The Indices are the exclusive property of UBS Securities LLC (collectively with its affiliates, “**UBS**”) and its licensor. On July 1, 2014, UBS entered into a commodity index license agreement with Bloomberg Finance L.P., whereby UBS has engaged Bloomberg’s services for calculation, publication, administration and marketing of the Bloomberg Commodity Indexes<sup>SM</sup>. Each Index is now calculated, administered and published by Bloomberg Index Services Limited (“**BISL**” or the “**Index Administrator**” and, collectively with its affiliates, “**Bloomberg**” and, together with UBS, the “**Index Sponsors**”).

#### Payment at Maturity

**Payment at Maturity:** If you hold your ETNs to maturity, you will receive a cash payment in U.S. dollars at maturity in an amount equal to (1) the principal amount of your ETNs *times* (2) the applicable index factor on the final valuation date *minus* (3) the applicable investor fee on the final valuation date.

**Index Factor:** The index factor for a series of ETNs on any given day will be equal to the closing level of the Index to which those ETNs are linked on that day *divided by* the initial index level. The initial index level is the closing value of the underlying Index on the inception date of the ETNs.

**Investor Fee:** The investor fee for a series of ETNs is equal to (1) (a) 0.75% per year (for the period from the inception date to and including April 30, 2015) and (b) 0.70% per year (for the period beginning the day after April 30, 2015 until the redemption date or the maturity date) *times* (2) the principal amount of your ETNs of such series *times* (3) the applicable index factor calculated on a daily basis in the following manner: The accrued investor fee on the inception date of the respective series of ETNs was equal to zero. On each subsequent calendar day until and including April 30, 2015, the accrued investor fee increased by an amount equal to (1) 0.75% per year *times* (2) the principal amount of your ETNs of such series *times* (3) the applicable index factor on that day (or, if such day is not a trading day, the index factor on the immediately preceding trading day), *divided by* (4) 365. For the period beginning on, but not including, April 30, 2015 and ending on, and including, the redemption date or the maturity date, the accrued investor fee increases by an amount equal to (1) 0.70% per year *times* (2) the principal amount of your ETNs of such series *times* (3) the applicable index factor on that day (or, if such day is not a trading day, the index factor on the immediately preceding trading day) *divided by* (4) 365.

The investor fee reduces the daily return of each series of ETNs. Because the net effect of the investor fee is a fixed percentage of the value of each ETN, of such series, the aggregate effect of the investor fee will increase or decrease in a manner directly proportional to the value of each ETN and the amount of ETNs of such series that are held, as applicable.

**Intraday Indicative Value:** The intraday indicative value for any series of ETNs is intended to provide investors with an approximation of the effect that changes in the level of the Index underlying the ETNs during the current trading day would have on the daily redemption value of such series of ETNs from the previous day. Intraday indicative value differs from the daily redemption value in two important respects: First, intraday indicative value is based on the most recent Index level published by the Index Sponsor, which reflects the most recent reported sales prices for the index components, rather than the Index Factor of a series of ETNs for the immediately preceding calendar day. Second, the intraday indicative value only reflects the accrued investor fee for a series of ETNs at the close of business on the preceding calendar day, but does not include any adjustment for the accrued investor fee of such series of ETNs accruing during the course of the current day.

The intraday indicative value is not the market price of a series of ETNs in any secondary market and is not intended as a price or quotation, or as an offer or solicitation for the purchase or sale of that series of ETNs or as a recommendation to transact in that series of ETNs at the stated price. Because the intraday indicative value is based on the intraday Index levels, it will reflect any lags, disruptions or suspensions that affect the Index underlying your ETNs. The market price of a series of ETNs at any time may vary significantly from the intraday indicative value due to, among other things, imbalances of supply and demand for that series of ETNs (including as a result of any decision of ours to issue, stop issuing or resume issuing additional ETNs), futures contracts included in the Index underlying that series of ETNs and/or other derivatives related to the Index or that series of ETNs; any trading disruptions, suspension or limitations to any of the forgoing; lack of liquidity; severe volatility; transaction costs; credit considerations; and bid-offer spreads. A premium or discount market price over the intraday indicative value can also arise as a result of mismatches of trading hours between a series of ETNs and the futures contracts included in the Index underlying that series of ETNs, actions (or failure to take action) by the Index Sponsors and the relevant exchange of the futures contracts included in the Index and technical or human errors by service providers, market participants and others.

### **Early Redemption**

**Holder Redemption:** Subject to the notification requirements described below, you may redeem your ETNs on any holder redemption date during the term of the ETNs. If you redeem your ETNs, you will receive a cash payment in U.S. dollars in an amount equal to the daily redemption value, which is (1) the principal amount of your ETNs *times* (2) the applicable index factor on the applicable valuation date *minus* (3) the investor fee on the applicable valuation date. You must redeem at least 30,000 ETNs of the same series at one time in order to exercise your right to redeem your ETNs on any holder redemption date. If you hold fewer than 30,000 ETNs of the same series or fewer than 30,000 ETNs of a series are outstanding, you will not be able to exercise your **right** to redeem your ETNs of that series.

Notwithstanding the foregoing, beginning after the close of trading on February 28, 2020 we have reduced the minimum redemption amount to 5,000 ETNs. Our reduction of the minimum redemption amount will be available to any and all holders of the ETNs on such early redemption dates and will remain in effect until February 28, 2022, unless extended at Barclays' sole discretion. We may, at any time and in our sole discretion, make further modifications to the minimum redemption amount, including, among others, to reinstate the minimum redemption amount of 30,000 ETNs for all redemption dates after such further modification. Any such modification will be applied on a consistent basis for all holders of the ETNs at the time such modification becomes effective.

**Issuer Redemption:** We may redeem a series of your ETNs (in whole but not in part) at our sole discretion on any issuer redemption date during the term of such series of ETNs. If we redeem the series of ETNs, you will receive a cash payment in U.S. dollars per ETN in an amount equal to the daily redemption value, which is (1) the principal amount of your ETNs *times* (2) the applicable index factor on the applicable valuation date *minus* (3) the investor fee on the applicable valuation date.

**Holder Redemption Mechanics:** In order to redeem your ETNs on a holder redemption date, you must deliver a notice of redemption to us via facsimile or email by no later than 4:00p.m., New York City time, on the business day prior to the applicable valuation date and follow the procedures set forth under "Specific Terms of the ETNs – Holder Redemption Procedures" in this pricing supplement. If you fail to comply with these procedures, your notice will be deemed ineffective.

**The daily redemption value is not the market price of each series of ETNs in any secondary market and is not intended as a price or quotation, or as an offer or solicitation for the purchase or sale of each series of ETNs or as a recommendation to transact in each series of ETNs at the stated price. The market price of each series of ETNs at any time may vary significantly from the daily redemption value.**

**Issuer Redemption Mechanics:** To exercise our right to redeem, we must deliver notice to you no less than ten calendar days prior to the issuer redemption date specified by us in such notice and follow the procedures set forth under "Specific Terms of the ETNs – Issuer Redemption Procedures" in this pricing supplement.

**Redemption Date:** A redemption date for each series of ETNs means:

- in the case of holder redemption, the holder redemption date, which is the third business day following each valuation date (other than the final valuation date), where the final redemption date will be the third business day following the valuation date that is immediately prior to the final valuation date; and
- in the case of issuer redemption, the issuer redemption date which is the date specified by us in the issuer redemption notice, which will in no event be prior to the tenth calendar day following the date on which we deliver such notice.

**Valuation Date:** Valuation date for each series of ETNs means:

- in the case of the Commodity Index ETNs, each business day from June 15, 2006 to June 5, 2036, inclusive (subject to the occurrence of a market disruption event), or, if such date is not a trading day, the next succeeding trading day, not to exceed five trading days. We refer to Thursday, June 5, 2036 as the "**final valuation date**" for the Commodity Index ETNs;
- in the case of the Cocoa ETNs and Lead ETNs, each business day from June 25, 2008 to June 17, 2038, inclusive (subject to the occurrence of a market disruption event), or, if such date is not a trading day, the next succeeding trading day, not to exceed five trading days. We refer to June 17, 2038 as the "**final valuation date**" for these two series of ETNs.

**Trading Day:** A trading day with respect to any series of ETNs is a day on which (i) the level of the Index to which the ETNs are linked is published by the Index Sponsor, (ii) trading is generally conducted on NYSE Arca and (iii) trading is generally conducted on the markets on which the futures contracts underlying the relevant Index are traded, in each case as determined by the calculation agent in its sole discretion.

### **Sale to Public**

We sold a portion of each series of ETNs on the inception date at 100% of the principal amount through Barclays Capital Inc., our affiliate, as principal, in the initial distribution. Following the inception date, the remainder of the ETNs of each series will be offered and sold from time to time through Barclays Capital Inc., as agent. Sales of each series of ETNs by us after the inception date will be made at market prices prevailing at the time of sale, at prices related to market prices or at negotiated prices. However, we are under no obligation to issue or sell ETNs at any time. If we limit, restrict or stop sales of ETNs, or if we subsequently resume sales of ETNs, the liquidity and trading price of the relevant series of ETNs in the secondary market could be materially and adversely affected. Barclays Capital Inc. will not receive an agent's commission in connection with sales of the ETNs. Please see "Supplemental Plan of Distribution" in this pricing supplement for more information.

We may use this pricing supplement in the initial sale of the ETNs. In addition, Barclays Capital Inc. or another of our affiliates may use this pricing supplement in market-making transactions in any ETNs after the initial sale of ETNs. ***Unless we or our agent informs you***

***otherwise in the confirmation of sale or in a notice delivered at the same time as the confirmation of sale, this pricing supplement is being used in a market-making transaction.***

The ETNs are not deposit liabilities of Barclays Bank PLC and are not insured by the United States Federal Deposit Insurance Corporation or any *other* governmental agency of the United States, the United Kingdom or any other jurisdiction.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of any series of these ETNs or determined that this pricing supplement is truthful or complete. Any representation to the contrary is a criminal offense.



**Pricing Supplement dated October 14, 2020  
Issued in denominations of \$50**

## TABLE OF CONTENTS

### PRICING SUPPLEMENT

|   |       |
|---|-------|
| PRICING SUPPLEMENT SUMMARY .....                      | PS-1  |
| RISK FACTORS.....                                     | PS-13 |
| THE INDICES – GENERAL INFORMATION.....                | PS-26 |
| THE BLOOMBERG COMMODITY INDEX <sup>SM</sup> .....     | PS-27 |
| COCOA SUB-INDEX .....                                 | PS-36 |
| LEAD SUB-INDEX .....                                  | PS-38 |
| LICENSE AGREEMENTS.....                               | PS-40 |
| VALUATION OF THE ETNS .....                           | PS-42 |
| SPECIFIC TERMS OF THE ETNS .....                      | PS-44 |
| CLEARANCE AND SETTLEMENT.....                         | PS-51 |
| USE OF PROCEEDS AND HEDGING .....                     | PS-51 |
| MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS ..... | PS-52 |
| SUPPLEMENTAL PLAN OF DISTRIBUTION .....               | PS-52 |
| NOTICE OF REDEMPTION.....                             | A-1   |
| CONFIRMATION OF REDEMPTION .....                      | B-1   |

### PROSPECTUS ADDENDUM

|                   |      |
|-------------------|------|
| RISK FACTORS..... | PA-1 |
|-------------------|------|

### PROSPECTUS SUPPLEMENT

|   |       |
|---|-------|
| SUMMARY .....                                       | S-1   |
| RISK FACTORS.....                                   | S-7   |
| U.K. BAIL-IN POWER .....                            | S-38  |
| TERMS OF THE NOTES .....                            | S-41  |
| INTEREST MECHANICS.....                             | S-50  |
| TERMS OF THE WARRANTS.....                          | S-53  |
| REFERENCE ASSETS.....                               | S-60  |
| BENEFIT PLAN INVESTOR CONSIDERATIONS.....           | S-97  |
| PLAN OF DISTRIBUTION (CONFLICTS OF INTEREST) .....  | S-99  |
| USE OF PROCEEDS AND HEDGING .....                   | S-108 |
| MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES ..... | S-109 |
| VALIDITY OF SECURITIES.....                         | S-129 |

### PROSPECTUS

|   |    |
|---|----|
| FORWARD-LOOKING STATEMENTS.....                         | 1  |
| INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE .....   | 2  |
| THE BARCLAYS BANK GROUP .....                           | 3  |
| USE OF PROCEEDS.....                                    | 3  |
| DESCRIPTION OF DEBT SECURITIES .....                    | 4  |
| DESCRIPTION OF WARRANTS .....                           | 23 |
| GLOBAL SECURITIES .....                                 | 35 |
| CLEARANCE AND SETTLEMENT.....                           | 36 |
| DESCRIPTION OF PREFERENCE SHARES .....                  | 43 |
| DESCRIPTION OF AMERICAN DEPOSITARY SHARES .....         | 49 |
| DESCRIPTION OF SHARE CAPITAL .....                      | 55 |
| TAX CONSIDERATIONS.....                                 | 57 |
| EMPLOYEE RETIREMENT INCOME SECURITY ACT .....           | 76 |
| PLAN OF DISTRIBUTION .....                              | 78 |
| SERVICE OF PROCESS AND ENFORCEMENT OF LIABILITIES ..... | 81 |
| WHERE YOU CAN FIND MORE INFORMATION.....                | 82 |
| FURTHER INFORMATION.....                                | 82 |
| VALIDITY OF SECURITIES.....                             | 82 |

|   |    |
|---|----|
| EXPERTS.....                                | 82 |
| EXPENSES OF ISSUANCE AND DISTRIBUTION ..... | 84 |

## PRICING SUPPLEMENT SUMMARY

The following is a summary of terms of three series of iPath® Exchange-Traded Notes (the “ETNs”) that Barclays Bank PLC may issue from time to time, as well as a discussion of risks and other considerations you should take into account when deciding whether to invest in the ETNs. The information in this section is qualified in its entirety by the more detailed explanations set forth elsewhere in this pricing supplement and the accompanying prospectus, prospectus supplement and prospectus addendum.

We may, without your consent, create and issue additional securities having the same terms and conditions as any series of the ETNs. We may consolidate the additional securities to form a single class with the outstanding ETNs of that series. We may, but are not required to, offer and sell ETNs after the inception date through Barclays Capital Inc., our affiliate, as agent. We may impose a requirement to purchase a particular minimum amount of ETNs from our inventory in a single purchase, though we may waive this requirement with respect to any purchase at any time in our sole discretion. In addition, we may offer to sell ETNs from our inventory at a price that is greater or less than the prevailing intraday indicative value or the prevailing market price at the time such sale is made. However, we are under no obligation to sell additional ETNs at any time, and if we do sell additional ETNs, we may limit such sales and stop selling additional ETNs at any time.

Any limitation or suspension on the issuance or sale of the ETNs of any series may materially and adversely affect the price and liquidity of the ETNs of that series in the secondary market. Alternatively, the decrease in supply may cause an imbalance in the market supply and demand, which may cause a series of ETNs to trade at a premium over their indicative value. Any premium may be reduced or eliminated at any time. Paying a premium purchase price over the indicative value of the ETNs of any series could lead to significant losses in the event you sell your ETNs at a time when such premium is no longer present in the marketplace or if we redeem the ETNs of that series. Investors should consult their financial advisors before purchasing or selling the ETNs, especially ETNs trading at a premium over their indicative value.

This section summarizes the following aspects of the ETNs:

- What are the ETNs and how do they work?
- How do you redeem your ETNs?
- What are some of the risks of the ETNs?
- Is this the right investment for you?
- What are the tax consequences?

### What Are the ETNs and How Do They Work?

Each series of ETNs are medium-term notes that are senior unsecured debt obligations of Barclays Bank PLC. The ETNs will be issued in denominations of \$50. One series of ETNs is linked to the Bloomberg Commodity Index Total Return<sup>SM</sup> (the “**Commodity Index**” or the “**BCOM Index**”), and the other two series of ETNs are each linked to a sub-index of the Commodity Index (the “**Sub-Indices**,” and together with the Commodity Index, the “**Indices**”).

We have listed the ETNs on NYSE Arca. To the extent that an active secondary market in the ETNs exists, we expect that investors will purchase and sell the ETNs primarily in the secondary market.

**THE ETNS OFFER EXPOSURE TO COMMODITY FUTURES CONTRACTS AND NOT DIRECT EXPOSURE TO COMMODITIES OR THEIR SPOT PRICES. THESE FUTURES CONTRACTS WILL NOT TRACK THE PERFORMANCE OF THE RELEVANT COMMODITIES. In addition, the nature of the commodity futures market has historically resulted in a significant cost to maintain a rolling position in the futures contracts underlying the Indices. As a result, the levels of the Indices, which each track a rolling position in specified futures contracts, may experience significant declines as a result of these costs, known as roll costs, especially over a longer period. The relevant commodity or commodities will perform differently than the Indices and, in certain cases, may have positive performance during periods where the Index underlying your ETNs is experiencing negative performance. In turn, an investment in the ETNs may experience a significant decline in value over time, the risk**

of which increases the longer that the ETNs are held. For more information, see “Risk Factors” beginning on page PS-13 of this pricing supplement and the historical performance of the Indices presented below in this pricing supplement.

The ETNs may not be suitable for all investors and should be used only by investors with the sophistication and knowledge necessary to understand the risks inherent in the relevant Index, the futures contracts that the relevant Index tracks and investments in commodities as an asset class generally. Investors should consult with their broker or financial advisor when making an investment decision and to evaluate their investment in the ETNs and should actively manage and monitor their investments in the ETNs throughout each trading day.

#### *The Indices*

Each Index is composed of one or more futures contracts on physical commodities (the “**index components**”) and is intended to reflect the returns that are potentially available through (1) an unleveraged investment in those contracts plus (2) the rate of interest that could be earned on cash collateral invested in specified Treasury Bills.

UBS acquired AIG Financial Product Corp.’s commodity business as of May 6, 2009, at which time, UBS Securities LLC (collectively with its affiliates, “**UBS**”) and Dow Jones & Company, Inc. (“**Dow Jones**”) entered into an agreement to jointly market the Indices. The joint marketing agreement with Dow Jones was terminated and on July 1, 2014, UBS entered into a commodity index license agreement (“**CILA**”) with Bloomberg Finance L.P., whereby UBS has engaged Bloomberg’s services for calculation, publication, administration and marketing of the Indices. As a result of Bloomberg’s assumption of these functions, on July 1, 2014, the Dow Jones-UBS Commodity Indexes<sup>SM</sup> were re-branded as the Bloomberg Commodity Indexes<sup>SM</sup>. Each Index is now calculated, administered and published by Bloomberg Index Services Limited (“**BISL**” or the “**Index Administrator**”) and, collectively with its affiliates, “**Bloomberg**” and, together with UBS, the “**Index Sponsors**”).

The Indices are as follows (for additional information on each Index, please see the section entitled “The Indices—General Information,” as well as the Index-specific sections, in this pricing supplement):

- The Commodity Index is designed to be a benchmark for commodities as an asset class and is currently composed of futures contracts on the following 21 physical commodities: aluminum, coffee, copper, corn, cotton, crude oil (WTI and Brent), gold, ULS diesel, lean hogs, live cattle, low sulphur gas oil, natural gas, nickel, silver, soybeans, soybean meal, soybean oil, sugar, unleaded gasoline, wheat (Soft (Chicago) and Hard Red Winter (Kansas City)), and zinc. We refer to the ETNs linked to the Commodity Index as the “**Commodity Index ETNs**.”
- The Bloomberg Cocoa Subindex Total Return<sup>SM</sup> (the “**Cocoa Sub-Index**”) is designed to be a benchmark for cocoa as an asset class and is currently composed of one futures contract on the commodity of cocoa. We refer to the series of ETNs linked to the Cocoa Sub-Index as the “**Cocoa ETNs**.”
- The Bloomberg Lead Subindex Total Return<sup>SM</sup> (the “**Lead Sub-Index**”) is designed to be a benchmark for lead as an asset class and is currently composed of one futures contract on the commodity of lead. We refer to the series of ETNs linked to the Lead Sub-Index as the “**Lead ETNs**.”

We refer to the Sub-Indices with multiple index components as the “**multiple-component Sub-Indices**,” and we refer to the Sub-Indices with a single index component as the “**single-component Sub-Indices**.”

#### *Inception, Issuance and Maturity*

The Commodity Index ETNs were each first sold on June 6, 2006, were first issued on June 9, 2006, and are due on June 12, 2036.

The Cocoa ETNs and the Lead ETNs were first sold on June 24, 2008, were first issued on June 27, 2008 and are due on June 24, 2038.

#### *Understanding the Value of the ETNs*

The “**principal amount**” for a series of ETNs is \$50.00 per ETN, which is the initial offering price



at which the ETNs were sold on the inception date.

The “**daily redemption value**” for a series of ETNs is the value of the ETNs of such series calculated by us on a daily basis and is used to determine the payment at maturity or upon early redemption. The daily redemption value for each series of ETNs on the initial valuation date will equal \$50. On each subsequent calendar day until maturity or early redemption, the daily redemption value for each ETN of any series will equal (1) the principal amount of the ETNs of such series *times* (2) the applicable index factor on the applicable valuation date *minus* (3) the investor fee on the applicable valuation date. If the ETNs of any series undergo any splits or reverse splits, the daily redemption value for such series of ETNs will be adjusted accordingly.

The “**intraday indicative value**” for any series of ETNs is intended to provide investors with an approximation of the effect that changes in the level of the Index underlying the ETNs during the current trading day would have on the daily redemption value of such series of ETNs from the previous day. Intraday indicative value differs from the daily redemption value in two important respects. First, intraday indicative value is based on the most recent Index level published by the Index Sponsor, which reflects the most recent reported sales prices for the index components, rather than the Index Factor of a series of ETNs for the immediately preceding calendar day. Second, the intraday indicative value only reflects the investor fee for a series of ETNs at the close of business on the preceding calendar day, but does not include any adjustment for the investor fee of such series of ETNs during the course of the current day.

**The intraday indicative value is not the market price of a series of ETNs in any secondary market and is not intended as a price or quotation, or as an offer or solicitation for the purchase or sale of that series of ETNs or as a recommendation to transact in that series of ETNs at the stated price. Because the intraday indicative value is based on the intraday Index levels, it will reflect any lags, disruptions or suspensions that affect the Index underlying your ETNs. The market price of a series of ETNs at any**

**time may vary significantly from the intraday indicative value due to, among other things, imbalances of supply and demand for that series of ETNs (including as a result of any decision of ours to issue, stop issuing or resume issuing additional ETNs), futures contracts included in the Index underlying that series of ETNs and/or other derivatives related to the Index or that series of ETNs; any trading disruptions, suspension or limitations to any of the foregoing; lack of liquidity; severe volatility; transaction costs; credit considerations; and bid-offer spreads. A premium or discount market price over the intraday indicative value can also arise as a result of mismatches of trading hours between a series of ETNs and the futures contracts included in the Index underlying that series of ETNs, actions (or failure to take action) by the Index Sponsors and the relevant exchange of the futures contracts included in the Index and technical or human errors by service providers, market participants and others.**

The daily settlement price of each futures contract underlying the relevant Index is determined at or prior to 2:30 p.m., New York City time, on each trading day. However, because of a time lag in the publication of the daily settlement price, the closing level of the relevant Index, which is based on the daily settlement price, is typically not published until after 4:00 p.m., New York City time. The Index Sponsor suspends real-time calculation of the intraday level of the relevant Index following the initial determination of the daily settlement price (subject to adjustment to reflect any late settlement of relevant futures contracts), even though the futures contracts underlying the relevant Index might continue to trade on their markets. As a result, the intraday indicative value (which reflects the most recently published intraday level of the relevant Index) will not reflect any trading in the futures contracts underlying the relevant Index that might take place during this time period. **Therefore, during this time period, the intraday indicative value is likely to differ from the value of the ETNs that would be determined if real-time trading data of the futures contracts were used in the calculation. As a result, we expect that the trading price of the ETNs is likely to diverge from the intraday indicative value**

**during this time period, particularly if there is a significant price movement in the futures contracts during this time period.**

If you sell your ETNs on the secondary market, you will receive the “**trading price**” for your ETNs, which may be substantially above or below the principal amount, daily redemption value and/or the intraday indicative value because the trading price reflects investor supply and demand for the ETNs. In addition, if you purchase your ETNs at a price which reflects a premium over the daily redemption value, you may experience a significant loss if you sell or redeem your ETNs at a time when such premium is no longer present in the market place or if we exercise our right to redeem the ETNs. Furthermore, if you sell your ETNs at a price which reflects a discount below the intraday indicative value, you may experience a significant loss.

The intraday indicative value is calculated and published every 15 seconds on each trading day from approximately 9:30 a.m. to approximately 4:15 p.m., New York City time by NYSE Euronext (NYSE) or a successor for each series of ETNs under the intraday indicative value (IIV) ticker symbols listed in the following table:

| ETNs                 | IIV Ticker |
|----------------------|------------|
| Commodity Index ETNs | DJP.IV     |
| Cocoa ETNs           | NIB.IV     |
| Lead ETNs            | LD.IV      |

For more information regarding the intraday indicative value, see “Valuation of the ETNs—Intraday Indicative Value” in this pricing supplement.

The intraday indicative value will not be updated to reflect any trading in the futures contracts included in the Index that might take place after 4:15 p.m. The ETNs trade on the NYSE Arca exchange from approximately 9:30 a.m. to 4:00 p.m., New York City time. The ETNs may also trade during after-hours trading. Therefore, during after-hours trading after 4:15 p.m., the last-published intraday indicative value is likely to differ from any value of the ETNs determined based on real-time trading data of the futures contracts, particularly if there is a significant price movement in the futures contracts during this time period. **It is possible that the value of the ETNs could undergo a rapid and**

**substantial decline outside of ordinary market trading hours. You may not be able to accurately assess the value of the ETNs relative to the trading price during after-hours trading, including any premium or discount thereto, when there is no recent intraday indicative value available.**

The ETN performance is linked to the performance of the Index underlying your ETNs less an investor fee. There is no minimum limit to the level of the Index underlying your ETNs. Moreover, the ETNs are not principal protected. Therefore, a decrease in the level of the Index underlying your ETNs could cause you to lose up to your entire investment in the ETNs.

Furthermore, because the investor fee reduces the amount of your return at maturity or upon early redemption, the level of the Index underlying your ETNs will need to increase significantly in order for you to receive at least the amount you invested in the ETNs at maturity or upon redemption. If the increase in the level of the applicable Index is insufficient to offset the negative effect of the investor fee, or the level of that Index decreases, you will receive less than the amount you invested in the ETNs at maturity or upon early redemption.

#### **How Do You Redeem Your ETNs?**

To redeem your ETNs, you must instruct your broker or other person through whom you hold your ETNs to take the following steps:

- deliver a notice of redemption, in proper form, which is attached as Annex A, to us via facsimile or email by no later than 4:00 p.m., New York City time, on the business day prior to the applicable valuation date. If we receive your notice by the time specified in the preceding sentence, we will respond by sending you a form of confirmation of redemption, which is attached as Annex B;
- deliver the signed confirmation of redemption to us via facsimile or email in the specified form by 5:00 p.m., New York City time, on the same day. We or our affiliate must acknowledge receipt in order for your confirmation to be effective;

- instruct your Depository Trust Company (“DTC”) custodian to book a delivery vs. payment trade with respect to your ETNs on the valuation date at a price per ETN equal to the applicable daily redemption value, facing Barclays DTC 229; and
- cause your DTC custodian to deliver the trade as booked for settlement via DTC at or prior to 10:00 a.m., New York City time, on the applicable holder redemption date (the third business day following the valuation date).

Different brokerage firms may have different deadlines for accepting instructions from their customers. Accordingly, you should consult the brokerage firm through which you own your interest in the ETNs in respect of such deadlines. If we do not receive your notice of redemption by 4:00 p.m., New York City time, or your confirmation of redemption by 5:00 p.m., New York City time, on the business day prior to the applicable valuation date, your notice will not be effective and we will not redeem your ETNs on the applicable holder redemption date. Any redemption instructions for which we (or our affiliate) receive a valid confirmation in accordance with the procedures described above will be irrevocable.

**The daily redemption value will be calculated on a valuation date that will occur after the redemption notice is submitted. It is not possible to publicly disclose, or for you to determine, the precise redemption value prior to your election to redeem. The redemption value may be below the most recent intraday indicative value or daily redemption value of your ETNs at the time when you submit your redemption notice.**

### **What Are Some of the Risks of the ETNs?**

An investment in the ETNs involves risks. Some of these risks are summarized here, but we urge you to read the more detailed explanation of risks in “Risk Factors” in this pricing supplement.

- **Uncertain Principal Repayment** — There is no minimum limit to the level of each Index. Moreover, the ETNs are not principal protected. Therefore, a decrease in the level of the Index underlying your ETNs could cause you to lose up to your entire investment in the ETNs. Furthermore, because the investor fee reduces the amount of your return at maturity or upon early redemption, the level of the Index underlying your ETNs will need to increase significantly in order for you to receive at least the amount you invested in the ETNs at maturity or upon early redemption. If the increase in the level of the Index underlying your ETNs is insufficient to offset the negative effect of the investor fee, or if the level of the Index underlying your ETNs decreases, you will receive less than the amount you invested in the ETNs at maturity or upon early redemption.
- **Credit of Issuer** — The ETNs of each series are unsecured and unsubordinated debt obligations of the Issuer, Barclays Bank PLC, and are not, either directly or indirectly, an obligation of any third party. Any payment to be made on the ETNs, including any repayment of principal, is subject to the ability of Barclays Bank PLC to satisfy its obligations as they come due and is not guaranteed by any third party. As a result, the actual and perceived creditworthiness of Barclays Bank PLC may affect the market value of the ETNs and, in the event Barclays Bank PLC were to default on its obligations, you might not receive any amount owed to you under the terms of the ETNs.
- **Commodity Market Risk** — The return on each series of ETNs is linked to the performance of an Index which, in turn, is linked to the prices of its index components. The index components of each Index are one or more futures contracts on physical commodities. Commodity prices may change unpredictably, affecting the value of the index components and, consequently, the value of your ETNs in unforeseeable ways.

- **Issuer Redemption** — Subject to the procedures described in this pricing supplement, we have the right to redeem or “call” a series of ETNs (in whole but not in part) at our sole discretion without your consent on any issuer redemption date until and including maturity.
- **Limited or Lack of Portfolio Diversification** — The index components of the Commodity Index ETNs are concentrated in the commodities sector, and the index components of the Sub-Indices are concentrated in one part of the commodities sector or in one commodity. Your investment may therefore carry risks similar to a concentrated securities investment in a limited number of industries or sectors (in the case of the Commodity Index ETNs), in one industry or sector (in the case of the series of ETNs linked to multiple-component Sub-Indices) or in one issuer (in the case of the series of ETNs linked to single-component Sub-Indices).
- **No Interest Payments** — You will not receive any periodic interest payments on the ETNs.
- **A Trading Market for the ETNs May Not Exist** — Although we have listed each series of ETNs on NYSE Arca, a trading market for any series of the ETNs may not exist at any time. Even if there is a secondary market for the ETNs, whether as a result of any listing of the ETNs or on an over-the-counter basis, it may not provide enough liquidity to trade or sell your ETNs easily. Certain affiliates of Barclays Bank PLC intend to engage in limited purchase and resale transactions. If they do, however, they are not required to do so and may stop at any time. We are not required to maintain any listing of the ETNs of any series on NYSE Arca or any other securities exchange and may cause the ETNs of any series to be de-listed at our discretion.

## Is This the Right Investment for You?

The ETNs may be a suitable investment for you if:

- You do not seek a guaranteed return of principal and you are willing to risk losing up to your entire investment in the ETNs;
- You intend to regularly monitor your investment in the ETNs to ensure that it remains consistent with your market views and investment strategies;
- You do not seek current income from this investment;
- You seek an investment with a return linked to the performance of the Index underlying your ETNs;
- You are willing to accept the risk of fluctuations in commodities prices in general and prices of the index components of the Index underlying your ETNs in particular;
- You are willing to accept the risks of an investment linked to the underlying Index, which tracks a rolling position in commodity futures contracts, and in particular risks associated with roll costs reflected in the level of the underlying Index;
- You believe the level of the Index underlying your ETNs will increase by an amount sufficient to offset the investor fee during the term of the ETNs;
- You are willing to hold ETNs that are subject to the issuer redemption right; and
- You are willing and able to assume the credit risk of Barclays Bank PLC, as issuer of the ETNs, for all payments under the ETNs and understand that if Barclays Bank PLC were to default on its payment obligations, you might not receive any amounts due to you under the ETNs, including any repayment of principal.

The ETNs may not be a suitable investment for you if:

- You seek a guaranteed return of principal and you are not willing to risk losing up to your entire investment in the ETNs;

- You do not intend to regularly monitor your investment in the ETNs to ensure that it remains consistent with your market views and investment strategies;
- You seek current income from your investment;
- You are not willing to be exposed to fluctuations in commodities prices in general and prices of the index components of the Index underlying your ETNs in particular;
- You are not willing to accept the risks of an investment linked to the underlying Index, which tracks a rolling position in commodity futures contracts, and in particular risks associated with roll costs reflected in the level of the underlying Index;
- You believe the level of the Index underlying your ETNs will decrease or will not increase by an amount sufficient to offset the investor fee during the term of the ETNs;
- You are not willing to hold ETNs that are subject to the issuer redemption right;
- You prefer the lower risk and therefore accept the potentially lower returns of fixed income investments with comparable maturities and credit ratings; or
- You are unwilling or unable to assume the credit risk of Barclays Bank PLC, as issuer of the ETNs, for all payments under the ETNs or you are not willing to be exposed to the risk that if Barclays Bank PLC were to default on its payment obligations, you might not receive any amounts due to you under the ETNs, including any repayment of principal.

### **What Are the Tax Consequences?**

Absent a change in law or an administrative or judicial ruling to the contrary, in the opinion of our special tax counsel, Davis Polk & Wardwell LLP, each series of ETNs should be treated for U.S. federal income tax purposes as prepaid forward contracts with respect to the relevant Index that are not debt instruments, as discussed further in the section below entitled “Material U.S. Federal Income Tax Considerations.” If the ETNs are so treated, you

should generally recognize capital gain or loss upon the sale, exchange, early redemption or maturity of your ETNs in an amount equal to the difference between the amount you receive at such time and your tax basis in the ETNs.

However, the U.S. federal income tax consequences of your investment in the ETNs are uncertain. It is possible that the Internal Revenue Service (the “IRS”) may assert an alternative treatment. **Because of this uncertainty, we urge you to consult your own tax advisor as to the tax consequences of your investment in the ETNs.**

For a more complete discussion of the U.S. federal income tax consequences of your investment in the ETNs, including possible alternative treatments for the ETNs, see “Material U.S. Federal Income Tax Considerations” in this pricing supplement.

### **Conflicts of Interest**

Barclays Capital Inc. is an affiliate of Barclays Bank PLC and, as such, has a “conflict of interest” in this offering within the meaning of Rule 5121 of Financial Industry Regulatory Authority, Inc. (“FINRA”). Consequently, this offering is being conducted in compliance with the provisions of FINRA Rule 5121 (or any successor rule thereto). In addition, Barclays Capital Inc. will not sell the ETNs to a discretionary account without specific written approval from the account holder. For more information, please refer to “Plan of Distribution (Conflicts of Interest)—Conflicts of Interest” in the accompanying prospectus supplement.

### *Hypothetical Examples*

The four examples below show how a series of ETNs would perform in hypothetical circumstances in which the Index level increases or decreases. We have included two examples in which the relevant Index has increased by approximately 152.932% at maturity, as well as two examples in which the relevant Index has decreased by approximately 51.27% at maturity. These examples highlight the behavior of the investor fee in different circumstances. All these examples also take into account the change in the investor fee rate from 0.75% per annum for the years 0 through 9, to an investor fee rate of 0.70% per annum from year 10 onwards.\* The figures in these examples have been rounded for convenience. Figures for year 30 are as of the final valuation date, and given the indicated assumptions, a holder will receive payment at maturity in the indicated amount, according to the indicated formula.

The hypothetical examples in this section do not take into account the effects of applicable taxes. The after-tax return you receive on a series of ETNs will depend on the U.S. tax treatment of your ETNs and on your particular circumstances. Accordingly, the after-tax rate of return of your ETNs could be different than the after-tax return of a direct investment in the components of the relevant Index or the relevant Index itself.

***These hypothetical examples are provided for illustrative purposes only. Past performance of the Index underlying your ETNs and the hypothetical performance of your ETNs are not indicative of the future results of the Index or the ETNs.***

Assumptions:

| <u>Applicable Dates*</u>      | <u>Investor Fee Rate*</u> | <u>Days</u> | <u>Principal</u> | <u>Starting Index</u> |
|-------------------------------|---------------------------|-------------|------------------|-----------------------|
| June 6, 2006 – April 30, 2015 | 0.75% per annum           | 365         | \$50.00          | 100.00                |
| May 1, 2015 – Maturity        | 0.70% per annum           | 365         | \$50.00          | 100.00                |

\*For convenience and simplicity, we assume that the investor fee rate of 0.75% per annum applies until the end of year 9 and that the investor fee rate of 0.70% per annum applies for year 10 onwards. Year 10 has been highlighted in gray in the tables below to call out the change in the investor fee rate percentage that year.

*Hypothetical Examples*

*Example 1*

| A                       | B           | C                               | D                                 | E                    | F                                      |
|-------------------------|-------------|---------------------------------|-----------------------------------|----------------------|--|
| Year                    | Index Level | Average Yearly Index Factor     | Investor Fee                      | Accrued Investor Fee | Indicative Value                       |
| A                       | B           | Average of (B / Starting Index) | C x Principal x Investor Fee Rate | Running Total of D   | (Principal x (B / Starting Index)) – E |
| 0                       | 100.000     | 1.00                            | \$0.00                            | \$0.00               | \$50.00                                |
| 1                       | 106.453     | 1.03                            | \$0.39                            | \$0.39               | \$52.84                                |
| 2                       | 117.295     | 1.12                            | \$0.42                            | \$0.81               | \$57.84                                |
| 3                       | 125.035     | 1.21                            | \$0.45                            | \$1.26               | \$61.26                                |
| 4                       | 136.779     | 1.31                            | \$0.49                            | \$1.75               | \$66.64                                |
| 5                       | 145.515     | 1.41                            | \$0.53                            | \$2.28               | \$70.48                                |
| 6                       | 135.840     | 1.41                            | \$0.53                            | \$2.81               | \$65.11                                |
| 7                       | 126.779     | 1.31                            | \$0.49                            | \$3.30               | \$60.09                                |
| 8                       | 122.873     | 1.25                            | \$0.47                            | \$3.77               | \$57.67                                |
| 9                       | 114.723     | 1.19                            | \$0.45                            | \$4.22               | \$53.15                                |
| 10                      | 110.080     | 1.12                            | \$0.39                            | \$4.61               | \$50.43                                |
| 11                      | 121.804     | 1.16                            | \$0.41                            | \$5.01               | \$55.89                                |
| 12                      | 136.163     | 1.29                            | \$0.45                            | \$5.46               | \$62.62                                |
| 13                      | 148.835     | 1.42                            | \$0.50                            | \$5.96               | \$68.46                                |
| 14                      | 168.122     | 1.58                            | \$0.55                            | \$6.51               | \$77.55                                |
| 15                      | 191.939     | 1.8                             | \$0.63                            | \$7.14               | \$88.83                                |
| 16                      | 214.934     | 2.03                            | \$0.71                            | \$7.86               | \$99.61                                |
| 17                      | 241.043     | 2.28                            | \$0.80                            | \$8.65               | \$111.87                               |
| 18                      | 275.149     | 2.58                            | \$0.90                            | \$9.56               | \$128.02                               |
| 19                      | 306.784     | 2.91                            | \$1.02                            | \$10.57              | \$142.82                               |
| 20                      | 345.764     | 3.26                            | \$1.14                            | \$11.72              | \$161.17                               |
| 21                      | 308.847     | 3.27                            | \$1.14                            | \$12.86              | \$141.56                               |
| 22                      | 277.227     | 2.93                            | \$1.03                            | \$13.89              | \$124.73                               |
| 23                      | 245.615     | 2.61                            | \$0.91                            | \$14.80              | \$108.01                               |
| 24                      | 217.093     | 2.31                            | \$0.81                            | \$15.61              | \$92.94                                |
| 25                      | 191.102     | 2.04                            | \$0.71                            | \$16.32              | \$79.23                                |
| 26                      | 204.999     | 1.98                            | \$0.69                            | \$17.01              | \$85.49                                |
| 27                      | 212.336     | 2.09                            | \$0.73                            | \$17.75              | \$88.42                                |
| 28                      | 229.229     | 2.21                            | \$0.77                            | \$18.52              | \$96.10                                |
| 29                      | 245.614     | 2.37                            | \$0.83                            | \$19.35              | \$103.46                               |
| 30                      | 252.932     | 2.49                            | \$0.87                            | \$20.22              | \$106.25                               |
| Annualized Index Return |             |                                 |                                   |                      | 3.14%                                  |
| Annualized ETN Return   |             |                                 |                                   |                      | 2.54%                                  |

*Hypothetical Examples*

*Example 2*

| A                       | B           | C                                  | D                                    | E                    | F   |
|-------------------------|-------------|------------------------------------|--------------------------------------|----------------------|---|
| Year                    | Index Level | Average Yearly<br>Index Factor     | Investor Fee                         | Accrued Investor Fee | Indicative Value                          |
| A                       | B           | Average of (B /<br>Starting Index) | C x Principal x Investor<br>Fee Rate | Running Total of D   | (Principal x (B /<br>Starting Index)) – E |
| 0                       | 100.000     | 1.00                               | \$0.00                               | \$0.00               | \$50.00                                   |
| 1                       | 107.572     | 1.04                               | \$0.39                               | \$0.39               | \$53.40                                   |
| 2                       | 115.718     | 1.12                               | \$0.42                               | \$0.81               | \$57.05                                   |
| 3                       | 124.480     | 1.20                               | \$0.45                               | \$1.26               | \$60.98                                   |
| 4                       | 133.906     | 1.29                               | \$0.48                               | \$1.74               | \$65.21                                   |
| 5                       | 144.046     | 1.39                               | \$0.52                               | \$2.27               | \$69.76                                   |
| 6                       | 154.954     | 1.49                               | \$0.56                               | \$2.82               | \$74.65                                   |
| 7                       | 166.687     | 1.61                               | \$0.60                               | \$3.43               | \$79.92                                   |
| 8                       | 179.309     | 1.73                               | \$0.65                               | \$4.08               | \$85.58                                   |
| 9                       | 192.887     | 1.86                               | \$0.70                               | \$4.77               | \$91.67                                   |
| 10                      | 207.493     | 2.00                               | \$0.70                               | \$5.47               | \$98.27                                   |
| 11                      | 223.205     | 2.15                               | \$0.75                               | \$6.23               | \$105.38                                  |
| 12                      | 240.107     | 2.32                               | \$0.81                               | \$7.04               | \$113.02                                  |
| 13                      | 258.288     | 2.49                               | \$0.87                               | \$7.91               | \$121.23                                  |
| 14                      | 281.760     | 2.70                               | \$0.95                               | \$8.85               | \$132.03                                  |
| 15                      | 377.188     | 3.29                               | \$1.15                               | \$10.01              | \$178.59                                  |
| 16                      | 466.900     | 4.22                               | \$1.48                               | \$11.48              | \$221.97                                  |
| 17                      | 446.892     | 4.57                               | \$1.60                               | \$13.08              | \$210.36                                  |
| 18                      | 427.742     | 4.37                               | \$1.53                               | \$14.61              | \$199.26                                  |
| 19                      | 409.412     | 4.19                               | \$1.47                               | \$16.08              | \$188.63                                  |
| 20                      | 391.868     | 4.01                               | \$1.40                               | \$17.48              | \$178.45                                  |
| 21                      | 375.076     | 3.83                               | \$1.34                               | \$18.82              | \$168.72                                  |
| 22                      | 359.003     | 3.67                               | \$1.28                               | \$20.11              | \$159.39                                  |
| 23                      | 343.619     | 3.51                               | \$1.23                               | \$21.34              | \$150.47                                  |
| 24                      | 328.894     | 3.36                               | \$1.18                               | \$22.51              | \$141.94                                  |
| 25                      | 314.800     | 3.22                               | \$1.13                               | \$23.64              | \$133.76                                  |
| 26                      | 301.310     | 3.08                               | \$1.08                               | \$24.72              | \$125.94                                  |
| 27                      | 288.399     | 2.95                               | \$1.03                               | \$25.75              | \$118.45                                  |
| 28                      | 276.040     | 2.82                               | \$0.99                               | \$26.74              | \$111.28                                  |
| 29                      | 264.211     | 2.70                               | \$0.95                               | \$27.68              | \$104.42                                  |
| 30                      | 252.932     | 2.59                               | \$0.91                               | \$28.59              | \$97.88                                   |
| Annualized Index Return |             |                                    |                                      |                      | 3.14%                                     |
| Annualized ETN Return   |             |                                    |                                      |                      | 2.26%                                     |



*Hypothetical Examples*

*Example 3*

| A                              | B              | C  | D  | E                         | F   |
|--------------------------------|----------------|--|--|---------------------------|---|
| Year                           | Index Level    | Average Yearly Index Factor                | Investor Fee                                 | Accrued Investor Fee      | Indicative Value                                  |
| <i>A</i>                       | <i>B</i>       | <i>Average of<br/>(B / Starting Index)</i> | <i>C x Principal x<br/>Investor Fee Rate</i> | <i>Running Total of D</i> | <i>(Principal x (B /<br/>Starting Index)) – E</i> |
| 0                              | 100.000        | 1.00                                       | \$0.00                                       | \$0.00                    | \$50.00   |
| 1                              | 92.022         | 0.96                                       | \$0.36                                       | \$0.36                    | \$45.65   |
| 2                              | 87.127         | 0.90                                       | \$0.34                                       | \$0.70                    | \$42.87   |
| 3                              | 80.596         | 0.84                                       | \$0.32                                       | \$1.01                    | \$39.29   |
| 4                              | 74.500         | 0.78                                       | \$0.29                                       | \$1.31                    | \$35.95   |
| 5                              | 69.498         | 0.72                                       | \$0.27                                       | \$1.58                    | \$33.17   |
| 6                              | 74.478         | 0.72                                       | \$0.27                                       | \$1.85                    | \$35.39   |
| 7                              | 81.170         | 0.78                                       | \$0.29                                       | \$2.14                    | \$38.45   |
| 8                              | 88.734         | 0.85                                       | \$0.32                                       | \$2.46                    | \$41.91   |
| 9                              | 94.498         | 0.92                                       | \$0.35                                       | \$2.80                    | \$44.45   |
| <b>10</b>                      | <b>103.547</b> | <b>0.99</b>                                | <b>\$0.35</b>                                | <b>\$3.15</b>             | <b>\$48.63</b>                                    |
| 11                             | 93.513         | 0.99                                       | \$0.35                                       | \$3.49                    | \$43.26   |
| 12                             | 86.465         | 0.90                                       | \$0.32                                       | \$3.81                    | \$39.42   |
| 13                             | 79.441         | 0.83                                       | \$0.29                                       | \$4.10                    | \$35.62   |
| 14                             | 71.127         | 0.75                                       | \$0.26                                       | \$4.36                    | \$31.20   |
| 15                             | 64.564         | 0.68                                       | \$0.24                                       | \$4.60                    | \$27.68   |
| 16                             | 60.420         | 0.62                                       | \$0.22                                       | \$4.82                    | \$25.39   |
| 17                             | 55.306         | 0.58                                       | \$0.20                                       | \$5.02                    | \$22.63   |
| 18                             | 49.079         | 0.52                                       | \$0.18                                       | \$5.20                    | \$19.34   |
| 19                             | 44.615         | 0.47                                       | \$0.16                                       | \$5.37                    | \$16.94   |
| 20                             | 40.489         | 0.43                                       | \$0.15                                       | \$5.52                    | \$14.73   |
| 21                             | 38.513         | 0.40                                       | \$0.14                                       | \$5.66                    | \$13.60   |
| 22                             | 36.823         | 0.38                                       | \$0.13                                       | \$5.79                    | \$12.62   |
| 23                             | 36.100         | 0.36                                       | \$0.13                                       | \$5.92                    | \$12.13   |
| 24                             | 35.880         | 0.36                                       | \$0.13                                       | \$6.04                    | \$11.90   |
| 25                             | 34.598         | 0.35                                       | \$0.12                                       | \$6.16                    | \$11.13   |
| 26                             | 37.756         | 0.36                                       | \$0.13                                       | \$6.29                    | \$12.59   |
| 27                             | 39.976         | 0.39                                       | \$0.14                                       | \$6.43                    | \$13.56   |
| 28                             | 43.492         | 0.42                                       | \$0.15                                       | \$6.57                    | \$15.17   |
| 29                             | 45.926         | 0.45                                       | \$0.16                                       | \$6.73                    | \$16.23   |
| 30                             | 48.730         | 0.47                                       | \$0.16                                       | \$6.90                    | \$17.47   |
| <b>Annualized Index Return</b> |                |  |  |                           | <b>-2.37%</b>                                     |
| <b>Annualized ETN Return</b>   |                |  |  |                           | <b>-3.44%</b>                                     |

*Hypothetical Examples*

*Example 4*

| A                       | B           | C  | D  | E                         | F   |
|-------------------------|-------------|--|--|---------------------------|---|
| Year                    | Index Level | Average Yearly<br>Index Factor             | Investor Fee                                 | Accrued Investor Fee      | Indicative Value                                  |
| <i>A</i>                | <i>B</i>    | <i>Average of<br/>(B / Starting Index)</i> | <i>C x Principal x Investor<br/>Fee Rate</i> | <i>Running Total of D</i> | <i>(Principal x (B /<br/>Starting Index)) – E</i> |
| 0                       | 100.000     | 1.00                                       | \$0.00                                       | \$0.00                    | \$50.00   |
| 1                       | 109.154     | 1.05                                       | \$0.39                                       | \$0.39                    | \$54.18   |
| 2                       | 119.146     | 1.14                                       | \$0.43                                       | \$0.82                    | \$58.75   |
| 3                       | 130.053     | 1.25                                       | \$0.47                                       | \$1.29                    | \$63.74   |
| 4                       | 141.958     | 1.36                                       | \$0.51                                       | \$1.80                    | \$69.18   |
| 5                       | 154.952     | 1.48                                       | \$0.56                                       | \$2.36                    | \$75.12   |
| 6                       | 169.137     | 1.62                                       | \$0.61                                       | \$2.96                    | \$81.61   |
| 7                       | 184.619     | 1.77                                       | \$0.66                                       | \$3.63                    | \$88.68   |
| 8                       | 201.519     | 1.93                                       | \$0.72                                       | \$4.35                    | \$96.41   |
| 9                       | 219.967     | 2.11                                       | \$0.79                                       | \$5.14                    | \$104.84  |
| 10                      | 240.102     | 2.30                                       | \$0.81                                       | \$5.95                    | \$114.10  |
| 11                      | 262.081     | 2.51                                       | \$0.88                                       | \$6.82                    | \$124.22  |
| 12                      | 286.072     | 2.74                                       | \$0.96                                       | \$7.78                    | \$135.25  |
| 13                      | 312.259     | 2.99                                       | \$1.05                                       | \$8.83                    | \$147.30  |
| 14                      | 344.015     | 3.28                                       | \$1.15                                       | \$9.98                    | \$162.03  |
| 15                      | 434.737     | 3.89                                       | \$1.36                                       | \$11.34                   | \$206.03  |
| 16                      | 306.677     | 3.71                                       | \$1.30                                       | \$12.64                   | \$140.70  |
| 17                      | 268.922     | 2.88                                       | \$1.01                                       | \$13.65                   | \$120.81  |
| 18                      | 235.814     | 2.52                                       | \$0.88                                       | \$14.53                   | \$103.38  |
| 19                      | 206.782     | 2.21                                       | \$0.77                                       | \$15.30                   | \$88.09   |
| 20                      | 181.325     | 1.94                                       | \$0.68                                       | \$15.98                   | \$74.68   |
| 21                      | 159.002     | 1.70                                       | \$0.60                                       | \$16.58                   | \$62.93   |
| 22                      | 139.427     | 1.49                                       | \$0.52                                       | \$17.10                   | \$52.62   |
| 23                      | 122.261     | 1.31                                       | \$0.46                                       | \$17.56                   | \$43.57   |
| 24                      | 107.210     | 1.15                                       | \$0.40                                       | \$17.96                   | \$35.65   |
| 25                      | 94.011      | 1.01                                       | \$0.35                                       | \$18.31                   | \$28.69   |
| 26                      | 82.437      | 0.88                                       | \$0.31                                       | \$18.62                   | \$22.60   |
| 27                      | 72.288      | 0.77                                       | \$0.27                                       | \$18.89                   | \$17.25   |
| 28                      | 63.388      | 0.68                                       | \$0.24                                       | \$19.13                   | \$12.57   |
| 29                      | 55.584      | 0.59                                       | \$0.21                                       | \$19.33                   | \$8.46  |
| 30                      | 48.730      | 0.52                                       | \$0.18                                       | \$19.52                   | \$4.85  |
| Annualized Index Return |             |  |  |                           | -2.37%  |
| Annualized ETN Return   |             |  |  |                           | -7.48%  |

## RISK FACTORS

The ETNs are senior, unsecured debt obligations of Barclays Bank PLC and are not secured debt. The ETNs are riskier than ordinary unsecured debt securities. The return on a series of ETNs is linked to the performance of the Index underlying those ETNs. Investing in a series of ETNs is not equivalent to investing directly in the underlying index components or Index itself. See the section entitled “The Indices—General Information,” as well as the Index-specific sections, in this pricing supplement for more information.

***The ETNs may not be suitable for all investors and should be used only by investors with the sophistication and knowledge necessary to understand the risks inherent in the relevant Index, the futures contracts that the relevant Index tracks and investments in commodities as an asset class generally. Investors should consult with their broker or financial advisor when making an investment decision and to evaluate their investment in the ETNs and should actively manage and monitor their investments in the ETNs throughout each trading day.***

***You may lose all or a substantial portion of your investment within a single day if you invest in the ETNs.***

This section describes the most significant risks relating to an investment in the ETNs. **We urge you to read the following information about these risks, together with the other information in this pricing supplement and the accompanying prospectus, prospectus supplement and prospectus addendum, before investing in the ETNs.**

You should also consider the tax consequences of investing in the ETNs, significant aspects of which are uncertain. See “Material U.S. Federal Income Tax Considerations” in this pricing supplement.

### ***Risks Relating to the Return on the ETNs***

#### **The ETNs Do Not Guarantee Any Return of Principal, and You May Lose Some or All of Your Investment**

The ETN performance is linked to the performance of the Index underlying your ETNs less an investor fee. There is no minimum limit to the level of the Index underlying your ETNs. Moreover, the ETNs are not principal protected.

Therefore, a decrease in the level of the Index underlying your ETNs could cause you to lose up to your entire investment in the ETNs. You may lose all or a substantial portion of your investment within a single day if you invest in the ETNs.

Furthermore, because the investor fee reduces the amount of your return at maturity or upon early redemption, the level of the Index underlying your ETNs will need to increase significantly in order for you to receive at least the amount you invested in the ETNs at maturity or upon early redemption. If the increase in the level of the Index underlying your ETNs is insufficient to offset the negative effect of the investor fee, or if the level of the Index underlying your ETNs decreases, you will receive less than the amount you invested in the ETNs at maturity or upon early redemption.

#### **The ETNs Are Subject to the Credit Risk of the Issuer, Barclays Bank PLC**

The ETNs are senior, unsecured debt obligations of the issuer, Barclays Bank PLC, and are not, either directly or indirectly, an obligation of any third party. Any payment to be made on the ETNs depends on the ability of Barclays Bank PLC to satisfy its obligations as they come due and are not guaranteed by a third party. As a result, the actual and perceived creditworthiness of Barclays Bank PLC may affect the market value of the ETNs and, in the event Barclays Bank PLC were to default on its obligations, you may not receive the amounts owed to you under the terms of the ETNs.

#### **We May Redeem the ETNs of any Series at Any Time**

We have the right to redeem or “call” the ETNs of any series (in whole but not in part) at our sole discretion without your consent on any issuer redemption date until and including maturity. If we elect to redeem the ETN, we will deliver written notice of such election to redeem to the holders of the ETNs not less than ten calendar days prior to the issuer redemption date specified by us in such notice. In this scenario, the ETNs will be redeemed on the date specified by us in the issuer redemption notice, but in no event prior to the tenth calendar day following the date on which we deliver notice.

If we exercise our right to redeem a series of ETNs, the payment you receive may be less than the payment that you would have otherwise

been entitled to receive at maturity, and may be less than the secondary market trading price of that series of ETNs. Also, you may not be able to reinvest any amounts received on the redemption date in a comparable investment. Our right to redeem the ETNs may also adversely impact your ability to sell your ETNs, and/or the price at which you may be able to sell your ETNs, particularly after delivery of the issuer redemption notice.

**You Will Not Benefit from Any Increase in the Value of the Underlying Index If Such Increase Is Not Reflected in the Level of the Index on the Applicable Valuation Date**

If the Index underlying your ETNs does not increase by an amount sufficient to offset the investor fee between the date you purchased the ETNs and the applicable valuation date (including the final valuation date), we will pay you less than the amount you invested in the ETNs at maturity or upon redemption. This will be true even if the level of the Index underlying your ETNs as of some date or dates prior to the applicable valuation date would have been sufficiently high to offset the negative effect of the investor fee.

**You Will Not Receive Interest Payments on the ETNs or Have Rights in Respect of Any of the Index Components**

You will not receive any periodic interest payments on your ETNs. As an owner of a series of ETNs, you will not have rights that investors in the index components included in the Index underlying those ETNs may have. Your ETNs will be paid in cash, and you will have no right to receive delivery of any index components or commodities underlying index components. In addition, the return on your ETNs will not reflect the return you would have realized if you had actually owned the index components or a security directly linked to the performance of the Index and held such investment for a similar period. Any return on your ETNs includes the negative effect of the accrued investor fee. Furthermore, if the level of the Index increases during the term of the ETNs, the market value of the ETNs may not increase by the same amount or may even decline.

**The Market Value of Each Series of ETNs May Be Influenced by Many Unpredictable Factors, Including Volatile Commodities Prices**

The market value of your ETNs may fluctuate between the date you purchase them and the applicable valuation date. You may also sustain a significant loss if you sell your ETNs in the secondary market. We expect that generally the value of the index components and Index will affect the market value of the ETNs and the payment you receive at maturity or upon early redemption, more than any other factor. Several other factors, many of which are beyond our control, and many of which could themselves affect the prices of the futures contracts underlying the Indices, will influence the market value of the ETNs and the payment you receive at maturity or upon early redemption, including the following:

- prevailing spot prices for the commodities underlying the index component or components;
- supply and demand for the ETNs, including inventory positions with Barclays Capital Inc. or any market maker and any decision we may make not to issue additional ETNs or to cease or suspend sales of ETNs from inventory;
- the level of contango or backwardation in the markets for the relevant commodity futures contracts and the roll costs associated with maintaining a rolling position in such futures contracts;
- the time remaining to maturity of the ETNs;
- economic, financial, political, regulatory, geographical, or judicial events that affect the level of the underlying Index or the market price of the index components included in that Index;
- the general interest rate environment; and
- the creditworthiness of Barclays Bank PLC.

These factors interrelate in complex ways, and the effect of one factor on the market value of your ETNs may offset or enhance the effect of another factor.

**If a Market Disruption Event Has Occurred or Exists on a Valuation Date, the Calculation Agent Can Postpone the Determination of the Value of an Index or the Maturity Date or a Redemption Date**

The determination of the value of an Index on a valuation date, including the final valuation date, may be postponed if the calculation agent determines that a market disruption event with respect to that Index has occurred or is continuing on such valuation date. If such a postponement occurs, the index components unaffected by the market disruption event shall be determined on the scheduled valuation date and the value of the affected index component shall be determined using the closing value of the affected index component on the first trading day after that day on which no market disruption event occurs or is continuing. In no event, however, will a valuation date for any series of ETNs be postponed by more than five trading days. As a result, the maturity date or a redemption date for the ETNs could also be postponed, although not by more than five trading days. If a valuation date is postponed until the fifth trading day following the scheduled valuation date but a market disruption event occurs or is continuing on such day, that day will nevertheless be the valuation date and the calculation agent will make a good faith estimate in its sole discretion of the value of the relevant Index for such day. See “Specific Terms of the ETNs—Market Disruption Event” in this pricing supplement.

**Postponement of a Valuation Date May Result in a Reduced Amount Payable at Maturity or Upon Redemption**

As the payment at maturity or upon redemption is a function of, among other things, the applicable index factor on the final valuation date or applicable valuation date, as the case may be, the postponement of any valuation date may result in the application of a different applicable index factor and, accordingly, decrease the payment you receive at maturity or upon redemption.

***Risks Relating to the Indices Generally***

**Future Prices of the Index Components That Are Different Relative to Their Current Prices May Affect the Value of the Indices and Result in a Reduced Amount Payable on Your ETNs at Maturity or Upon Redemption**

Each Index is composed of commodity futures contracts rather than physical commodities. Unlike equities, which typically entitle the holder to a continuing stake in a corporation, commodity futures contracts normally specify a certain date for delivery of the underlying physical commodity. As the exchange-traded futures contracts that comprise the Indices approach expiration, they are replaced by similar contracts that have a later expiration. Thus, for example, a futures contract purchased and held in August may specify an October expiration date. As time passes, the contract expiring in October may be replaced by a contract for delivery in December. This process is referred to as “rolling.”

If the market for these contracts is (putting aside other considerations) in “backwardation,” which means that the prices are lower in the distant delivery months than in the nearer delivery months, the purchase of the December contract would take place at a price that is lower than the sale price of the October contract. Conversely, if the market for these contracts is in “contango,” which means that the prices are higher in the distant delivery months than in the nearer delivery months, the purchase of the December contract would take place at a price that is higher than the sale price of the October contract. The difference between the prices of the two contracts when they are rolled is sometimes referred to as a “roll yield,” and the change in price that contracts experience while they are components of the Indices is sometimes referred to as a “spot return.”

The presence of contango in the commodity markets could result in negative roll yields, which could adversely affect the value of the Indices. Because of the potential effects of negative roll yields, it is possible for the value of the Indices to decrease significantly over time even when the near-term or spot prices of underlying commodities are stable or increasing. It is also possible, when near-term or spot prices of the underlying commodities are decreasing, for the value of the Indices to decrease significantly over time even when some or all of the constituent commodities are experiencing backwardation.

Certain of the commodities included in the Indices, such as gold, have historically traded in contango markets, and the Indices have experienced periods in which many of the commodities in the Indices are in contango. Although certain of the contracts included in the Indices have historically experienced periods of backwardation, it is possible that such backwardation will not be experienced in the future. The absence of backwardation in the commodity markets could result in negative “roll yields,” which could adversely affect the level of the Index underlying your ETNs and, accordingly, decrease the payment you receive at maturity or upon redemption of your ETNs.

#### **The ETNs Offer Exposure to Futures Contracts and Not Direct Exposure to Physical Commodities**

The ETNs offer investors exposure to the price of futures contracts and not to the spot price of physical commodities. The price of a commodity futures contract reflects the expected value of the commodity upon delivery in the future, whereas the spot price of a commodity reflects the immediate delivery value of the commodity. A variety of factors can lead to a disparity between the expected future price of a commodity and the spot price at a given point in time, such as the cost of storing the commodity for the term of the futures contract, interest charges to finance the purchase of the commodity, market demand for the futures contract and expectations concerning supply and demand for the commodity. The price movement of a futures contract is typically correlated with the movements of the spot price of the reference commodity, but the correlation is generally imperfect and price moves in the spot market may not be reflected in the futures market (and vice versa). Accordingly, the ETNs may underperform a similar investment that reflects the return on the physical commodity.

#### **Concentration Risks Associated with the Indices May Adversely Affect the Value of the ETNs**

Because each series of ETNs is linked to an Index, which is comprised of one or more contracts on physical commodities, it will be less diversified than other funds, investment portfolios or indices investing in or tracking a broader range of products and, therefore, could experience greater volatility. You should be aware, in particular, that other commodities indices may be more diversified in terms of both

the number of and variety of futures contracts on commodities than the Index underlying your ETNs (especially in the case of the ETNs linked to a Sub-Index). Your investment may carry risks similar to a concentrated securities investment in a limited number of industries or sectors (in the case of the Commodity Index ETNs) or in one issuer (in the case of the Cocoa ETNs and the Lead ETNs).

#### **The Indices May in the Future Include Contracts That Are Not Traded on Regulated Futures Exchanges**

The Indices are currently based solely on futures contracts traded on regulated futures exchanges (referred to in the United States as “designated contract markets”). However, any of the Indices may in the future include over-the-counter contracts (such as swaps and forward contracts) traded on trading facilities that are subject to lesser degrees of regulation or, in some cases, no substantive regulation. As a result, trading in such contracts, and the manner in which prices and volumes are reported by the relevant trading facilities, may not be subject to the provisions of, and the protections afforded by, the U.S. Commodity Exchange Act of 1936, or other applicable statutes and related regulations, that govern trading on regulated U.S. futures exchanges, or similar statutes and regulations that govern trading on regulated foreign exchanges. In addition, many electronic trading facilities have only recently initiated trading and do not have significant trading histories. As a result, the trading of contracts on such facilities, and the inclusion of such contracts in any of the Indices, may be subject to certain risks not presented by foreign exchange-traded futures contracts, including risks related to the liquidity and price histories of the relevant contracts.

#### **Commodity Prices May Change Unpredictably, Affecting the Value of the Indices and the Value of Your ETNs in Unforeseeable Ways**

Trading in futures contracts on physical commodities, including trading in the index components, is speculative and can be extremely volatile. Market prices of the index components may fluctuate rapidly based on numerous factors, including: changes in supply and demand relationships (whether actual, perceived, anticipated, unanticipated or unrealized); weather; agriculture; trade; fiscal, monetary and exchange control programs;

domestic and foreign political and economic events and policies; disease; pestilence; technological developments; changes in interest rates, whether through governmental action or market movements; and monetary and other governmental policies, action and inaction. The current or “spot” prices of the underlying physical commodities may also affect, in a volatile and inconsistent manner, the prices of futures contracts in respect of the relevant commodity. These factors may affect the level of the Index underlying your ETNs and therefore the value of your ETNs in varying ways, and different factors may cause the prices of index components, and the volatilities of their prices, to move in inconsistent directions at inconsistent rates.

**Supply of and Demand for Physical Commodities Tends to be Particularly Concentrated, So Prices Are Likely to Be Volatile**

The prices of physical commodities, including the commodities underlying index components, can fluctuate widely due to supply and demand disruptions in major producing or consuming regions or industries.

Certain commodities are used primarily in one industry, and fluctuations in levels of activity in (or the availability of alternative resources to) one industry may have a disproportionate effect on global demand for a particular commodity. Moreover, recent growth in industrial production and gross domestic product has made China and other developing nations oversized users of commodities and has increased the extent to which certain commodities rely on those markets. Political, economic and other developments that affect those countries may affect the value of the commodities underlying the index components included in an Index and, thus, the value of the ETNs linked to that Index.

In addition, because certain of the commodities underlying index components may be produced in a limited number of countries and may be controlled by a small number of producers, political, economic and supply-related events in such countries or with such producers could have a disproportionate impact on the prices of such commodities and therefore the value of your ETNs.

**Historical Values of the Indices or Any Index Component Should Not Be Taken as an**

**Indication of the Future Performance of the Indices During the Term of the ETNs**

The actual performance of the Index underlying your ETNs or any index component over the term of the ETNs, as well as the amount payable at maturity or upon redemption, may bear little relation to the historical values of that Index or the index components, which in most cases have been highly volatile.

**Changes in Law or Regulation Relating to Commodities Futures Contracts May Adversely Affect the Value of the Commodity Index.**

Commodity futures contracts, such as the Commodity Index Components, are subject to legal and regulatory regimes that impose significant regulatory requirements on the trading of such instruments, and on market participants. The Dodd-Frank Wall Street Reform and Consumer Protection Act (the “**Dodd-Frank Act**”) regulatory scheme (including the rulemaking authority granted to the Commodity Futures Trading Commission (“**CFTC**”)) extended and expanded this regime. In particular, for example, while position limits currently exist with respect to futures contracts on physical commodities, the CFTC’s proposed rules under Dodd-Frank would create a more extensive and restrictive set of position limits. It is currently unclear whether the proposed position limit rules will be adopted. However, if adopted as proposed, the rules could adversely affect the cost and liquidity of futures contracts and the market value of the ETNs. Similarly, other regulatory organizations (such as the European Securities and Markets Authority) have proposed, and in the future may propose, further reforms similar to those enacted by the Dodd-Frank Act or other legislation which could have an adverse impact on the liquidity and depth of the commodities, futures and derivatives markets. Any such adverse impact may have a material adverse effect on the Index Level and, consequently, on the value of your ETNs.

**Data Sourcing, Data Publication and Calculation and Concentration Risks Associated with the Indices May Adversely Affect the Market Price of the ETNs**

Because the ETNs are linked to Indices which are composed of a basket of exchange-traded futures contracts on commodities, the Indices will be less diversified than other funds or

investment portfolios investing in a broader range of products and, therefore could experience greater volatility. Additionally, the annual composition of the Indices will be recalculated in reliance upon historic price, liquidity and production data that are subject to potential errors in data sources or other errors that may affect the weighting of components of the Indices. Any discrepancies that require revision are not applied retroactively but will be reflected in the weighting calculations of the Indices for the following year. Additionally, BISL and UBS may not discover every discrepancy.

Furthermore, the weightings for the Indices are determined by BISL, which has a significant degree of discretion with respect to Indices. This discretion would permit, among other things, changes to the composition of the Indices or changes to the manner or timing of the publication of the values of the Indices, at any time during the year if BISL deemed the changes necessary in light of factors that include, but are not limited to (i) changes in liquidity of the underlying futures contracts that are included in the Indices or (ii) changes in legal, regulatory, sourcing or licensing matters relating to publication or replication of the Indices. In particular, without limitation, UBS's and BISL's access and rights to use data in connection with calculating, publishing and licensing the Indices remain subject to the ongoing consent of the sources of such data (including, without limitation, exchanges), which consent can be revoked at any time. Further, the sources of such data reserve the right to revise the terms and conditions of access and use of their data upon notice to UBS and BISL. BISL reserves the right to modify the composition of the Indices on an as needed basis to minimize the impact of any loss of access to or revised terms of use with respect to such source data on the Indices.

BISL has no obligation to take the needs of any parties to transactions involving the Indices into consideration when reweighting or making any other changes to the Indices.

#### **UBS May Be Required to Replace a Designated Contract if the Existing Futures Contract Is Terminated or Replaced**

A futures contract known as a "designated contract" has been selected as the reference contract for the physical commodity underlying each index component. Data concerning this designated contract will be used to calculate each Index that includes that index component.

If a designated contract were to be terminated or replaced in accordance with the rules set forth in the Bloomberg Commodity Index Methodology, (a document that is considered proprietary to the Index Sponsors), a comparable futures contract would be selected by BISL, if available, to replace that designated contract. The termination or replacement of any designated contract may have an adverse impact on the value of any Index in which the relevant index component is included.

#### **Changes in the Treasury Bill Rate of Interest May Affect the Value of the Indices and Your ETNs**

Because the value of each of the Indices is linked, in part, to the Treasury Bill rate of interest that could be earned on cash collateral invested in specified Treasury Bills, changes in the Treasury Bill rate of interest may affect the amount payable on your ETNs at maturity or upon redemption and, therefore, the market value of your ETNs. Assuming the trading prices of the index components included in the Index to which your ETNs is linked remain constant, an increase in the Treasury Bill rate of interest will increase the level of the Index and, therefore, the value of your ETNs. A decrease in the Treasury Bill rate of interest will adversely impact the level of the Index and, therefore, the value of your ETNs.

#### **Suspension or Disruptions of Market Trading in Commodities and Related Futures May Adversely Affect the Value of the Indices and the Value of Your ETNs**

The futures markets occasionally experience disruptions in trading (including temporary distortions or other disruptions) due to various factors, such as lack of liquidity in markets, the participation of speculators and governmental regulation and intervention. In addition U.S. futures exchanges and some foreign exchanges have regulations that limit the amount of fluctuation in some futures contract prices that may occur during a single business day. These limits are generally referred to as "daily price fluctuation limits" and the maximum or minimum price of a contract on any given day as a result of these limits is referred to as a "limit price." Once the limit price has been reached in a particular contract, no trades may be made at a price beyond the limit, or trading may be limited for a set period of time. Limit prices have the effect of precluding trading in a particular contract or forcing the liquidation of contracts at



potentially disadvantageous times or prices. These circumstances could adversely affect the level of the Index underlying your ETNs and, therefore, the value of your ETNs.

**Barclays Bank PLC and Its Affiliates Have No Affiliation with UBS or Bloomberg and Are Not Responsible for Their Public Disclosure of Information, Which May Change Over Time**

We and our affiliates are not affiliated with UBS or Bloomberg in any way and have no ability to control or predict their actions, including any errors in, or discontinuation of disclosure regarding their methods or policies relating to the calculation of the Indices. UBS and Bloomberg are not under any obligation to continue to calculate the Indices or required to calculate any successor indices. If UBS and Bloomberg discontinue or suspend the calculation of an Index, it may become difficult to determine the market value of the ETNs linked to that Index or the amount payable at maturity or upon redemption. The calculation agent may designate a successor index selected in its sole discretion. If the calculation agent determines in its sole discretion that no successor index comparable to the discontinued or suspended Index exists, the amount you receive at maturity or upon redemption of the ETNs linked to that Index will be determined by the calculation agent in its sole discretion. See “Specific Terms of the ETNs—Market Disruption Event” and “—Discontinuance or Modification of an Index” in this pricing supplement.

We have derived all information in this pricing supplement regarding the Indices, including, without limitation, its make-up, method of calculation and changes in its components, from (i) publicly available sources and (ii) the Bloomberg Commodity Index Methodology (a document that is considered proprietary to Bloomberg and UBS). We have not independently verified this information. You, as an investor in the ETNs, should make your own investigation into the Indices, UBS and Bloomberg. UBS and Bloomberg have no obligation to consider your interests as a holder of the ETNs.

**Barclays Bank PLC Has a Non-Exclusive Right to Use the Indices**

We have been granted a non-exclusive right to use the Indices and related service marks and trademarks in connection with the ETNs. If we

breach our obligations under the license, UBS and Bloomberg will have the right to terminate the license. If UBS and Bloomberg choose to terminate the license agreement, we still have the right to use the Indices and related service marks and trademarks in connection with the ETNs until their maturity, provided that we cure our breach within thirty days of the termination of the license. If we fail to cure this breach, it may become difficult for us to determine the daily redemption value or your payment at maturity in the ETNs. The calculation agent in this case will determine the value of the Indices or the fair market value of the ETNs—and thus the amount payable at maturity or the daily redemption value—in a manner it considers appropriate in its reasonable discretion.

**The Policies of UBS and Bloomberg and Changes That Affect the Composition and Valuation of the Indices or the Index Components Could Affect the Amount Payable on the ETNs and Their Market Value**

The policies of UBS and Bloomberg concerning the calculation of the level of the Indices, additions, deletions or substitutions of index components and the manner in which changes affecting the index components are reflected in any Index could affect the value of the Indices and, therefore, the amount payable on the ETNs at maturity or upon redemption and the market value of the ETNs prior to maturity.

Additional commodity futures contracts may satisfy the eligibility criteria for inclusion in an Index, and the commodity futures contracts currently included in an Index may fail to satisfy such criteria. The weighting factors applied to each futures contract included in each Index may change annually, based on changes in commodity production and volume statistics. In addition, UBS and Bloomberg may modify the methodology for determining the composition and weighting of each Index, for calculating its value in order to assure that the relevant Index represents an adequate measure of market performance or for other reasons, or for calculating the value of the relevant Index. UBS and Bloomberg may also discontinue or suspend calculation or publication of any of the Indices, in which case it may become difficult to determine the market value of that Index. Any such changes could adversely affect the value of your ETNs.

If events such as these occur, or if the value of any Index is not available or cannot be

calculated because of a market disruption event or for any other reason, the calculation agent may be required to make a good faith estimate in its sole discretion of the value of such Index. The circumstances in which the calculation agent will be required to make such a determination are described more fully under “Specific Terms of the ETNs—Market Disruption Event,” “—Discontinuance or Modification of an Index” and “—Role of Calculation Agent.”

#### **There May Not Be an Active Trading Market in the ETNs; Sales in the Secondary Market May Result in Significant Losses**

Although we have listed the ETNs on NYSE Arca, there can be no assurance that a secondary market for any series of ETNs will exist at any time. Even if there is a secondary market for one or more series of the ETNs, whether as a result of any listing of the ETNs of such series or on an over-the-counter basis, it may not provide enough liquidity for you to trade or sell your ETNs easily. In addition, certain affiliates of Barclays Bank PLC may engage in limited purchase and resale transactions in the ETNs, although they are not required to do so. If they decide to engage in such transactions, they may stop at any time. We are not required to maintain any listing of the ETNs on NYSE Arca or any other securities exchange.

#### **The Liquidity of the Market for the ETNs May Vary Materially Over Time**

As stated on the cover of this pricing supplement, we sold a portion of the ETNs on their respective inception dates, and the remainder of the ETNs will be offered and sold from time to time through Barclays Capital Inc., our affiliate, as agent. Also, the number of ETNs of any series outstanding or held by persons other than our affiliates could be reduced at any time due to early redemptions of the ETNs. Accordingly, the liquidity of the market for a series of ETNs could vary materially over the term of the ETNs. While you may elect to redeem your ETNs prior to maturity, early redemption is subject to the conditions and procedures described elsewhere in this pricing supplement, including the condition that you must redeem at least 30,000 ETNs (subject to the reduction of the minimum redemption size to 5,000 ETNs as described elsewhere in this pricing supplement) of the same series at one time in order to exercise your right to redeem your ETNs on any redemption date.

#### **The ETNs May Trade at a Substantial Premium to or Discount from the Daily Redemption Value and/or Intraday Indicative Value**

The ETNs may trade at a substantial premium to or discount from the daily redemption value and/or the intraday indicative value. The daily redemption value is the value of the ETNs calculated by us on a daily basis and is used to determine the payment at maturity or upon early redemption. The intraday indicative value is meant to approximate on an intraday basis the component of the ETN's value that is attributable to the Index and is provided for reference purposes only. In contrast, the market price of the ETNs at any time is the price at which you may be able to sell your ETNs in the secondary market at that time, if one exists.

If you sell your ETNs on the secondary market, you will receive the market price for your ETNs, which may be substantially above or below the daily redemption value and/or the intraday indicative value due to, among other things, imbalances of supply and demand for that series of ETNs (including as a result of any decision of ours to issue, stop issuing or resume issuing additional ETNs), futures contracts included in the Index underlying that series of ETNs and/or other derivatives related to the Index or that series of ETNs; any trading disruptions, suspension or limitations to any of the foregoing; lack of liquidity; severe volatility; transaction costs; credit considerations; and bid-offer spreads. A premium or discount market price over the intraday indicative value can also arise as a result of mismatches of trading hours between a series of ETNs and the futures contracts included in the Index underlying that series of ETNs, actions (or failure to take action) by the Index Sponsors and the relevant exchange of the futures contracts included in the Index. In addition, if you purchase your ETNs at a price which reflects a premium over the intraday indicative value, you may experience a significant loss if you sell or redeem your ETNs at a time when such premium is no longer present in the market place. Furthermore, if you sell your ETNs at a price which reflects a discount below the intraday indicative value, you may experience a significant loss.

The intraday indicative value for the ETNs is calculated and published every 15 seconds on each trading day from approximately 9:30 a.m. to approximately 4:15 p.m., New York City time. The intraday indicative value will not be updated

to reflect any trading in the futures contracts included in the Index that might take place after 4:15 p.m. The ETNs trade on the NYSE Arca exchange from approximately 9:30 a.m. to 4:00 p.m., New York City time. The ETNs may also trade during after-hours trading. Therefore, during after-hours trading after 4:15 p.m., the last-published intraday indicative value is likely to differ from any value of the ETNs determined based on real-time trading data of the futures contracts, particularly if there is a significant price movement in the futures contracts during this time period. It is possible that the value of the ETNs could undergo a rapid and substantial decline outside of ordinary market trading hours. You may not be able to accurately assess the value of the ETNs relative to the trading price during after-hours trading, including any premium or discount thereto, when there is no recent intraday indicative value available.

**We Have No Obligation to Issue Additional ETNs, and We May Cease or Suspend Sales of the ETNs**

As further described in the accompanying prospectus supplement under “Summary—Medium-Term Notes—Amounts That We May Issue” on page S-4 and “Summary—Medium-Term Notes—Reissuances or Reopened Issues” on page S-4, we have the right, but not the obligation, to issue additional ETNs once the initial distribution is complete. We also reserve the right to cease or suspend sales of the ETNs from inventory held at any time after the inception date.

Any limitation or suspension on the issuance or sale of the ETNs may materially and adversely affect the price and liquidity of the ETNs in the secondary market. Alternatively, the decrease in supply may cause an imbalance in the market supply and demand, which may cause the ETNs to trade at a premium over their indicative value. Any premium may be reduced or eliminated at any time. Paying a premium purchase price over the indicative value of the ETNs could lead to significant losses in the event you sell your ETNs at a time when such premium is no longer present in the marketplace or if we redeem the ETNs at our discretion. Investors should consult their financial advisors before purchasing or selling the ETNs, especially ETNs trading at a premium over their indicative value.

**Changes in Our Credit Ratings May Affect the Market Value of Your ETNs**

Our credit ratings are an assessment of our ability to pay our obligations, including those on the ETNs. Consequently, actual or anticipated changes in our credit ratings may affect the market value of your ETNs. However, because the return on your ETNs is dependent upon certain factors in addition to our ability to pay our obligations on your ETNs, an improvement in our credit ratings will not reduce the other investment risks related to your ETNs.

**There Are Restrictions on the Minimum Number of ETNs You May Redeem and on the Dates on Which You May Redeem Them**

You must redeem at least 30,000 ETNs of the same series at one time in order to exercise your right to redeem your ETNs on any holder redemption date. Accordingly, if you hold fewer than 30,000 ETNs of the same series or fewer than 30,000 ETNs of the same series are outstanding, you will not be able to purchase enough ETNs to meet the minimum size requirement in order to exercise your early repurchase right. The unavailability of the repurchase right can result in the ETNs trading in the secondary market at a discount below their intraday indicative value. The number of ETNs outstanding or held by persons other than our affiliates could be reduced at any time due to early repurchase of the ETNs or due to our or our affiliates' purchases of ETNs in the secondary market. A suspension of additional issuances of the ETNs could result in a significant reduction in the number of outstanding ETNs if investors subsequently exercise their right to have the ETNs repurchased by us.

Notwithstanding the foregoing, beginning after the close of trading on February 28, 2020 we have reduced the minimum redemption amount to 5,000 ETNs. Our reduction of the minimum redemption amount will be available to any and all holders of the ETNs on such early redemption dates and will remain in effect until February 28, 2022, unless extended at Barclays' sole discretion. We may, at any time and in our sole discretion, make further modifications to the minimum redemption amount, including, among others, to reinstate the minimum redemption amount of 30,000 ETNs for all redemption dates after such further modification. Any such modification will be applied on a consistent basis

for all holders of the ETNs at the time such modification becomes effective.

You may only redeem your ETNs on a holder redemption date if we receive a notice of redemption from you by no later than 4:00 p.m. and a confirmation of redemption by no later than 5:00 p.m. on the business day prior to the applicable valuation date. If we do not receive your notice of redemption by 4:00 p.m., or your confirmation of redemption by 5:00 p.m., on the business day prior to the applicable valuation date, your notice will not be effective and we will not redeem your ETNs on the applicable holder redemption date. Your notice of redemption and confirmation of redemption will not be effective until we confirm receipt. See “Specific Terms of the ETNs – Redemption Procedures” for more information.

#### **There May Be Restrictions on Your Ability to Purchase Additional ETNs From Us**

We may, but are not required to, offer and sell ETNs after the inception date through Barclays Capital Inc., our affiliate, as agent. We may impose a requirement to purchase a particular minimum amount of ETNs from our inventory in a single purchase, though we may waive this requirement with respect to any purchase at any time in our sole discretion. In addition, we may offer to sell ETNs from our inventory at a price that is greater or less than the intraday indicative value or the prevailing market price at the time such sale is made. However, we are under no obligation to create or sell additional ETNs at any time, and if we do create or sell additional ETNs, we may limit such sales and stop selling additional ETNs at any time, and we may subsequently resume selling additional ETNs at any time. If we limit, restrict or stop sales of such additional ETNs, or if we subsequently resume sales of such additional ETNs, the liquidity and trading price of the ETNs in the secondary market could be materially and adversely affected. Unless we indicate otherwise, if we suspend selling additional ETNs, we reserve the right to resume selling additional ETNs at any time, which might result in the reduction or elimination of any premium in the trading price.

Any limitations or restrictions that we place on the sale of the ETNs from inventory, and the price at which we sell the ETNs from inventory, may impact supply and demand for the ETNs and may impact the liquidity and price of the ETNs in the secondary market. See “Specific

Terms of the ETNs—Further Issuances” and “Supplemental Plan of Distribution” in this pricing supplement for more information.

#### ***Risks Relating to Conflicts of Interest and Hedging***

##### **There Are Potential Conflicts of Interest Between You and the Calculation Agent**

Currently, Barclays Bank PLC serves as the calculation agent. The calculation agent will, among other things, determine the amount of the return paid out to you on the ETNs at maturity or upon redemption. For a more detailed description of the calculation agent's role, see “Specific Terms of the ETNs—Role of Calculation Agent” in this pricing supplement.

If UBS and Bloomberg were to discontinue or suspend calculation or publication of an Index, it may become difficult to determine the market value of the ETNs linked to that Index. If events such as these occur, or if the level of the Index underlying your ETNs is not available or cannot be calculated because of a market disruption event or for any other reason, the calculation agent may be required to make a good faith estimate in its sole discretion of the value of that Index. The circumstances in which the calculation agent will be required to make such a determination are described more fully under “Specific Terms of the ETNs – Role of Calculation Agent” in this pricing supplement.

The calculation agent will exercise its judgment when performing its functions. For example, the calculation agent may have to determine whether a market disruption event affecting an Index has occurred or is continuing on a valuation date, including the final valuation date. This determination may, in turn, depend on the calculation agent's judgment as to whether the event has materially interfered with our ability to unwind our or our affiliates' hedge positions. Since these determinations by the calculation agent may affect the market value of the ETNs, the calculation agent may have a conflict of interest if it needs to make any such decision.

##### **Trading and Other Transactions by Barclays Bank PLC or Its Affiliates in Instruments Linked to Indices or Index Components May Impair the Market Value of the ETNs**

As described below under “Use of Proceeds and Hedging” in this pricing supplement, we or one or more of our affiliates may hedge our obligations under any series of ETNs by

purchasing index components (including the underlying physical commodities), futures or options on index components or Indices, or other derivative instruments with returns linked to the performance of index components or Indices, and we may adjust these hedges by, among other things, purchasing or selling any of the foregoing. Although they are not expected to, any of these hedging activities may adversely affect the market price of index components and the value of the Indices and, therefore, the market value of the ETNs. It is possible that we or one or more of our affiliates could receive substantial returns from these hedging activities while the market value of the ETNs declines.

We or one or more of our affiliates may also engage in trading in index components, futures or options on index components, the physical commodities underlying the index components or the Indices, and other investments relating to index components or the Indices on a regular basis as part of our general broker-dealer and other businesses, for proprietary accounts, for other accounts under management or to facilitate transactions for customers. Any of these activities could adversely affect the market price of the index components or the value of the Indices and, therefore, the market value of the ETNs. We or one or more of our affiliates may also issue or underwrite other securities or financial or derivative instruments with returns linked or related to changes in the performance of any of the foregoing. By introducing competing products into the marketplace in this manner, we or one or more of our affiliates could adversely affect the market value of the ETNs. With respect to any of the activities described above, neither Barclays Bank PLC nor its affiliates has any obligation to take the needs of any buyer, seller or holder of the ETNs into consideration at any time.

#### **Our Business Activities May Create Conflicts of Interest**

We and our affiliates expect to play a variety of roles in connection with the issuance of the ETNs. As noted above, we and our affiliates expect to engage in trading activities related to the index components (including the underlying physical commodities), futures or options on index components or Indices, or other derivative instruments with returns linked to the performance of index components or Indices that are not for the account of holders of the ETNs or on their behalf. These trading activities may present a conflict between the holders'

interest in the ETNs and the interests that we and our affiliates will have in our and our affiliates' proprietary accounts, in facilitating transactions, including options and other derivatives transactions, for our and our affiliates' customers and in accounts under our and our affiliates' management. These trading activities, if they influence the value of any Indices, could be adverse to the interests of the holders of the ETNs. Moreover, we and our affiliates have published and in the future expect to publish research reports with respect to some or all of the physical commodities underlying the index components and physical commodities generally. This research is modified from time to time without notice and may express opinions or provide recommendations that are inconsistent with purchasing or holding the ETNs. The research should not be viewed as a recommendation or endorsement of the ETNs in any way and investors must make their own independent investigation of the merits of your investment. Any of these activities by us, Barclays Capital Inc. or our other affiliates may affect the market price of the index components and the value of the Indices and, therefore, the market value of the ETNs. With respect to any of the activities described above, neither Barclays Bank PLC nor its affiliates has any obligation to take the needs of any buyer, seller or holder of the ETNs into consideration at any time.

#### ***Risks Relating to Tax Consequences***

##### **The Tax Consequences Are Uncertain**

The U.S. federal income tax treatment of each series of ETNs is uncertain and the IRS could assert that any series of ETNs should be taxed in a manner that is different from that described in this pricing supplement. As discussed further below, the U.S. Treasury Department and the IRS issued a notice in 2007 indicating that the U.S. Treasury Department and the IRS are actively considering whether, among other issues, you should be required to accrue interest over the term of an instrument such as the ETNs and whether all or part of the gain you may recognize upon the sale, early redemption or maturity of an instrument such as the ETNs should be treated as ordinary income. It is impossible to anticipate how any ultimate guidance would affect the tax treatment of instruments such as the ETNs.

Moreover, each series of ETNs might be treated as debt instruments. In that event, if you are a U.S. Holder, you will be required under Treasury

regulations relating to the taxation of “contingent payment debt instruments” to accrue into income original issue discount on the ETNs every year at a “comparable yield” determined at the time of issuance and recognize any gain on the ETNs as ordinary income. It is also possible that the IRS could seek to tax your ETNs by reference to your deemed ownership of the relevant Index components. In this case, it is possible that Section 1256 of the Internal Revenue Code (the “Code”), could apply to your ETNs, in which case any gain or loss that you recognize with respect to the ETNs that is attributable to the regulated futures contracts represented in the relevant Index would be treated as 60% long-term capital gain or loss and 40% short-term capital gain or loss, without regard to your holding period in the ETNs, and you would also be required to mark such portion of the relevant ETN to market at the end of each taxable year (i.e., recognize gain and loss as if the relevant portion of your ETNs had been sold for fair market value).

Even if the ETNs are treated as prepaid forward contracts, due to the lack of controlling authority, there remain substantial uncertainties regarding the tax consequences of an investment in the ETNs. For example, the IRS could assert that a “deemed” taxable exchange has occurred on one or more roll dates or Index rebalance dates under certain circumstances. If the IRS were successful in asserting that a taxable exchange had occurred, you could be required to recognize gain (but probably not loss) prior to a taxable disposition of your ETNs.

**For a discussion of the U.S. federal income tax treatment applicable to your ETNs as well as other potential alternative characterizations for your ETNs, please see the discussion under “Material U.S. Federal Income Tax Considerations” below. You should consult your tax advisor as to the possible alternative treatments in respect of the ETNs.**

#### ***Additional Risks Relating to ETNs Linked to an Index that Includes Cocoa***

##### **The ETNs May Be Subject to Certain Risks Specific to Cocoa as a Commodity**

Cocoa is an agricultural commodity and a soft commodity. Consequently, in addition to factors affecting commodities generally that are described above, each Index that includes cocoa (currently only the Cocoa Sub-Index) may

be subject to a number of additional risk factors specific to agricultural commodities and softs, and in particular cocoa, that might cause price volatility. These may include, among others:

- weather conditions, including floods, drought and freezing conditions;
- changes in government policies;
- changes in global demand for food;
- planting decisions; and
- changes in demand for agricultural products or softs, and in particular cocoa, both with end users and as inputs into various industries.

These factors interrelate in complex ways, and the effect of one factor on the level of an Index, and the market value of the ETNs linked to that Index, may offset or enhance the effect of another factor.

#### ***Additional Risks Relating to ETNs Linked to an Index that Includes Lead***

##### **ETNs May Be Subject to Certain Risks Specific to Lead as a Commodity**

Lead is an industrial metal. Consequently, in addition to factors affecting commodities generally that are described above, each Index that includes lead (currently only the Lead Sub-Index) may be subject to a number of additional factors specific to industrial metals, and in particular lead that might cause price volatility. These may include, among others:

- changes in the level of industrial activity using industrial metals, and in particular lead, including the availability of substitutes such as man-made or synthetic substitutes;
- disruptions in the supply chain, from mining to storage to smelting or refining;
- adjustments to inventory;
- variations in production costs, including storage, labor and energy costs;
- costs associated with regulatory compliance, including environmental regulations; and
- changes in industrial, government and consumer demand, both in individual consuming nations and internationally.

These factors interrelate in complex ways, and the effect of one factor on the level of an Index,

and the market value of the ETNs linked to that Index, may offset or enhance the effect of another factor.

**The LME's Use of or Omission to Use Price Controls May Result in Limited Appreciation but Unlimited Depreciation in the Price of the Index Component and, Therefore, the Value of Your ETNs**

The futures contract on lead that is included in the Lead Sub-Index and eligible to be included in the Commodity Index is traded on the LME and not on a U.S. futures exchange. U.S. exchanges have regulations that limit the amount of fluctuation in some futures contract prices that may occur during a single business day. These limits are generally referred to as "daily price fluctuation limits." In contrast, the LME, has no daily price fluctuation limits to restrict the extent of daily fluctuations in the prices of contracts traded on the LME, including the index component. In a declining market, therefore, it is possible that prices for one or more contracts traded on the LME, including the index component, would continue to decline without limitation within a trading day or over a period of trading days. A steep decline in the price of the index component could have a significant adverse impact on the value of each Index in which lead is included and, therefore, the value of the ETNs linked to that Index.

Moreover, the LME has discretion to impose "backwardation limits" by permitting short sellers who are unable to effect delivery of an underlying commodity and/or borrow such commodity at a price per day that is no greater than the backwardation limit to defer their delivery obligations by paying a penalty in the amount of the backwardation limit to buyers for whom delivery was deferred. Backwardation limits tend to either constrain appreciation or cause depreciation of the prices of futures contracts expiring in near delivery months. Impositions of such backwardation limits could adversely affect the value of each Index in which lead is included and, therefore, the value of the ETNs linked to that Index.

**Contracts Traded on the LME Are Exposed to Concentration Risks Beyond Those Characteristic of Futures Contracts On U.S. Futures Exchanges**

Futures contracts traded on U.S. futures exchanges generally call for delivery of the physical commodities to which such contracts

relate in stated delivery months. In contrast, contracts traded on the LME may call for delivery on a daily, weekly or monthly basis. As a result, there may be a greater risk of a concentration of positions in contracts trading on the LME on particular delivery dates than for futures contracts traded on U.S. futures exchanges, since, for example, contracts calling for delivery on a daily, weekly or monthly basis could call for delivery on the same or approximately the same date. Such a concentration of positions, in turn, could cause temporary aberrations in the prices of contracts traded on the LME for delivery dates to which such positions relate. To the extent such aberrations are in evidence on a given valuation date with respect to the price of the index component, they could adversely affect the value of each Index in which lead is included and, therefore, the value of the ETNs linked to that Index.

## THE INDICES – GENERAL INFORMATION

We have derived all information contained in this pricing supplement regarding each Index, including, without limitation, its make-up, method of calculation and changes in its components, from (i) publicly available sources and (ii) the Bloomberg Commodity Index Methodology (a document that is considered proprietary to Bloomberg Index Services Limited (“**BISL**” or the “**Index Administrator**” and, collectively with its affiliates, “**Bloomberg**”) and UBS Securities LLC (collectively with its affiliates, “**UBS**” and, together with Bloomberg, the “**Index Sponsors**”).

Such information reflects the policies of, and is subject to change by the Index Sponsors.

In connection with any offering of ETNs, neither we nor any of our agents or dealers, have participated in the preparation of the information described in the first paragraph of this section or made any due diligence inquiry with respect to the Index Sponsors. Neither we nor any of our agents or dealers make any representation or warranty as to the accuracy or completeness of such information or any other publicly available information regarding the Indices or the Index Sponsors.

You, as an investor in the ETNs, should make your own investigation into the Indices and the Index Sponsors. Neither UBS nor BISL is involved in any offer of ETNs in any way and have no obligation to consider your interests as a holder of the ETNs. The Index Sponsors have no obligation to continue to publish any Index and may discontinue or suspend publication of any Index at any time in their sole discretion.

One or more of UBS and its affiliates may engage in trading in futures contracts and options on futures contracts on the commodities that underlie the Indices, as well as commodities, including commodities included in the Indices and other investments relating to commodities included in the Indices on a regular basis as part of its general business, for proprietary accounts, for other accounts under management, to facilitate transactions for customers or to hedge obligations under products linked to the Indices. Although they are not intended to, any of these activities could adversely affect the market price of the index components or the value of the Indices. It is possible that one or more of UBS and its affiliates could receive substantial returns from these hedging activities while the market value

of the commodities that underlie the Indices and the value of the Indices decline.

With respect to any of the activities described above, neither UBS nor its affiliates has any obligation to take into consideration at any time the needs of any buyer, seller, holder or issuer of the ETNs.

UBS or its affiliates may also issue or underwrite securities or financial or derivative instruments with returns linked or related to changes in the performance of any of the foregoing.

Historical performance of the Indices is not an indication of future performance. Future performance of the Indices may differ significantly from historical performance, either positively or negatively.

Information contained on certain websites mentioned below is not incorporated by reference in, and should not be considered part of, this pricing supplement or the accompanying prospectus, prospectus supplement and prospectus addendum.

Because each Sub-Index is a sub-index of the Commodity Index, disclosure in this pricing supplement relating to the Commodity Index accordingly relates to each of the Sub-Indices as well and should be read in conjunction with the individual descriptions of the Sub-Indices.

### Commodity Futures Markets

As discussed in the descriptions of the individual Indices below, each of the Indices is composed of one or more futures contracts on physical commodities. Futures contracts on physical commodities and commodity indices are traded on regulated futures exchanges, and physical commodities and other derivatives on physical commodities and commodity indices are traded in the over-the-counter market and on various types of physical and electronic trading facilities and markets. At present, all of the contracts included in the Indices are exchange-traded futures contracts. An exchange-traded futures contract provides for the purchase and sale of a specified type and quantity of a commodity or financial instrument during a stated delivery month for a fixed price. A futures contract on an index of commodities provides for the payment and receipt of cash based on the level of the index at settlement or liquidation of the contract. A futures contract provides for a specified settlement month in which the cash settlement is made or in which the commodity or financial instrument is to be delivered by the seller



(whose position is therefore described as “short”) and acquired by the purchaser (whose position is therefore described as “long”).

There is no purchase price paid or received on the purchase or sale of a futures contract. Instead, an amount of cash or cash equivalents must be deposited with the broker as “initial margin.” This amount varies based on the requirements imposed by the exchange clearing houses, but may be as low as 5% or less of the notional value of the contract. This margin deposit provides collateral for the obligations of the parties to the futures contract.

By depositing margin, which may vary in form depending on the exchange, with the clearing house or broker involved, a market participant may be able to earn interest on its margin funds, thereby increasing the total return that it may realize from an investment in futures contracts. The market participant normally makes to, and receives from, the broker subsequent daily payments as the price of the futures contract fluctuates. These payments are called “variation margin” and are made as the existing positions in the futures contract become more or less valuable, a process known as “marking to the market.”

Futures contracts are traded on organized exchanges, known as “designated contract markets” in the United States. At any time prior to the expiration of a futures contract, subject to the availability of a liquid secondary market, a trader may elect to close out its position by taking an opposite position on the exchange on which the trader obtained the position. This operates to terminate the position and fix the trader’s profit or loss. Futures contracts are cleared through the facilities of a centralized clearing house and a brokerage firm, referred to as a “futures commission merchant,” which is a member of the clearing house. The clearing house guarantees the performance of each clearing member that is a party to a futures contract by, in effect, taking the opposite side of the transaction. Clearing houses do not guarantee the performance by clearing members of their obligations to their customers.

Unlike equity securities, futures contracts, by their terms, have stated expirations and, at a specified point in time prior to expiration, trading in a futures contract for the current delivery month will cease. As a result, a market participant wishing to maintain its exposure to a futures contract on a particular commodity with the nearest expiration must close out its position

in the expiring contract and establish a new position in the contract for the next delivery month, a process referred to as “rolling.” For example, a market participant with a long position in November crude oil futures that wishes to maintain a position in the nearest delivery month will, as the November contract nears expiration, sell November futures, which serves to close out the existing long position, and buy December futures. This will “roll” the November position into a December position, and, when the November contract expires, the market participant will still have a long position in the nearest delivery month.

Futures exchanges and clearing houses in the United States are subject to regulation by the Commodities Futures Trading Commission. Exchanges may adopt rules and take other actions that affect trading, including imposing speculative position limits, maximum price fluctuations and trading halts and suspensions and requiring liquidation of contracts in certain circumstances. Futures markets outside the United States are generally subject to regulation by comparable regulatory authorities. The structure and nature of trading on non-U.S. exchanges, however, may differ from this description.

#### **THE BLOOMBERG COMMODITY INDEX<sup>SM</sup>**

UBS acquired AIG Financial Product Corp.’s commodity business as of May 6, 2009, at which time, UBS and Dow Jones & Company, Inc. (“**Dow Jones**”) entered into an agreement to jointly market the Index. The joint marketing agreement with Dow Jones was terminated and on July 1, 2014, UBS entered into a commodity index license agreement (“**CILA**”) with Bloomberg Finance L.P., whereby UBS has engaged Bloomberg’s services for calculation, publication, administration and marketing of the Indices. As a result of Bloomberg’s assumption of these functions, the Dow Jones-UBS Commodity Indexes<sup>SM</sup> have been re-branded as the Bloomberg Commodity Indexes<sup>SM</sup> effective July 1, 2014. Each Index is now calculated, administered and published by BISL.

The Commodity Index was introduced in July 1998 to provide unique, diversified, economically rational and liquid benchmarks for commodities as an asset class. The Commodity Index currently is composed of the prices of twenty-three exchange-traded futures contracts on twenty-one physical commodities. An exchange-traded futures contract is a bilateral agreement providing for the purchase and sale

of a specified type and quantity of a commodity or financial instrument during a stated delivery month for a fixed price. For a general description of the commodity future markets, see “—The Commodity Futures Markets” above. The commodities included in the Commodity Index for 2020 are as follows: aluminum, coffee, copper, corn, cotton, crude oil (WTI and Brent), gold, ULS diesel, lean hogs, live cattle, low sulphur gas oil, natural gas, nickel, silver, soybeans, soybean meal, soybean oil, sugar, unleaded gas, wheat (Chicago and KC HRW) and zinc.

### **Benchmark Governance, Audit and Review Structure**

BISL uses two primary committees to provide overall governance and effective oversight of its benchmark administration activities:

The Product, Risk & Operations Committee (“**PROC**”) provides direct governance and is responsible for the first line of controls over the creation, design, production and dissemination of benchmark indices, strategy indices and fixings administered by BISL, including the Indices. The PROC is composed of Bloomberg personnel with significant experience or relevant expertise in relation to financial benchmarks. Meetings are attended by Bloomberg Legal & Compliance personnel. Nominations and removals are subject to review by the BOC, discussed below.

The oversight function is provided by Bloomberg’s Benchmark Oversight Committee (“**BOC**”). The BOC is independent of the PROC and is responsible for reviewing and challenging the activities carried out by the PROC. In carrying out its oversight duties, the BOC receives reports of management information both from the PROC as well as Bloomberg Legal & Compliance members engaged in second level controls.

On a quarterly basis, the PROC reports to the BOC on governance matters, including but not limited to client complaints, the launch of new benchmarks, operational incidents (including errors & restatements), major announcements and material changes concerning the benchmarks, the results of any reviews of the benchmarks (internal or external) and material stakeholder engagements.

As described in more detail below, the composition of the Index is rebalanced by BISL each year pursuant to the established procedures by index managers operating within

the PROC governance body under the oversight of the BOC oversight function. Any material deviations or changes from established procedures are subject to review by such bodies. In addition, to the extent practicable, BISL may solicit stakeholder feedback, including by means of the Index Advisory Council. Once approved, the new composition of the Index is publicly announced and takes effect in the month of January immediately following the announcement.

### **Four Main Principles Guiding the Creation of the Commodity Index**

The Commodity Index was created using the following four main principles:

- **Economic Significance.** A commodity index should fairly represent the importance of a diversified group of commodities to the world economy. To achieve a fair representation, the Commodity Index uses both liquidity data and U.S. dollar-weighted production data in determining the relative quantities of included commodities. The Commodity Index primarily relies on liquidity data, or the relative amount of trading activity of a particular commodity, as an important indicator of the value placed on that commodity by financial and physical market participants. The Commodity Index also relies on production data as a useful measure of the importance of a commodity to the world economy. Production data alone, however, may underestimate the economic significance of storable commodities (e.g., gold) relative to non-storable commodities (e.g., live cattle). Production data alone also may underestimate the investment value that financial market participants place on certain commodities, and/or the amount of commercial activity that is centered around various commodities. Accordingly, production statistics alone do not necessarily provide as accurate a blueprint of economic importance as the pronouncements of the markets themselves. The Commodity Index thus relies on data that is both endogenous to the futures markets (liquidity) and exogenous to the futures markets (production) in determining relative weightings.
- **Diversification.** A second major goal of the Commodity Index is to provide

diversified exposure to commodities as an asset class. Disproportionate weightings of any particular commodity or sector increase volatility and negate the concept of a broad-based commodity index. Instead of diversified commodities exposure, the investor is unduly subjected to micro-economic shocks in one commodity or sector. As described further below, diversification rules have been established and are applied annually. Additionally, the Commodity Index is rebalanced annually on a price-percentage basis in order to maintain diversified commodities exposure over time.

- **Continuity.** A third goal of the Commodity Index is to be responsive to the changing nature of commodity markets in a manner that does not completely reshape the character of the Commodity Index from year to year. The Commodity Index is intended to provide a stable benchmark, so that end-users may be reasonably confident that historical performance data (including such diverse measures as correlation, spot yield, roll yield and volatility) is based on a structure that bears some resemblance to both the current and future composition of the Commodity Index.
- **Liquidity.** Another goal of the Commodity Index is to provide a highly liquid index. The explicit inclusion of liquidity as a weighting factor helps to ensure that the Commodity Index can accommodate substantial investment flows. The liquidity of an index affects transaction costs associated with current investments. It also may affect the reliability of historical price performance data.

These principles represent goals of the Commodity Index, its creators and owners and there can be no assurance that these goals will be reached by the Index Sponsors.

### **Composition of the Commodity Index**

#### *Commodities available for inclusion in the Commodity Index*

The commodities that have been selected for possible inclusion in the Commodity Index are believed by the Index Sponsors to be sufficiently significant to the world economy to merit consideration for inclusion in the Commodity Index, and each such commodity is the subject

of a qualifying related futures contract (a “**Designated Contract**”).

The 25 commodities currently eligible for inclusion in the Commodity Index are as follows: aluminum, cocoa, coffee, copper, corn, cotton, crude oil, gold, lead, lean hogs, live cattle, low sulphur gas oil, natural gas, nickel, platinum, RBOB gasoline, silver, soybean meal, soybean oil, soybeans, sugar, tin, ULS diesel, wheat and zinc.

#### *Designated contracts for each commodity*

The 21 commodities selected to be included in the Commodity Index for 2020 are as follows: aluminum, coffee, copper, corn, cotton, crude oil, gold, lean hogs, live cattle, low sulphur gas oil, natural gas, nickel, RBOB gasoline, silver, soybean meal, soybean oil, soybeans, sugar, wheat and zinc.

Historically, through and including the composition of the Commodity Index for 2020, BISL has chosen for each commodity one Designated Contract that is traded in North America and denominated in U.S. dollars (with the exception of several LME contracts, which are traded in London, and with the exception of crude oil, for which two Designated Contracts have been selected starting in 2012, and wheat, for which two Designated Contracts that are traded in North America have been selected starting in 2013). It is possible that BISL will in the future select more than one Designated Contract for additional commodities or may select Designated Contracts that are traded outside of the United States or in currencies other than the U.S. dollar. For example, in the event that changes in regulations concerning position limits materially affect the ability of market participants to replicate the Commodity Index in the underlying futures markets, it may become appropriate to include multiple Designated Contracts for one or more commodities (in addition to crude oil and wheat) to enhance liquidity. The termination or replacement of a futures contract on an established exchange occurs infrequently. If a Designated Contract were to be terminated or replaced, a comparable futures contract would be selected, if available, to replace the Designated Contract.

#### *Commodity Groups*

For purposes of applying the diversification rules discussed above and below, the commodities available for inclusion in the Commodity Index are assigned to Commodity Groups. The

Commodity Groups currently include Energy, Grain, Industrial Metals, Livestock, Precious Metals and Softs.

The commodity groups, and the commodities included in each group as of October 1, 2020 are as follows:

| Commodity Group          | Commodity           |
|--------------------------|---------------------|
| <b>Energy</b>            | Natural Gas         |
|                          | WTI Crude Oil       |
|                          | Brent Crude Oil     |
|                          | Heating Oil         |
|                          | Low Sulphur Gas Oil |
|                          | Unleaded Gasoline   |
| <b>Grains</b>            | Corn                |
|                          | Soybeans            |
|                          | Wheat (Chicago)     |
|                          | Soybean Oil         |
|                          | Soybean Meal        |
|                          | Wheat (KC HRW)      |
| <b>Industrial Metals</b> | Aluminum            |
|                          | Copper              |

|                        |             |
|------------------------|-------------|
|                        | Nickel      |
|                        | Zinc        |
|                        |             |
| <b>Precious Metals</b> | Gold        |
|                        | Silver      |
|                        |             |
| <b>Softs</b>           | Sugar       |
|                        | Coffee      |
|                        | Cotton      |
|                        |             |
| <b>Livestock</b>       | Live Cattle |
|                        | Lean Hogs   |

The target weights for the commodities included in the Commodity Index and the target weights for the commodity groups as of October 1, 2020 are as follows:

**Commodity Index Target Weights Breakdown by Commodity and Commodity Group**

| Commodity Group   | Commodity         | Code | Weight | Group Weight |
|-------------------|-------------------|------|--------|--------------|
| Softs             | Coffee            | KC   | 2.43%  | 6.95%        |
|                   | Sugar             | SB   | 3.08%  |              |
|                   | Cotton            | CT   | 1.44%  |              |
| Grains            | Kansas Wheat      | KW   | 1.68%  | 23.76%       |
|                   | Soybean Meal      | SM   | 6.24%  |              |
|                   | Soybean Oil       | BO   | 3.87%  |              |
|                   | Soybeans          | S    | 2.78%  |              |
|                   | Corn              | C    | 5.89%  |              |
|                   | Wheat             | W    | 3.30%  |              |
| Energy            | Brent Crude       | LCO  | 4.39%  | 23.62%       |
|                   | Gas Oil           | LGO  | 1.43%  |              |
|                   | Heating Oil       | HO   | 1.20%  |              |
|                   | Natural Gas       | NG   | 9.88%  |              |
|                   | Unleaded Gasoline | RB   | 1.59%  |              |
|                   | WTI Crude         | CL   | 5.13%  |              |
| Industrial Metals | Aluminium         | MAL  | 4.31%  | 18.26%       |
|                   | Nickel            | MNI  | 2.95%  |              |
|                   | US Copper         | HG   | 7.55%  |              |
|                   | Zinc              | MZN  | 3.45%  |              |
| Livestock         | Lean Hogs         | LH   | 1.64%  | 5.27%        |
|                   | Live Cattle       | LC   | 3.63%  |              |
| Precious Metals   | Gold              | GC   | 16.99% | 22.15%       |
|                   | Silver            | SI   | 5.16%  |              |

Source: Bloomberg. Chart reflects data as of October 1, 2020.

### *Determination of Relative Weightings*

The relative weightings of the component commodities included in the Commodity Index are determined annually according to both liquidity and U.S. dollar-adjusted production data in 2/3 and 1/3 shares, respectively. For each of the commodities designated for potential inclusion in the Commodity Index, liquidity is measured by the Commodity Liquidity Percentage (“**CLP**”) and production by the Commodity Production Percentage (“**CPP**”). The CLP for each commodity is determined by taking a five-year average of the product of trading volume and the historic U.S. dollar value of the Designated Contract for that commodity, and dividing the result by the sum of such products for all commodities which were designated for potential inclusion in the applicable index. The CPP is determined for each commodity by taking a five-year average of annual world production figures, adjusted by the historic U.S. dollar value of the Designated Contract, and dividing the result by the sum of such production figures for all the commodities which were designated for potential inclusion in the applicable index. For primary commodities that appear in the Commodity Index along with their derivatives (e.g., crude oil, together with ULS diesel and unleaded gasoline), the CPPs within that group of commodities are reassigned among the primary commodity and its derivative commodities to eliminate the double-counting production figures for the primary commodity that would otherwise occur if no adjustment were made. The same process is applied when more than one Designated Contract has been selected for a particular commodity. The CLP and the CPP are then combined (using a ratio of 2:1) to establish the Commodity Index Percentage (“**CIP**”) for each commodity. This CIP is then adjusted in accordance with the diversification rules in order to determine the commodities which will be included in the Commodity Index and their respective percentage weights.

### *Diversification Rules*

The Commodity Index is designed to provide diversified exposure to commodities as an asset class. To ensure that no single commodity or commodity sector dominates the Commodity Index, the following diversification rules are applied to the annual reweighting and rebalancing of the Commodity Index as of January of the applicable year:

- No single commodity (e.g., natural gas or silver) may constitute over 15% of the Commodity Index.
- No single commodity, together with its derivatives (e.g., WTI Crude Oil and Brent Crude Oil, together with ULS diesel and unleaded gas), may constitute more than 25% of the Commodity Index,
- No related group of commodities (e.g., energy, precious metals, livestock or grains) may constitute more than 33% of the Commodity Index.
- No single commodity (e.g., natural gas or silver) may constitute less than 2% of the Commodity Index, as liquidity allows.

The last rule helps to increase the diversification of the Commodity Index by giving even the smallest commodity within the basket a reasonably significant weight. Commodities with small weights initially may have their weights increased to higher than 2% by prior steps.

Following the annual reweighting and rebalancing of the Commodity Index in January, the percentage of any single commodity or group of commodities at any time prior to the next reweighting or rebalancing will fluctuate and may exceed or be less than the percentages set forth above.

### *Commodity Index Multipliers*

The new unit weights for each commodity included in the Commodity Index are determined by calculating the applicable Commodity Index Multipliers (“**CIMs**”). Following application of the diversification rules discussed above, CIPs are incorporated into the Commodity Index by calculating the new unit weights for each commodity. On the fourth business day of the month of January (the “**CIM Determination Date**”) following the calculation of the CIPs, the CIPs are combined with the settlement prices of all Designated Contracts for such day to create the CIM for each Designated Contract for each index component. This CIM is used to achieve the percentage weightings of the index components, in U.S. dollar terms, indicated by their respective CIPs. After the CIMs are calculated, they remain fixed throughout the year. As a result, the observed price percentage of each index component will float throughout the year, until the CIMs are reset the following year based on new CIPs.

## Calculation of the Commodity Index

The Commodity Index is calculated by BISL, on behalf of UBS, by applying the impact of the changes to the futures prices of commodities included in the Commodity Index (based on their relative weightings).

Once the CIMs are determined as discussed above, the calculation of the Commodity Index is a mathematical process that reflects the performance of each index component and the returns that correspond to the weekly announced interest rate for specified 3-month U.S. Treasury Bills.

At present, BISL disseminates the Commodity Index levels approximately every 15 seconds (assuming the Commodity Index levels have changed within such 15-second interval) from 10:00 p.m. to 3:20 p.m., New York City time, and publishes daily levels at approximately 5:00 p.m., New York City time, on Bloomberg page "BCOMTR <Index>."

*The Commodity Index is a rolling index*

The Commodity Index is composed of futures contracts on physical commodities. Unlike equities, which typically entitle the holder to a continuing stake in a corporation, commodity futures contracts normally specify a certain date for the delivery of the underlying physical commodity. In order to avoid delivering the underlying physical commodities and to maintain exposure to the underlying physical commodities, periodically futures contracts on physical commodities specifying delivery on a nearby date must be sold and futures contracts on physical commodities that have not yet reached the delivery period must be purchased. The rollover for each contract occurs over a period of five BCOM Business Days each month according to a pre-determined schedule. This process is known as "**rolling**" a futures position. The Commodity Index is a "**rolling index**."

A "**BCOM Business Day**" means any day on which the sum of the CIPs for those index components that are open for trading is greater than 50%. For purposes of this definition, the CIPs used during any calendar year are those calculated in the preceding year and applied on the CIM Determination Date for that year; provided however, that on any day during such calendar year falling prior to or on the CIM Determination Date, the preceding year's CIPs will be used for purposes of determining the existence of a BCOM Business Day.

*The Commodity Index is calculated on a Total Return Basis*

The Commodity Index is a "total return" index. The overall return on the Commodity Index is generated by two components: (i) unleveraged returns on futures contracts on the physical commodities comprising the Commodity Index and (ii) the returns that correspond to the weekly announced interest rate for specified 3-month U.S. Treasury Bills. The returns are calculated by using the most recent weekly auction high rate for 13-week U.S. Treasury Bills, as reported on the website <http://www.treasurydirect.gov/> under the tab entitled "Auction Results" published by the Bureau of the Fiscal Service of the Department of the Treasury, or any successor source, which is generally published once per week on Monday.

## Commodity Index Calculation Disruption Events

From time to time, disruptions can occur in trading futures contracts on various commodity exchanges. The daily calculation of the Commodity Index may be adjusted in the event that BISL determines that any of the following index calculation disruption events exists:

- the termination or suspension of, or material limitation or disruption in the trading of any futures contract used in the calculation of the Commodity Index on that day;
- the settlement price of any futures contract used in the calculation of the Commodity Index reflects the maximum permitted price change from the previous day's settlement price;
- the failure of an exchange to publish official settlement prices for any futures contract used in the calculation of the Commodity Index; or
- with respect to any futures contract used in the calculation of the Commodity Index that trades on the LME, a BCOM Business Day on which the LME is not open for trading.

## Historical Closing Levels of the Commodity Index

Since its inception, the Commodity Index has experienced significant fluctuations. Any historical upward or downward trend in the value of the Commodity Index during any period

shown below is not an indication that the value of the Commodity Index is more or less likely to increase or decrease at any time during the term of the Commodity Index ETNs. The historical levels do not give an indication of future performance of the Commodity Index. There can be no assurance that the future performance of the Commodity Index or its index components will result in holders of the Commodity Index ETNs receiving a positive return on their investment.

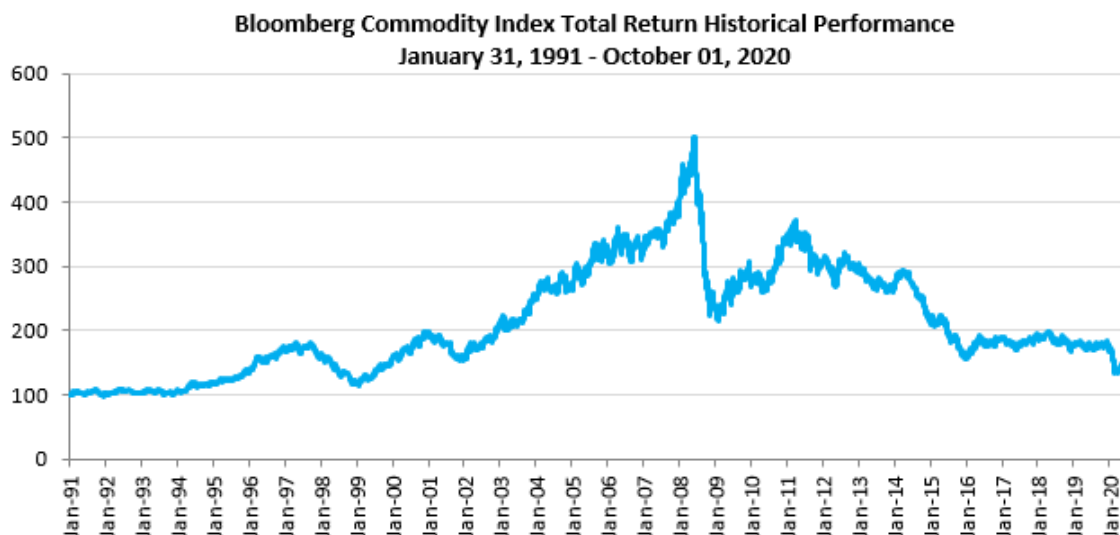
The Commodity Index was launched on November 15, 2001. All data relating to the period prior to the launch of the Commodity Index is an historical estimate by the sponsors using available data as to how the Commodity Index may have performed in the pre-launch period based upon the percentage weightings in effect in 2001. Such data does not represent actual performance and should not be interpreted as an indication of actual performance. Accordingly, the following table illustrates:

- (i) on a hypothetical basis, how the Commodity Index would have performed from December 31, 1991 to December 29, 2000 based on the selection criteria and methodology described above; and
- (ii) on an actual basis, how the Commodity Index has performed from December 31, 2001 onwards.

December 31, 1991 94.245

|                   |         |
|-------------------|---------|
| December 31, 1992 | 97.736  |
| December 31, 1993 | 96.694  |
| December 30, 1994 | 112.755 |
| December 29, 1995 | 129.908 |
| December 31, 1996 | 160.001 |
| December 31, 1997 | 154.579 |
| December 31, 1998 | 112.796 |
| December 31, 1999 | 140.257 |
| December 29, 2000 | 184.917 |
| December 31, 2001 | 148.843 |
| December 31, 2002 | 187.401 |
| December 31, 2003 | 232.249 |
| December 31, 2004 | 253.495 |
| December 30, 2005 | 307.650 |
| December 29, 2006 | 314.023 |
| December 31, 2007 | 364.990 |
| December 31, 2008 | 234.874 |
| December 31, 2009 | 279.279 |
| December 31, 2010 | 326.288 |
| December 30, 2011 | 282.826 |
| December 31, 2012 | 279.836 |
| December 31, 2013 | 253.187 |
| December 31, 2014 | 210.124 |
| December 31, 2015 | 158.314 |
| December 30, 2016 | 176.942 |
| December 29, 2017 | 179.957 |
| December 31, 2018 | 159.720 |
| December 31, 2019 | 159.720 |
| October 1, 2020   | 149.932 |

**PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS.**



Source: Bloomberg.



***PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS.***

## COCOA SUB-INDEX

The Cocoa Sub-Index is a single-component Sub-Index that is designed to be a benchmark for cocoa as an asset class. It is composed of the futures contract on cocoa that is included or eligible to be included in the Commodity Index and is intended to reflect the returns that are potentially available through (1) an unleveraged investment in that contract plus (2) the rate of interest that could be earned on cash collateral invested in specified Treasury Bills.

At present, cocoa is one of the four commodities eligible for inclusion but not included in the Commodity Index. The contract included in the Cocoa Sub-Index is the "Cocoa" contract traded on the New York Board of Trade, which is the contract that would be eligible for inclusion in the Commodity Index if cocoa were one of the commodities included in the Commodity Index.

### Calculation and Publication of the Cocoa Sub-Index

The Cocoa Sub-Index is calculated using the same methodology as the Commodity Index but with reference only to the contract included in the Cocoa Sub-Index (which, for purposes of the calculation, has a weighting of 100%).

At present, BISL disseminates the Cocoa Sub-Index levels approximately every 15 seconds (assuming the Cocoa Sub-Index levels have changed within such 15-second interval) from 10:00 p.m. to 3:20 p.m., New York City time, and publishes daily levels at approximately 5:00 p.m., New York City time, on Bloomberg page "BCOMCCTR <Index>."

### Historical Closing Levels of the Cocoa Sub-Index

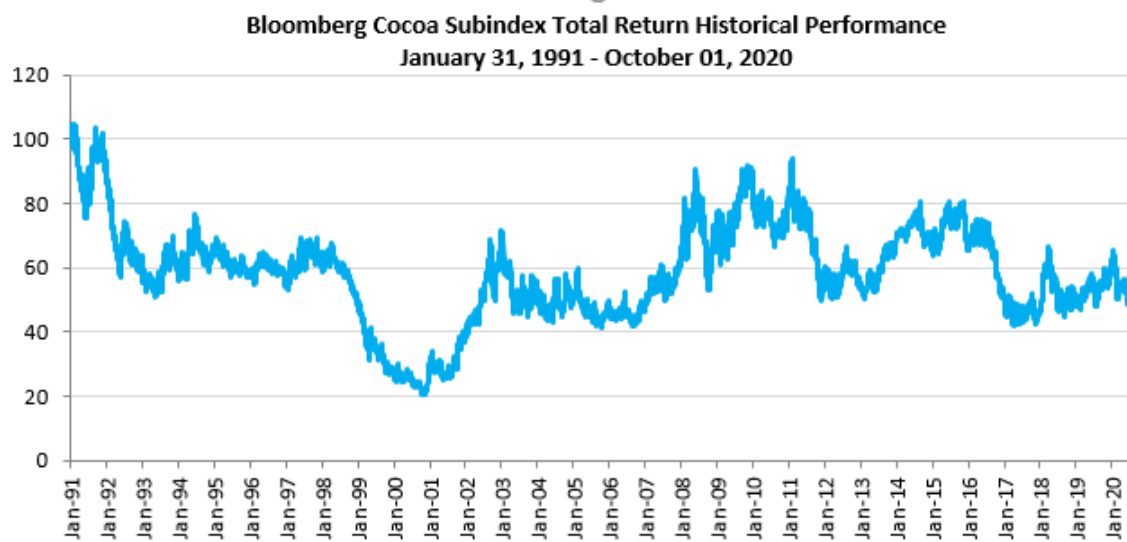
Since its inception, the Cocoa Sub-Index has experienced significant fluctuations. Any historical upward or downward trend in the value of the Cocoa Sub-Index during any period shown below is not an indication that the value of the Cocoa Sub-Index is more or less likely to increase or decrease at any time during the term of the Cocoa ETNs. The historical levels do not give an indication of future performance of the Cocoa Sub-Index. There can be no assurance that the future performance of the Cocoa Sub-Index or its index components will result in holders of the Cocoa ETNs receiving a positive return on their investment.

The Cocoa Sub-Index was launched on February 1, 2006. All data relating to the period prior to the launch of the Cocoa Sub-Index is an historical estimate by the sponsors using available data as to how the Index may have performed in the pre-launch period based upon the weightings in effect in the Commodity Index. Such data does not represent actual performance and should not be interpreted as an indication of actual performance. Accordingly, the following table illustrates:

- (i) on a hypothetical basis, how the Cocoa Sub-Index would have performed from December 31, 1991 to December 31, 2005 based on the selection criteria and methodology described above; and
- (ii) on an actual basis, how the Cocoa Sub-Index has performed from December 29, 2006 onwards.

|                   |        |
|-------------------|--------|
| December 31, 1991 | 94.327 |
| December 31, 1992 | 58.334 |
| December 31, 1993 | 60.265 |
| December 30, 1994 | 61.020 |
| December 29, 1995 | 56.802 |
| December 31, 1996 | 58.242 |
| December 31, 1997 | 63.419 |
| December 31, 1998 | 50.644 |
| December 31, 1999 | 27.509 |
| December 29, 2000 | 21.418 |
| December 31, 2001 | 36.916 |
| December 31, 2002 | 59.108 |
| December 31, 2003 | 49.689 |
| December 31, 2004 | 49.748 |
| December 30, 2005 | 45.985 |
| December 29, 2006 | 47.333 |
| December 31, 2007 | 56.804 |
| December 31, 2008 | 72.162 |
| December 31, 2009 | 85.540 |
| December 31, 2010 | 75.718 |
| December 30, 2011 | 51.210 |
| December 31, 2012 | 54.564 |
| December 31, 2013 | 64.451 |
| December 31, 2014 | 68.491 |
| December 31, 2015 | 75.048 |
| December 30, 2016 | 50.277 |
| December 29, 2017 | 43.992 |
| December 31, 2018 | 53.087 |
| December 31, 2019 | 55.952 |
| October 1, 2020   | 57.784 |

**PAST PERFORMANCE IS NOT INDICATIVE  
OF FUTURE RESULTS.**



Source: Bloomberg.

***PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS.***

## LEAD SUB-INDEX

The Lead Sub-Index is a single-component Sub-Index that is designed to be a benchmark for lead as an asset class. It is composed of the futures contract on lead that is included or eligible to be included in the Commodity Index and is intended to reflect the returns that are potentially available through (1) an unleveraged investment in that contract plus (2) the rate of interest that could be earned on cash collateral invested in specified Treasury Bills.

At present, lead is one of the four commodities eligible for inclusion but not included in the Commodity Index. The contract included in the Lead Sub-Index is the "Refined Standard Lead" contract traded on the LME, which is the contract that would be eligible for inclusion in the Commodity Index if lead were one of the commodities included in the Commodity Index.

### Calculation and Publication of the Lead Sub-Index

The Lead Sub-Index is calculated using the same methodology as the Commodity Index but with reference only to the contract included in the Lead Sub-Index (which, for purposes of the calculation, has a weighting of 100%).

At present, BISL disseminates the Lead Sub-Index levels approximately every 15 seconds (assuming the Lead Sub-Index levels have changed within such 15-second interval) from 10:00 p.m. to 3:20 p.m., New York City time, and publishes daily levels at approximately 5:00 p.m., New York City time, on Bloomberg page "BCOMPBT <Index>."

### Historical Closing Levels of the Lead Sub-Index

Since its inception, the Lead Sub-Index has experienced significant fluctuations. Any historical upward or downward trend in the value of the Lead Sub-Index during any period shown below is not an indication that the value of the Lead Sub-Index is more or less likely to increase or decrease at any time during the term of the Lead ETNs. The historical levels do not give an indication of future performance of the Lead Sub-Index. There can be no assurance that the future performance of the Lead Sub-Index or its index components will result in holders of the

Lead ETNs receiving a positive return on their investment.

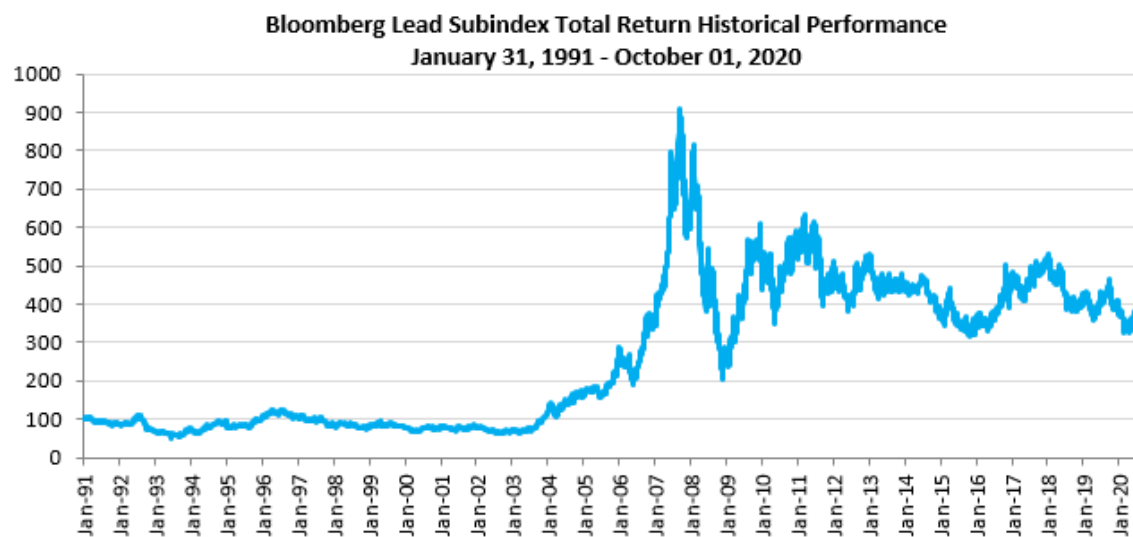
The Lead Sub-Index was launched on March 7, 2008. All data relating to the period prior to the launch of the Lead Sub-Index is an historical estimate by the sponsors using available data as to how the Index may have performed in the pre-launch period based upon the weightings in effect in the Commodity Index. Such data does not represent actual performance and should not be interpreted as an indication of actual performance. Accordingly, the following table illustrates:

- (i) on a hypothetical basis, how the Lead Sub-Index would have performed from December 31, 1991 to December 31, 2007 based on the selection criteria and methodology described above; and
- (ii) on an actual basis, how the Lead Sub-Index has performed from March 7, 2008 onwards.

|                   |         |
|-------------------|---------|
| December 31, 1991 | 85.716  |
| December 31, 1992 | 67.717  |
| December 31, 1993 | 66.144  |
| December 30, 1994 | 86.065  |
| December 29, 1995 | 91.751  |
| December 31, 1996 | 100.895 |
| December 31, 1997 | 82.014  |
| December 31, 1998 | 71.991  |
| December 31, 1999 | 77.041  |
| December 29, 2000 | 71.581  |
| December 31, 2001 | 76.804  |
| December 31, 2002 | 61.130  |
| December 31, 2003 | 101.592 |
| December 31, 2004 | 166.323 |
| December 30, 2005 | 200.157 |
| December 29, 2006 | 337.066 |
| December 31, 2007 | 567.276 |
| December 31, 2008 | 222.816 |
| December 31, 2009 | 519.339 |
| December 31, 2010 | 525.544 |
| December 30, 2011 | 420.536 |
| December 31, 2012 | 471.482 |
| December 31, 2013 | 435.479 |
| December 31, 2014 | 356.683 |
| December 31, 2015 | 339.619 |
| December 30, 2016 | 375.999 |
| December 29, 2017 | 461.218 |
| December 31, 2018 | 381.741 |
| December 31, 2019 | 369.468 |
| October 1, 2020   | 339.386 |

**PAST PERFORMANCE IS NOT INDICATIVE**

**OF FUTURE RESULTS.**



Source: Bloomberg.

**PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS.**

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Purchasers of the ETNs should not conclude that the inclusion of a futures contract in the Bloomberg Commodity Index<sup>SM</sup> is any form of investment recommendation of the futures contract or the underlying exchange-traded physical commodity by Bloomberg, UBS AG, UBS Securities or any of their subsidiaries or affiliates. The information in this index supplement regarding the Bloomberg Commodity Index<sup>SM</sup> components has been derived solely from publicly available documents. None of Bloomberg, UBS AG, UBS Securities or any of their subsidiaries or affiliates has made any due diligence inquiries with respect to the Bloomberg Commodity Index<sup>SM</sup> components in connection with the ETNs. None of Bloomberg, UBS AG, UBS Securities or any of their subsidiaries or affiliates makes any representation that these publicly available documents or any other publicly available information regarding the Bloomberg Commodity Index<sup>SM</sup> components, including without limitation a description of factors that affect the prices of such components, are accurate or complete.

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## VALUATION OF THE ETNS

The market value of each series of ETNs will be affected by several factors, many of which are beyond our control. We expect that generally the level of the Index underlying the ETNs on any day will affect the market value of the ETNs more than any other factors. Other factors that may influence the market value of a series of ETNs include, but are not limited to, supply and demand for the series of ETNs, the level of contango or backwardation in the markets for the relevant commodity futures contracts and the roll costs associated with maintaining a rolling position in such futures contracts; the volatility of the Index underlying the ETNs, the market price of the index components included in that Index, the Treasury Bill rate of interest, the volatility of commodities prices, economic, financial, political, regulatory, geographical, or judicial events that affect the level of the Index underlying the ETNs or the market price of the index components included in that Index, the general interest rate environment, as well as the perceived creditworthiness of Barclays Bank PLC. See "Risk Factors" in this pricing supplement for a discussion of the factors that may influence the market value of the ETNs prior to maturity.

These factors interrelate in complex ways, and the effect of one factor on the market value of your ETNs may offset or enhance the effect of another factor. See "Risk Factors" in this pricing supplement for a discussion of the factors that may influence the market value of the ETNs prior to maturity.

### Intraday Indicative Value

The "intraday indicative value" for any series of ETNs is intended to provide investors with an approximation of the effect that changes in the level of the Index underlying the ETNs during the current trading day would have on the daily redemption value of such series of ETNs from the previous day. Intraday indicative value differs from the daily redemption value in two important respects. First, intraday indicative value is based on the most recent Index level published by the Index Sponsor, which reflects the most recent reported sales prices for the index components, rather than the Index Factor of a series of ETNs for the immediately preceding calendar day. Second, the intraday

indicative value only reflects the investor fee for a series of ETNs at the close of business on the preceding calendar day, but does not include any adjustment for the investor fee of such series of ETNs during the course of the current day.

The intraday indicative value for any series is published as a convenience for reference purposes only and does not represent the actual trading price of such ETNs, which may be influenced by bid-offer spreads, hedging and transaction costs and market liquidity, among other factors.

The intraday indicative value for any series is calculated and published by NYSE Euronext (the "IIV calculation agent"), or a successor for each series of ETNs under the intraday indicative value (IIV) ticker symbols listed in the following table:

| ETNs                 | IIV Ticker |
|----------------------|------------|
| Commodity Index ETNs | DJP.IV     |
| Cocoa ETNs           | NIB.IV     |
| Lead ETNs            | LD.IV      |

In connection with any series of ETNs, we use the term "intraday indicative value" to refer to the value at a given time on any trading day determined based on the following equation:

$$\text{Intraday Indicative Value} = \text{Principal Amount per ETN} \times (\text{Current Index Level} / \text{Initial Index Level}) - \text{Current Investor Fee}$$

where:

$$\text{Principal Amount per ETN} = \$50;$$

$$\text{Current Index Level} = \text{The most recent published level of the Index underlying the ETNs as reported by the Index Sponsors};$$

$$\text{Initial Index Level} = \text{The level of that Index on the inception date}; \text{ and}$$

$$\text{Current Investor Fee} = \text{The most recent daily calculation of the investor fee with respect to the ETNs, determined as described above (which, during any trading day, will be the investor fee determined on the preceding calendar day)}.$$

The IIV calculation agent is not affiliated with Barclays Bank PLC and does not approve, endorse, review or recommend Barclays Bank PLC or the ETNs.



The intraday indicative value will be derived from sources deemed reliable, but the IIV calculation agent and its suppliers do not guarantee the correctness or completeness of the intraday indicative value or other information furnished in connection with any series of ETNs. The IIV calculation agent makes no warranty, express or implied, as to results to be obtained by Barclays Bank PLC, Barclays Bank PLC's customers, holders of the ETNs, or any other person or entity from the use of the intraday indicative value or any data included therein. The IIV calculation agent makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose with respect to the intraday indicative value or any data included therein.

The IIV calculation agent, its employees, subcontractors, agents, suppliers and vendors shall have no liability or responsibility, contingent or otherwise, for any injury or damages, whether caused by the negligence of the IIV calculation agent, its employees, subcontractors, agents, suppliers or vendors or otherwise, arising in connection with the intraday indicative value or any series of the ETNs, and shall not be liable for any lost profits, losses, punitive, incidental or consequential damages. The IIV calculation agent shall not be responsible for or have any liability for any injuries or damages caused by errors, inaccuracies, omissions or any other failure in, or delays or interruptions of, the intraday indicative value, from whatever cause. The IIV calculation agent is not responsible for the selection of or use of any Index or any series of the ETNs, the accuracy and adequacy of any Index or information used by Barclays Bank PLC and the resultant output thereof.

The intraday indicative value calculation is not intended as a price or quotation, or as an offer or solicitation for the purchase, sale, redemption or termination of your ETNs. The actual trading price of any series of ETNs in the secondary market may vary significantly from their intraday indicative value. See "Risk Factors—Risks Relating to Liquidity and the Secondary Market—The ETNs May Trade at a Substantial Premium to or Discount from the Intraday Indicative Value" in this pricing supplement.

Furthermore, as the intraday indicative value is calculated using the daily redemption value on the immediately preceding calendar day, the

intraday indicative value published at any time during a given trading day will not reflect the investor fee that may have accrued over the course of such trading day. Published Index levels from the Index Sponsors may occasionally be subject to delay or postponement. Any such delays or postponements will affect the current Index level and therefore the intraday indicative value for a series of ETNs. The actual trading price of any series of ETNs may be different from their intraday indicative value.

### **Early Redemption**

As discussed in "Specific Terms of the ETNs – Payment Upon Issuer Redemption," we may choose to redeem your ETNs (in whole but not in part) in our sole discretion on any issuer redemption date during the term of the ETNs. If we exercise our right to redeem your ETNs, you will receive a cash payment in U.S. dollars on that date in an amount equal to (1) the principal amount of your ETNs *times* (2) the applicable index factor for that series of ETNs on the applicable valuation date *minus* (3) the investor fee for that series of ETNs on the applicable valuation date.

As discussed in Specific Terms of the ETNs – Payment Upon Holder Redemption," you may, subject to certain restrictions, choose to redeem your ETNs on any holder redemption date during the term of the ETNs. If you redeem your ETNs on a particular holder redemption date, you will receive a cash payment in U.S. dollars on such date in an amount equal to the daily redemption value, which is, (1) the principal amount of your ETNs *times* (2) the applicable index factor for that series of ETNs on the applicable valuation date *minus* (3) the investor fee for that series of ETNs on the applicable valuation date. You must redeem at least 30,000 ETNs of the same series at one time in order to exercise your right to redeem your ETNs on any holder redemption date. The daily redemption feature is intended to induce arbitrageurs to counteract any trading of the ETNs at a discount to their intraday indicative value, though there can be no assurance that arbitrageurs will employ the early redemption feature in this manner.

### Split or Reverse Split of the ETNs

On any business day we may elect to initiate a split of your ETNs or a reverse split of your ETNs. Such date shall be deemed to be the “**Announcement Date**,” and we will issue a notice to holders of the relevant ETNs and a press release announcing the split or reverse split, specifying the effective date of the split or reverse split and the split or reverse split ratio.

If a series of ETNs undergoes a split, we will adjust the terms of such series of ETNs accordingly. For example, if the split ratio is 4 and hence a series of ETNs undergo a 4:1 split, every investor who holds ETNs of such series via DTC on the relevant record date will, after the split, hold four ETNs of such series, and adjustments will be made as described below. The record date for the split will be the 9<sup>th</sup> business day after the Announcement Date. The principal amount of such series of ETNs on such record date will be divided by 4 to reflect the 4:1 split of your ETNs. Any adjustment of the principal amount of such series of ETNs will be rounded to 8 decimal places. The split will become effective at the opening of trading of such series of ETNs on the business day immediately following the record date.

In the case of a reverse split of a series of ETNs, we reserve the right to address odd numbers of ETNs of such series (commonly referred to as “**partials**”) in a commercially reasonable manner determined by us in our sole discretion. For example, if the reverse split ratio is 4 and the a series of ETNs undergo a 1:4 reverse split, every investor who holds 4 ETNs of such series via DTC on the relevant record date will, after the reverse split, hold only one ETN of such series and adjustments will be made as described below. The record date for the reverse split will be on the 9<sup>th</sup> business day after the Announcement Date. The principal amount of such series of ETNs on such record date will be multiplied by four to reflect the 1:4 reverse split of your ETNs. Any adjustment of principal amount of such series of ETNs will be rounded to 8 decimal places. The reverse split will become effective at the opening of trading of such series of ETNs on the business day immediately following the record date.

In the case of a reverse split of a series of ETNs, holders who own a number of ETNs of such series on the record date which is not evenly

divisible by the split ratio will receive the same treatment as all other holders of such series of ETNs for the maximum number of ETNs of such series they hold which is evenly divisible by the split ratio, and we will have the right to compensate holders for their remaining or “partial” ETNs in a commercially reasonable manner determined by us in our sole discretion. Our current intention is to provide holders with a cash payment for their partials on the 17<sup>th</sup> business day following the Announcement Date in an amount equal to the appropriate percentage of the principal amount of the reverse split-adjusted ETNs on the 14<sup>th</sup> business day following the Announcement Date *times* the index factor on the applicable business day *minus* the investor fee on the applicable business day. For example, if the reverse split ratio is 1:4, a holder who held 23 ETNs of the affected series via DTC on the record date would receive 5 post reverse split ETNs of the affected series on the immediately following business day, and a cash payment on the 17<sup>th</sup> business day following the Announcement Date that is equal to  $\frac{3}{4}$  of the principal amount of the reverse split-adjusted ETNs on the 14<sup>th</sup> business day following the Announcement Date *times* the index factor on the applicable business day *minus* the investor fee on the applicable business day.

In the event of a reverse split, the redemption amount will be adjusted accordingly by the Issuer, in its sole discretion and in a commercially reasonable manner, to take into account the reverse split.

### SPECIFIC TERMS OF THE ETNS

In this section, references to “holders” mean those who own the ETNs registered in their own names, on the books that we or the Trustee (as defined below), or any successor trustee, as applicable, maintain for this purpose, and not those who own beneficial interests in the ETNs registered in street name or in the ETNs issued in book-entry form through The Depository Trust Company (“**DTC**”) or another depository. Owners of beneficial interests in the ETNs should read the section entitled “Description of Debt Securities—Legal Ownership; Form of Debt Securities” in the accompanying prospectus.

Each series of ETNs is part of a series of debt securities entitled “Global Medium-Term Notes, Series A” (the “**medium-term notes**”) that we may issue under the senior debt securities indenture, dated September 16, 2004 (as may be amended or supplemented from time to time, the “**Indenture**”), between Barclays Bank PLC and The Bank of New York Mellon, as trustee, (the “**Trustee**”) from time to time. This pricing supplement summarizes specific financial and other terms that apply to each series of ETNs. Terms that apply generally to all medium-term notes are described in “Summary—Medium-Term Notes” and “Terms of the Notes” in the accompanying prospectus supplement, and terms that apply generally to all index-linked notes are described in “Reference Assets—Indices” in the accompanying prospectus supplement. The terms described here (*i.e.*, in this pricing supplement) supplement those described in the accompanying prospectus, prospectus supplement and any related free writing prospectuses and, if the terms described here are inconsistent with those described in those documents, the terms described here are controlling.

Please note that the information about the price to the public and the proceeds to Barclays Bank PLC on the front cover of this pricing supplement relates only to the initial sale of the ETNs. If you have purchased the ETNs in a market-making transaction after the initial sale, information about the price and date of sale to you will be provided in a separate confirmation of sale.

We describe the terms of each series of ETNs in more detail below.

### **Coupon**

We will not pay you interest during the term of the ETNs.

### **Denomination**

We will offer the ETNs in denominations of \$50.

### **Payment at Maturity**

If you hold your ETNs to maturity, you will receive a cash payment in U.S. dollars at maturity that is linked to percentage change in the level of the Index between the inception date and the final valuation date. The cash payment

in U.S. dollars at maturity for the ETNs will be an amount equal to (1) the principal amount of your ETNs *times* (2) the applicable index factor on the final valuation date *minus* (3) the applicable investor fee on the final valuation date.

For any series of ETNs, the index factor for the Index underlying the ETNs on the final valuation date will be equal to the final index level *divided by* the initial index level. The initial index level is the closing level of the Index underlying the ETNs on the inception date and the final index level is the closing level of the Index underlying the ETNs on the final valuation date.

### **Investor Fee**

The investor fee for a series of ETNs on the final valuation date is equal to (1) (a) 0.75% per year (for the period from the inception date to and including April 30, 2015) and (b) 0.70% per year (for the period beginning the day after April 30, 2015 until the redemption date or the maturity date) *times* (2) the principal amount of your ETNs *times* (3) the applicable index factor, calculated on a daily basis in the following manner: The accrued investor fee on the inception date of the ETNs was equal to zero. On each subsequent calendar day until and including April 30, 2015, the accrued investor fee increased by an amount equal to (1) 0.75% per year *times* (2) the principal amount of your ETNs *times* (3) the applicable index factor on that day (or, if such day is not a trading, the index factor on the immediately preceding trading day) *divided by* (4) 365. For the period beginning on, but not including April 30, 2015 and ending on, and including the redemption date, or the maturity date, the accrued investor fee increases by an amount equal to (1) 0.70% per year *times* (2) the principal amount of your ETNs *times* (3) the applicable index factor on that day (or, if such day is not a trading day, the index factor on the immediately preceding trading day) *divided by* (4) 365.

The investor fee reduces the daily return of the ETNs. Because the investor fee reduces the amount of your return at maturity or upon early redemption, the level of the Index underlying the ETNs must increase significantly in order for you to receive at least the principal amount of your investment at maturity or upon early redemption. If the level of the Index underlying the ETNs decreases or does not increase sufficiently, you

will receive less than the principal amount of your investment at maturity or upon early redemption.

### **Inception, Issuance, and Maturity**

The Commodity Index ETNs were each first sold on June 6, 2006, were first issued on June 9, 2006, and are due on June 12, 2036.

The Cocoa ETNs and the Lead ETNs were each first sold on June 24, 2008, were each first issued on June 27, 2008, and are each due on June 24, 2038.

If the maturity date for a series of ETNs stated on the cover of this pricing supplement is not a business day, the maturity date will be the next following business day. If the fifth business day before this day does not qualify as a valuation date (as described below), then the maturity date will be the fifth business day following the final valuation date. The calculation agent may postpone the final valuation date – and therefore the maturity date – if a market disruption event occurs or is continuing on a day that would otherwise be the final valuation date. We describe market disruption events under “– Market Disruption Event” below.

In the event that payment at maturity is deferred beyond the stated maturity date, penalty interest will not accrue or be payable with respect to that deferred payment.

### **Payment Upon Holder Redemption**

Prior to maturity, you may, subject to certain restrictions, redeem your ETNs on any holder redemption date during the term of the ETNs, provided that you present at least 30,000 ETNs of the same series for redemption, or your broker or other financial intermediary (such as a bank or other financial institution not required to register as a broker-dealer to engage in securities transactions) bundles your ETNs for redemption with those of other investors to reach this minimum. If you choose to redeem your ETNs on a particular holder redemption date, you will receive a cash payment in U.S. dollars on such date in an amount equal to the daily redemption value, which is (1) the principal amount of your ETNs *times* (2) the applicable index factor on the applicable valuation date *minus* (3) the applicable investor fee on the applicable valuation date. You must redeem at

least 30,000 ETNs of the same series at one time in order to exercise your right to redeem your ETNs on any holder redemption date. We may from time to time in our sole discretion reduce, in part or in whole, the minimum redemption amount of 30,000 ETNs. Any such reduction will be applied on a consistent basis for all holders of the relevant ETNs at the time the reduction becomes effective.

The index factor for a series of ETNs on the relevant valuation date is the closing level of the Index underlying such ETNs on that day *divided by* the initial index level. The initial index level is the closing level of the Index underlying the ETNs on the relevant inception date.

The investor fee is calculated as described in “Specific Terms of the ETNs – Investor Fee.”

In the event that payment upon holder redemption is deferred beyond the original holder redemption date, penalty interest will not accrue or be payable with respect to that deferred payment.

Notwithstanding the foregoing, beginning after the close of trading on February 28, 2020 we have reduced the minimum redemption amount to 5,000 ETNs. Our reduction of the minimum redemption amount will be available to any and all holders of the ETNs on such early redemption dates and will remain in effect until February 28, 2022, unless extended at Barclays’ sole discretion. We may, at any time and in our sole discretion, make further modifications to the minimum redemption amount, including, among others, to reinstate the minimum redemption amount of 30,000 ETNs for all redemption dates after such further modification. Any such modification will be applied on a consistent basis for all holders of the ETNs at the time such modification becomes effective.

### **Payment Upon Issuer Redemption**

Prior to maturity, we may, at our sole discretion, choose to redeem your ETNs (in whole but not in part) on any issuer redemption date during the term of the ETNs. If we elect to redeem the ETNs, we will deliver written notice of such election to redeem to the holders of the ETNs not less than 10 calendar days prior to the issuer redemption date specified by us in such notice. In this scenario, the ETNs will be redeemed on the date specified by us in such notice. In this

scenario, the ETNs will be redeemed on the date specified by us in the issuer redemption notice, but in no event prior to the tenth calendar day following the date on which we deliver such notice. If we exercise our right to redeem your ETNs, you will receive a cash payment in U.S. dollars on that date in an amount equal to (1) the principal amount of your ETNs *times* (2) the applicable index factor for that series of ETNs on the applicable valuation date *minus* (3) the investor fee for that series of ETNs on the applicable valuation date.

The index factor for a series of ETNs on the relevant valuation date is the closing level of the Index underlying such ETNs on that day *divided by* the initial index level. The initial index level is the closing level of the Index underlying the ETNs on the relevant inception date.

The investor fee is calculated as described in “Specific Terms of the ETNs – Investor Fee.”

In the event that payment upon issuer redemption is deferred beyond the original issuer redemption date, penalty interest will not accrue or be payable with respect to that deferred payment.

### **Valuation Date**

In the case of the Commodity Index ETNs, a valuation date is each business day from June 15, 2006 to June 5, 2036, inclusive (subject to the occurrence of a market disruption event), or, if such date is not a trading day, the next succeeding trading day, not to exceed five trading days. We refer to Thursday, June 5, 2036, as the “**final valuation date**” for the Commodity Index ETNs.

In the case of the Cocoa ETNs and the Lead ETNs, a valuation date is each business day from June 25, 2008 to June 17, 2038, inclusive (subject to the occurrence of a market disruption event), or, if such date is not a trading day, the next succeeding trading day, not to exceed five trading days. We refer to June 17, 2038, as the “**final valuation date**” for these series of ETNs.

### **Redemption Date**

A holder redemption date is the third business day following each valuation date (other than the final valuation date), where the final redemption date for each series of ETNs will be the third

business day following the valuation date that is immediately prior to the final valuation date for that series of ETNs.

An issuer redemption date is the date specified by us in the issuer redemption notice, which will in no event be prior to the tenth calendar day following the date on which we deliver such notice.

## **Early Redemption Procedures**

### *Holder Redemption Procedures*

You may, subject to the minimum redemption amount described above, elect to redeem your ETNs on any holder redemption date. To redeem your ETNs, you must instruct your broker or other person with whom you hold your ETNs to take the following steps:

- deliver a notice of redemption, in proper form, which is attached as Annex A, to us via facsimile or email by no later than 4:00 p.m., New York City time, on the business day prior to the applicable valuation date. If we receive your notice by the time specified in the preceding sentence, we will respond by sending you a form of confirmation of redemption, which is attached as Annex B;
- deliver the signed confirmation of redemption to us via facsimile or email in the specified form by 5:00 p.m., New York City time, on the same day. We or our affiliate must acknowledge receipt in order for your confirmation to be effective;
- instruct your DTC custodian to book a delivery vs. payment trade with respect to your ETNs on the valuation date at a price equal to the applicable daily redemption value, facing Barclays DTC 229; and
- cause your DTC custodian to deliver the trade as booked for settlement via DTC at or prior to 10:00 a.m., New York City time, on the applicable holder redemption date (the third business day following the valuation date).

Different brokerage firms may have different deadlines for accepting instructions from their customers. Accordingly, you should consult the brokerage firm through which you own your interest in the ETNs in respect of such deadlines. If we do not receive your notice of

redemption by 4:00 p.m., New York City time, or your confirmation of redemption by 5:00 p.m., New York City time, on the business day prior to the applicable valuation date, your notice will not be effective and we will not redeem your ETNs on the applicable holder redemption date. Any redemption instructions for which we (or our affiliate) receive a valid confirmation in accordance with the procedures described above will be irrevocable.

**The daily redemption value will be calculated on a valuation date that will occur after the redemption notice is submitted. It is not possible to publicly disclose, or for you to determine, the precise redemption value prior to your election to redeem. The redemption value may be below the most recent intraday indicative value or daily redemption value of your ETNs at the time when you submit your redemption notice.**

#### *Issuer Redemption Procedures*

We have the right to redeem or “call” any series of ETNs (in whole but not in part) at our sole discretion without your consent on any issuer redemption date until and including maturity. If we elect to redeem any series of ETNs, we will deliver written notice of such election to redeem to DTC and the Trustee not less than ten calendar days prior to the issuer redemption date specified by us in such notice. In this scenario, the final valuation date will be deemed to be the date specified by us in the notice (subject to postponement in the event of a market disruption event), and the ETNs will be redeemed on the issuer redemption date specified by us in such notice, but in no event prior to the tenth calendar day following the date on which we deliver such notice.

#### **Market Disruption Events**

As set forth under “— Payment at Maturity” “— Payment Upon Holder Redemption” and “— Payment Upon Issuer Redemption” above, the calculation agent will determine the value of the relevant Index on each valuation date, including the final valuation date. As described above, a valuation date for any series of ETNs may be postponed and thus the determination of the value of the relevant Index may be postponed if the calculation agent determines that, on a valuation date, a market disruption event has

occurred or is continuing in respect of any index component. If such a postponement occurs, the index components unaffected by the market disruption event shall be determined on the scheduled valuation date and the value of the affected index component shall be determined using the closing value of the affected index component on the first trading day after that day on which no market disruption event occurs or is continuing. In no event, however, will a valuation date for a series of ETNs be postponed by more than five trading days.

If a valuation date is postponed until the fifth trading day following the scheduled valuation date but a market disruption event occurs or is continuing on such day, that day will nevertheless be the valuation date and the calculation agent will make a good faith estimate in its sole discretion of the value of the relevant Index for such day.

Any of the following will be a market disruption event:

- a material limitation, suspension or disruption in the trading of any index component which results in a failure by the trading facility on which the relevant contract is traded to report a daily contract reference price (the price of the relevant contract that is used as a reference or benchmark by market participants);
- the daily contract reference price for any index component is a “limit price,” which means that the daily contract reference price for such contract has increased or decreased from the previous day’s daily contract reference price by the maximum amount permitted under the applicable rules or procedures of the relevant trading facility;
- failure by the Index Sponsors to publish the closing value of the relevant Index or of the applicable trading facility or other price source to announce or publish the daily contract reference price for one or more index components; or
- any other event, if the calculation agent determines in its sole discretion that the event materially interferes with our ability or the ability of any of our affiliates to unwind all or a material portion of a hedge with

respect to the ETNs that we or our affiliates have effected or may effect as described below under “Use of Proceeds and Hedging” in this pricing supplement.

The following events will not be market disruption events:

- a limitation on the hours or numbers of days of trading on a trading facility on which any index component is traded, but only if the limitation results from an announced change in the regular business hours of the relevant market; or
- a decision by a trading facility to permanently discontinue trading in any index component.

#### **Default Amount on Acceleration**

If an event of default occurs and the maturity of a series of ETNs is accelerated, we will pay the default amount in respect of the principal of that series of ETNs at maturity. We describe the default amount below under “—Default Amount.”

For the purpose of determining whether the holders of our medium-term notes, of which each series of ETNs is a part, are entitled to take any action under the Indenture, we will treat the principal amount of each ETN outstanding as the principal amount of that ETN. Although the terms of the ETNs may differ from those of the other medium-term notes, holders of specified percentages in principal amount of all medium-term notes, together in some cases with other series of our debt securities, will be able to take action affecting all the medium-term notes, including the ETNs. This action may involve changing some of the terms that apply to the medium-term notes, accelerating the maturity of the medium-term notes after a default or waiving some of our obligations under the Indenture. We discuss these matters in the accompanying prospectus under “Description of Debt Securities—Modification and Waiver” and “—Senior Events of Default; Dated Subordinated Enforcement Events and Remedies; Limitation on Suits.”

#### **Default Amount**

The default amount for a series of ETNs on any day will be an amount, determined by the calculation agent in its sole discretion, equal to

the cost of having a qualified financial institution, of the kind and selected as described below, expressly assume all our payment and other obligations with respect to that series of ETNs as of that day and as if no default or acceleration had occurred, or to undertake other obligations providing substantially equivalent economic value to you with respect to such ETNs. That cost will equal:

- the lowest amount that a qualified financial institution would charge to effect this assumption or undertaking, plus
- the reasonable expenses, including reasonable attorneys’ fees, incurred by the holders of such ETNs in preparing any documentation necessary for this assumption or undertaking.

During the default quotation period for a series of ETNs, which we describe below, the holders of such ETNs and/or we may request a qualified financial institution to provide a quotation of the amount it would charge to effect this assumption or undertaking. If either party obtains a quotation, it must notify the other party in writing of the quotation. The amount referred to in the first bullet point above will equal the lowest—or, if there is only one, the only—quotation obtained, and as to which notice is so given, during the default quotation period. With respect to any quotation, however, the party not obtaining the quotation may object, on reasonable and significant grounds, to the assumption or undertaking by the qualified financial institution providing the quotation and notify the other party in writing of those grounds within two business days after the last day of the default quotation period, in which case that quotation will be disregarded in determining the default amount.

#### **Default Quotation Period**

The default quotation period is the period beginning on the day the default amount first becomes due and ending on the third business day after that day, unless:

- no quotation of the kind referred to above is obtained, or
- every quotation of that kind obtained is objected to within five business days after the due date as described above.

If either of these two events occurs, the default quotation period will continue until the third business day after the first business day on which prompt notice of a quotation is given as described above. If that quotation is objected to as described above within five business days after that first business day, however, the default quotation period will continue as described in the prior sentence and this sentence.

In any event, if the default quotation period and the subsequent two business day objection period have not ended before the final valuation date, then the default amount will equal the principal amount of the series of ETNs.

#### *Qualified Financial Institutions*

For the purpose of determining the default amount at any time, a qualified financial institution must be a financial institution organized under the laws of any jurisdiction in the United States of America or Europe, which at that time has outstanding debt obligations with a stated maturity of one year or less from the date of issue and rated either:

- A-1 or higher by Standard & Poor's Ratings Services or any successor, or any other comparable rating then used by that rating agency, or
- P-1 or higher by Moody's Investors Service or any successor, or any other comparable rating then used by that rating agency.

#### **Further Issuances**

We may, without your consent, create and issue additional securities having the same terms and conditions as any series of ETNs. If there is substantial demand for a series of ETNs, we may issue additional ETNs frequently. We may consolidate the additional securities to form a single class with the outstanding ETNs. However, we are under no obligation to issue or sell additional ETNs at any time, and if we do issue or sell additional ETNs, we may limit such sales and stop selling additional ETNs at any time.

We also reserve the right to cease or suspend sales of ETNs from inventory held by our affiliate Barclays Capital Inc. at any time. If we limit, restrict or stop sales of ETNs, or if we subsequently resume sales of ETNs, the liquidity

and trading price of the relevant series of ETNs in the secondary market could be materially and adversely affected.

#### **Discontinuance or Modification of an Index**

If the Index Sponsors discontinue publication of an Index and they or any other person or entity publishes an index that the calculation agent determines is comparable to the discontinued Index and approves as a successor index, then the calculation agent will determine the value of the relevant Index on the applicable valuation date and the amount payable at maturity or upon redemption by reference to such successor index.

If the calculation agent determines that the publication of an Index is discontinued and that there is no successor index, or that the closing level of an Index is not available because of a market disruption event or for any other reason, on the date on which the value of that Index is required to be determined, or if for any other reason an Index is not available to us or the calculation agent on the relevant date, the calculation agent will determine the amount payable by a computation methodology that the calculation agent determines will as closely as reasonably possible replicate the relevant Index.

If the calculation agent determines that an Index, the index components of an Index or the method of calculating an Index has been changed at any time in any respect—including any addition, deletion or substitution and any reweighting or rebalancing of index components, and whether the change is made by the Index Sponsors under their existing policies or following a modification of those policies, is due to the publication of a successor index, is due to events affecting one or more of the index components, or is due to any other reason—then the calculation agent will be permitted (but not required) to make such adjustments to that Index or method of calculating that Index as it believes are appropriate to ensure that the level of the Index used to determine the amount payable on the maturity date or upon redemption is equitable.

All determinations and adjustments to be made by the calculation agent with respect to the value of an Index and the amount payable at maturity or upon redemption or otherwise relating to the



value of an Index may be made in the calculation agent's sole discretion. See "Risk Factors" in this pricing supplement for a discussion of certain conflicts of interest which may arise with respect to the calculation agent.

### **Manner of Payment and Delivery**

Any payment on or delivery of a series of ETNs at maturity will be made to accounts designated by you and approved by us, or at the office of the Trustee in New York City, but only when the ETNs are surrendered to the Trustee at that office. We also may make any payment or delivery in accordance with the applicable procedures of the depository.

### **Business Day**

When we refer to a business day with respect to a series of ETNs, we mean a Monday, Tuesday, Wednesday, Thursday or Friday that is not a day on which banking institutions in London or New York City generally are authorized or obligated by law, regulation or executive order to close.

### **Role of Calculation Agent**

Currently, we serve as the calculation agent. We may change the calculation agent without notice. The calculation agent will, in its sole discretion, make all determinations regarding the value of each series of ETNs, including at maturity or upon redemption, market disruption events, business days, trading days, the investor fee, the default amount, the initial index level, the final index level, the closing level of the Index on any valuation date, the maturity date, redemption dates, the amount payable in respect of your ETNs at maturity or upon redemption and any other calculations or determinations to be made by the calculation agent as specified herein. Absent manifest error, all determinations of the calculation agent will be final and binding on you and us, without any liability on the part of the calculation agent. You will not be entitled to any compensation from us for any loss suffered as a result of any of the above determinations by the calculation agent.

### **CLEARANCE AND SETTLEMENT**

DTC participants that hold ETNs through DTC on behalf of investors will follow the settlement practices applicable to equity securities in DTC's settlement system with respect to the primary distribution of the ETNs and secondary market trading between DTC participants.

### **USE OF PROCEEDS AND HEDGING**

We will use the net proceeds we receive from the sale of ETNs for the purposes we describe in the accompanying prospectus supplement under "Use of Proceeds and Hedging." We or our affiliates may also use those proceeds in transactions intended to hedge our obligations under the ETNs as described below.

In anticipation of the sale of a series of ETNs, we or our affiliates expect to enter into hedging transactions involving purchases of instruments linked to the Index underlying those ETNs prior to or on the inception date. In addition, from time to time after we issue a series of ETNs, we or our affiliates may enter into additional hedging transactions or unwind those hedging transactions we have entered into. In this regard, we or our affiliates may:

- acquire or dispose of long or short positions in listed or over-the-counter options, futures, or other instruments linked to some or all of the index components (including the underlying physical commodities) or Indices;
- acquire or dispose of long or short positions in listed or over-the-counter options, futures, or other instruments linked to the level of other similar market indices, contracts or commodities; or
- any combination of the above two.

We or our affiliates may acquire a long or short position in securities similar to a series of ETNs from time to time and may, in our or their sole discretion, hold or resell those securities.

Our affiliate, Barclays Capital Inc., may make a market in any series of ETNs. In connection with any such market making activities, Barclays Capital Inc. may acquire long or short positions in a series of ETNs, including through options or other derivative financial instruments linked to

such ETNs, and may hedge such long or short positions by selling or purchasing the ETNs of such series or entering into options or other derivative financial instruments linked to such ETNs.

We or our affiliates may close out our or their hedge positions on or before a final valuation date. That step may involve sales or purchases of listed or over-the-counter options or futures on index components (including the underlying physical commodities) or listed or over-the-counter options, futures, or other instruments linked to the level of index components or the

### **MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS**

The following section supplements the discussion of U.S. federal income taxation in the accompanying prospectus supplement and, when read in combination therewith, is the opinion of Davis Polk & Wardwell LLP, our special tax counsel. The following discussion supersedes the discussion in the accompanying prospectus supplement to the extent it is inconsistent therewith. This section applies to you only if you are a U.S. Holder (as defined below) and you hold your ETNs as capital assets for tax purposes. This discussion does not address all aspects of U.S. federal income taxation that may be relevant to you in light of your particular circumstances, including alternative minimum tax consequences and the application of the “Medicare contribution tax” on investment income. This section does not apply to you if you are a member of a class of U.S. Holders subject to special rules, such as:

- a dealer in securities;
- a trader in securities that elects to use a mark-to-market method of accounting for your securities holdings;
- a financial institution;
- an insurance company;
- a tax-exempt entity, including an “individual retirement account” or “Roth IRA” as defined in Code Section 408 or 408A, respectively ;
- a “regulated investment company” as defined in Code Section 851;

Indices, as well as other indices designed to track the performance of the Indices or other components of the commodities market.

**The hedging activity discussed above may adversely affect the level of an Index and, as a consequence, the market value of the ETNs linked to that Index from time to time and the amount payable at maturity or upon redemption. See “Risk Factors” in this pricing supplement for a discussion of possible adverse effects related to our hedging activities.**

- a “real estate investment trust” as defined in Code Section 856;
- a partnership or other pass-through entity;
- a person that owns an ETN as part of a straddle or conversion transaction for tax purposes or that has entered into a “constructive sale” with respect to the ETN; or
- a person whose functional currency for tax purposes is not the U.S. dollar.

If you are a partnership for U.S. federal income tax purposes, the U.S. federal income tax treatment of your partners will generally depend on the status of your partners and your activities.

This section is based on the Code, its legislative history, existing and proposed regulations under the Code, published rulings and court decisions, all as currently in effect. These laws are subject to change, possibly on a retroactive basis.

**You should consult your tax advisor concerning the U.S. federal income tax and other tax consequences of your investment in the ETNs in your particular circumstances, including the application of state, local or other tax laws and the possible effects of changes in federal or other tax laws.**

You are a U.S. Holder if you are a beneficial owner of an ETN and you are for U.S. federal income tax purposes:

- a citizen or individual resident of the United States;
- a corporation or other entity taxable as a corporation created or organized under the

laws of the United States, any state therein or the District of Columbia;

- an estate whose income is subject to U.S. federal income tax regardless of its source; or
- a trust if a U.S. court can exercise primary supervision over the trust's administration and one or more U.S. persons are authorized to control all substantial decisions of the trust.

In the opinion of our special tax counsel, which is based on current market conditions, each series of ETNs should be treated for U.S. federal income tax purposes as prepaid forward contracts with respect to the relevant Index that are not debt instruments. If the ETNs are so treated, you should not recognize taxable income or loss over the term of the ETNs prior to maturity, other than pursuant to a sale, exchange, early redemption, or "deemed exchange" as described below. You should generally recognize capital gain or loss upon the sale, exchange, early redemption or maturity of your ETNs in an amount equal to the difference between the amount you receive at such time and your tax basis in the ETNs. In general, your tax basis in your ETNs will be equal to the price you paid for your ETNs. This capital gain or loss should be long-term capital gain or loss if you have held the ETN for more than one year at that time. The deductibility of capital losses is subject to limitations. Unless otherwise indicated, the following discussion assumes that the treatment of the ETNs as prepaid forward contracts that are not debt is correct.

The IRS could assert that a "deemed" taxable exchange has occurred on one or more roll dates or Index rebalance dates under certain circumstances. If the IRS were successful in asserting that a taxable exchange had occurred, you could be required to recognize gain (but probably not loss), which would equal the amount by which the fair market value of the ETN exceeds your tax basis therein on the relevant roll date or Index rebalance date. Any gain recognized on a deemed exchange should be capital gain. You should consult your tax advisor regarding the possible U.S. federal income tax consequences of Index rolls or rebalancings.

### *Alternative Treatments*

There is no judicial or administrative authority discussing how your ETNs should be treated for U.S. federal income tax purposes. Therefore the IRS might assert that your ETNs should be treated in a manner that differs from that described above. For example, the IRS might assert that your ETNs should be treated as debt instruments subject to the special tax rules governing contingent payment debt instruments. If your ETNs were so treated, regardless of whether you are an accrual-method or cash-method taxpayer, you would be required to accrue interest income over the term of your ETNs based upon the yield at which we would issue a non-contingent fixed-rate debt instrument with other terms and conditions similar to your ETNs. You would recognize gain or loss upon the sale, exchange, early redemption or maturity of your ETNs in an amount equal to the difference, if any, between the amount you receive at such time and your adjusted basis in your ETNs. In general, your adjusted basis in your ETNs would be equal to the amount you paid for your ETNs, increased by the amount of interest you previously accrued with respect to your ETNs. Any gain you recognize upon the sale, exchange, early redemption or maturity of your ETNs would be ordinary income and any loss recognized by you at such time would be ordinary loss to the extent of interest you included in income in the current or previous taxable years in respect of your ETNs, and thereafter, would be capital loss. Additionally, if you recognized a loss above certain thresholds, you might be required to file a disclosure statement with the IRS.

Even if the treatment of the ETNs as prepaid forward contracts that are not debt instruments is respected, due to the lack of controlling authority there remain significant additional uncertainties regarding the tax consequences of your ownership and disposition of your ETNs. For instance, you might be required to treat all or a portion of the gain or loss on the sale or exchange of your ETNs as ordinary income or loss or as short-term capital gain or loss, without regard to how long you held your ETNs.

Moreover, it is possible that the IRS could seek to tax your ETNs by reference to your deemed ownership of the relevant Index components. In this case, it is possible that Code Section 1256

could apply to your ETNs, in which case any gain or loss that you recognize with respect to the ETNs that is attributable to the regulated futures contracts represented in the relevant Index would be treated as 60% long-term capital gain or loss and 40% short-term capital gain or loss, without regard to your holding period in the ETNs and you would be required to mark such portion of the relevant ETN to market at the end of each taxable year (i.e., recognize gain and loss as if the relevant portion of your ETNs had been sold for fair market value).

Additionally, if your ETNs are linked to an Index that includes a metal (including both precious metals and industrial metals), it is also possible that the IRS could assert that your ETNs should be treated as partially giving rise to “collectibles” gain or loss if you hold your ETNs for more than one year.

In addition, in 2007, the U.S. Treasury Department and the IRS released a notice that may affect the taxation of the ETNs. According to the notice, the U.S. Treasury Department and the IRS are actively considering whether the beneficial owner of an instrument such as the ETNs should be required to accrue ordinary income on a current basis. The notice also states that the U.S. Treasury Department and the IRS are considering other relevant issues, including whether gain or loss from such instruments should be treated as ordinary or capital, whether non-U.S. investors in instruments such as the ETNs should be subject to withholding tax on any deemed income accruals, and whether the special “constructive ownership rules” of Code Section 1260 might be applied to such instruments.

It is impossible to anticipate how any ultimate guidance would affect the tax treatment of instruments such as the ETNs.

**No statutory, judicial or administrative authority directly discusses how your ETNs should be treated for U.S. federal income tax purposes. As a result, the U.S. federal income tax consequences of your investment in the ETNs are uncertain and alternative characterizations are possible. Accordingly, we urge you to consult your tax advisor in determining the tax consequences of an investment in your ETNs in your particular circumstances, including the application of state, local or other tax laws**

**and the possible effects of changes in federal or other tax laws.**

#### *“Specified Foreign Financial Asset” Reporting*

Owners of “specified foreign financial assets” with an aggregate value in excess of \$50,000 (and in some circumstances, a higher threshold) may be required to file an information report with respect to such assets with their tax returns. “Specified foreign financial assets” may include any financial accounts maintained by foreign financial institutions as well as any of the following (which may include the ETNs), but only if they are held for investment and not held in accounts maintained by financial institutions: (i) stocks and securities issued by non-U.S. persons, (ii) financial instruments and contracts that have non-U.S. issuers or counterparties and (iii) interests in foreign entities. Holders are urged to consult their tax advisors regarding the application of this legislation to their ownership of the ETNs.

#### *Information Reporting and Backup Withholding*

Please see the discussion under “Material U.S. Federal Income Tax Consequences—Information Reporting and Backup Withholding” in the accompanying prospectus supplement for a description of the applicability of the information reporting and backup withholding rules to payments made on your ETNs.

### **SUPPLEMENTAL PLAN OF DISTRIBUTION**

We sold a portion of each series of ETNs on the inception date at 100% of the principal amount through Barclays Capital Inc., our affiliate, as principal, in the initial distribution. Following the inception date, the remainder of the ETNs of each series will be offered and sold from time to time through Barclays Capital Inc., as agent. Sales of each series of ETNs by us after the inception date will be made at market prices prevailing at the time of sale, at prices related to market prices or at negotiated prices. Barclays Capital Inc. will not receive an agent’s commission in connection with sales of the ETNs.

In connection with this offering, we will sell the ETNs of any series to dealers (including our affiliate Barclays Capital Inc.) as principal, and such dealers may then resell such ETNs to the public at varying prices that the dealers will determine at the time of resale. In addition,

such dealers may make a market in the ETNs of any series, although none of them are obligated to do so and any of them may stop doing so at any time without notice. This prospectus (including this pricing supplement and the accompanying prospectus, prospectus supplement and prospectus addendum) may be used by such dealers in connection with market-making transactions. In these transactions, dealers may resell an ETN covered by this prospectus that they acquire from us or other holders after the original offering and sale of the ETNs, or they may sell an ETN covered by this prospectus in short sale transactions.

Barclays Capital Inc., or another affiliate of ours, or a third party distributor, may purchase and hold some of the ETNs for subsequent resale at variable prices after the initial issue date of the ETNs. In offering ETNs for sale after the initial issue date of the ETNs, there may be circumstances where investors may be offered ETNs from one distributor (including Barclays Capital Inc. or an affiliate) at a more favorable price than from other distributors. Furthermore, from time to time, Barclays Capital Inc. or an affiliate may offer and sell ETNs to purchasers of a large quantity of the ETNs at a more favorable price than it would offer to a purchaser acquiring a smaller quantity of the ETNs.

Broker-dealers and other persons are cautioned that some of their activities may result in their being deemed participants in the distribution of the ETNs of any series in a manner that would render them statutory underwriters and subject them to the prospectus delivery and liability provisions of the Securities Act of 1933, as amended (the “**Securities Act**”). Among other activities, broker-dealers and other persons may make short sales of the ETNs of any series and may cover such short positions by borrowing ETNs from us or our affiliates or by purchasing ETNs from us or our affiliates subject to our obligation to repurchase such ETNs at a later date. As a result of these activities, these market participants may be deemed statutory underwriters. A determination of whether a particular market participant is an underwriter must take into account all the facts and circumstances pertaining to the activities of the participant in the particular case, and the example mentioned above should not be considered a complete description of all the activities that would lead to designation as an

underwriter and subject a market participant to the prospectus-delivery and liability provisions of the Securities Act. This prospectus will be deemed to cover any short sales of ETNs of any series by market participants who cover their short positions with ETNs borrowed or acquired from us or our affiliates in the manner described above.

**NOTICE OF REDEMPTION**

To: [ipathredemptions@barclays.com]

Subject: iPath® Notice of Redemption, CUSIP No. [ ]

[BODY OF EMAIL]

Name of holder: [ ]

Number of ETNs to be redeemed: [ ]

Applicable Valuation Date: [ ], 20[ ]

Contact Name: [ ]

Telephone #: [ ]

Acknowledgement: I acknowledge that the ETNs specified above will not be redeemed unless all of the requirements specified in the pricing supplement relating to the ETNs are satisfied.

CONFIRMATION OF REDEMPTION

Dated:

Barclays Bank PLC

Barclays Bank PLC, as Calculation Agent

Fax: 212-412-1232

Dear Sir/Madam:

The undersigned holder of Barclays Bank PLC's Global Medium-Term Notes, Series A, iPath® Exchange-Traded Notes due *[insert maturity date]* CUSIP No. *[insert CUSIP No.]* (the "**ETNs**"), redeemable for a cash amount based on the *[insert name of relevant Index]* hereby irrevocably elects to exercise, on the redemption date of \_\_\_\_\_, with respect to the number of ETNs indicated below, as of the date hereof, the redemption right as described in the pricing supplement relating to the ETNs (the "**Pricing Supplement**"). Terms not defined herein have the meanings given to such terms in the Pricing Supplement.

The undersigned certifies to you that it will (i) instruct its DTC custodian with respect to the ETNs (specified below) to book a delivery vs. payment trade on the valuation date with respect to the number of ETNs specified below at a price per ETN equal to the applicable daily redemption value, facing Barclays DTC 229 and (ii) cause the DTC custodian to deliver the trade as booked for settlement via DTC at or prior to 10:00 a.m., New York City time, on the redemption date.

Very truly yours,  
[NAME OF HOLDER]

\_\_\_\_\_  
Name:  
Title:  
Telephone:  
Fax:  
E-mail:

Number of ETNs surrendered for redemption: \_\_\_\_\_

DTC # (and any relevant sub-account): \_\_\_\_\_

Contact Name:

Telephone:

*(You must redeem at least 30,000 ETNs at one time in order to exercise your right to redeem your ETNs on any redemption date.)*

Prospectus Addendum to the Prospectus dated August 1, 2019 and the Prospectus Supplement dated August 1, 2019



## BARCLAYS BANK PLC

### GLOBAL MEDIUM-TERM NOTES, SERIES A

We, Barclays Bank PLC (the “Issuer”), from time to time may offer and sell certain debt securities as part of our Global Medium-Term Notes, Series A program (the “notes”). This prospectus addendum supplements the accompanying prospectus dated August 1, 2019 (the “prospectus”) and the prospectus supplement dated August 1, 2019 (the “prospectus supplement”) for the notes. You should read this prospectus addendum, the accompanying prospectus, the prospectus supplement, the applicable product supplement(s), if any, the applicable underlying supplement, if any, and the applicable free writing prospectus or pricing supplement carefully before you invest. We refer to any free writing prospectus or pricing supplement relating to the notes as a “pricing supplement” in this prospectus addendum.

*Investing in the notes involves risks. We encourage you to read and carefully consider the risk factor beginning on page PA-1 of this prospectus addendum for a discussion of factors you should carefully consider before deciding to invest in the notes.*

Neither the U.S. Securities and Exchange Commission (the “SEC”) nor any state securities commission has approved or disapproved of the notes or determined that this prospectus addendum is truthful or complete. Any representation to the contrary is a criminal offense.

The notes are not deposit liabilities of the Issuer and are not covered by the U.K. Financial Services Compensation Scheme or insured by the U.S. Federal Deposit Insurance Corporation or any other governmental agency or deposit insurance agency of the United States, the United Kingdom or any other jurisdiction.

Barclays Capital Inc. and other entities disclosed in the applicable pricing supplement may solicit offers to subscribe for the notes as our agent. We may also issue notes to any agent as principal for its own account at prices to be agreed upon at the time of subscription. The agents may resell any notes they subscribe for as principal for their own accounts at prevailing market prices, or at other prices, as the agents determine. The applicable pricing supplement will disclose the agent’s discounts and commissions, if any. **Unless we or our agent informs you otherwise in the confirmation of sale, the agents may use this prospectus addendum, the prospectus, the prospectus supplement, the applicable pricing supplement and the applicable product supplement, if any, and underlying supplement, if any, in connection with offers and sales of the notes in market-making transactions.**



May 11, 2020



## RISK FACTORS

*Your investment in the notes will involve certain risks. You should consider carefully the following risk factor together with the information contained in the prospectus supplement, the applicable product supplement, if any, the applicable underlying supplement, if any, the relevant pricing supplement and the Issuer's most recent annual report on Form 20-F (including the forward-looking statements) before you decide that an investment in the notes is suitable for you.*

### ***Risks relating to the impact of COVID-19***

The COVID-19 pandemic has had, and continues to have, a material impact on businesses around the world and the economic environments in which they operate. There are a number of factors associated with the pandemic and its impact on global economies that could have a material adverse effect on (among other things) the profitability, capital and liquidity of financial institutions such as the Issuer.

The COVID-19 pandemic has caused disruption to the customers, suppliers and staff globally of Barclays PLC, the parent company of the Issuer, together with its subsidiary undertakings (collectively, the "Group"). A number of jurisdictions in which the Group operates have implemented severe restrictions on the movement of their respective populations, with a resultant significant impact on economic activity in those jurisdictions. These restrictions are being determined by the governments of individual jurisdictions (including through the implementation of emergency powers) and impacts (including the timing of implementation and any subsequent lifting of restrictions) may vary from jurisdiction to jurisdiction. It remains unclear how this will evolve through 2020 and the Group continues to monitor the situation closely. However, despite the COVID-19 contingency plans established by the Group, its ability to conduct business may be adversely affected by disruptions to its infrastructure, business processes and technology services, resulting from the unavailability of staff due to illness or the failure of third parties to supply services. This may cause significant customer detriment, costs to reimburse losses incurred by the Group's customers, and reputational damage.

In many of the jurisdictions in which the Group operates, schemes have been initiated by central banks and national governments to provide financial support to parts of the economy most impacted by the COVID-19 pandemic. The details of how these schemes will operate, the impact on the Group's customers and therefore the impact on the Group remain uncertain at this stage. However, certain actions (such as the introduction of mortgage payment holidays or the cancellation of fees associated with certain products) may negatively impact the effective interest rate earned on certain of the Group's portfolios and lower fee income being earned on certain products. Lower interest rates globally will negatively impact net interest income earned on certain of the Group's portfolios. Both of these factors may in turn negatively impact the Group's profitability. Furthermore, the introduction of, and participation in, central-bank supported loan schemes and other financing schemes introduced as a result of the COVID-19 pandemic may negatively impact the Group's risk weighted assets ("RWAs"), level of impairment and, in turn, capital position.

The actions taken by various governments and central banks, in particular in the United Kingdom and the United States, may indicate a view on the potential severity of any economic downturn and post recovery environment, which from a commercial, regulatory and risk perspective could be significantly different to past crises and persist for a prolonged period. An immediate financial impact in the first half of 2020 will be higher expected credit losses ("ECLs") driven by a change in the economic scenarios used to calculate ECLs. The COVID-19 pandemic has led to a weakening in gross domestic product ("GDP") in many of the jurisdictions in which the Group operates and higher unemployment in those same jurisdictions. Accordingly, the probability of a more adverse economic scenario for at least the short term is substantially higher than on December 31, 2019 and GDP and unemployment are two of the factors that affect the modelling of ECLs by the Group. The economic environment remains uncertain and future impairment charges may be subject to further volatility (including from changes to macroeconomic variable forecasts) depending on the longevity of the COVID-19 pandemic and related containment measures, as well as the longer-term effectiveness of central bank, government and other support measures. In addition, ECLs may be adversely impacted by increased levels of default for single name exposures in certain sectors directly impacted by the COVID-19 pandemic (such as the oil and gas, retail, airline, and hospitality and leisure sectors).

Furthermore, the Group relies on models to support a broad range of business and risk management activities, including informing business decisions and strategies, measuring and limiting risk, valuing exposures (including the

calculation of impairment), conducting stress testing and assessing capital adequacy. Models are, by their nature, imperfect and incomplete representations of reality because they rely on assumptions and inputs, and so they may be subject to errors affecting the accuracy of their outputs and/or misused. This may be exacerbated when dealing with unprecedented scenarios, such as the COVID-19 pandemic, due to the lack of reliable historical reference points and data. For further details on model risk, refer to page 34 of the Issuer's Form 20-F, filed February 14, 2020 with the SEC.

Should the COVID-19 pandemic continue to cause disruption to economic activity globally through 2020, there could be adverse impacts on the Group's other assets such as goodwill and intangibles, and the value of Barclays PLC's investments in subsidiaries. There could also be further impacts on the Group's income due to lower lending and transaction volumes due to volatility or weakness in the capital markets. Other potential risks include credit rating migration, which could negatively impact the Group's RWAs and capital position, and potential liquidity stress due to (among other things) increased customer drawdowns, notwithstanding the significant initiatives that governments and central banks have put in place to support funding and liquidity. Furthermore, a significant increase in the utilisation of credit cards by Barclaycard customers could have a negative impact on the Group's RWAs and capital position.

Central bank, government actions and other support measures taken in response to the COVID-19 pandemic may also create restrictions in relation to capital. Government restrictions may further limit management's flexibility in managing the business and taking action in relation to capital distributions and capital allocation.

Any and all such events mentioned above could have a material adverse effect on the Group's business, financial condition, results of operations, prospects, liquidity, capital position and credit ratings (including potential credit rating agency changes of outlooks or ratings), as well as on the Group's customers, employees and suppliers.

Prospectus Supplement to the Prospectus dated August 1, 2019



BARCLAYS BANK PLC  
GLOBAL MEDIUM-TERM NOTES, SERIES A  
UNIVERSAL WARRANTS

We will give you the specific terms of the notes and warrants (each, a “security” and together, the “securities”) we are offering in pricing supplements. In some cases, we may also set forth additional terms of the securities in an additional prospectus supplement, which we refer to as a “product supplement,” and we may also describe certain of the potential indices or exchange-traded funds to which the securities are linked in an additional prospectus supplement, which we refer to as an “underlying supplement.” You should read this prospectus supplement, the related prospectus dated August 1, 2019, the applicable product supplement(s) or underlying supplement(s), if any, and the applicable pricing supplement carefully before you invest. If the terms described in the applicable product supplement are different from or inconsistent with those described in this prospectus supplement, in the prospectus or in any applicable underlying supplement, the terms described in the applicable product supplement will control. If the terms described in the applicable pricing supplement are different from or inconsistent with those described in this prospectus supplement, in the prospectus, in any applicable product supplement or any applicable underlying supplement, the terms described in the applicable pricing supplement will control. Information that we indicate in this prospectus supplement will or may be provided in a pricing supplement may instead be provided in a product supplement or a free writing prospectus.

### The Securities

*Reference Asset.* The principal, interest or any other amounts payable on or any other property deliverable in respect of the notes, and the amount of cash or warrant property payable or deliverable in respect of the warrants, may be based on, as applicable, one or more of the following or on movements in the level(s), value(s) or price(s) of, or other events relating to, one or more of the following: equity securities, shares or other interests in exchange-traded funds, commodities, currencies, interest rates, indices of any of the foregoing or any combination thereof, indices of consumer prices or other asset classes. In addition, any amounts payable or property deliverable on the securities may be based on measures, formulas or instruments, including those related to macroeconomic events or indicators or the occurrence or nonoccurrence of any event or circumstance, or baskets composed of any instruments or measures, as specified in the applicable pricing supplement. We refer to each of the assets, instruments or measures on which payments on the securities may be based as a “reference asset.”

*Ranking.* The securities constitute unsecured and unsubordinated obligations of Barclays Bank PLC ranking *pari passu*, without any preference among themselves, with all our other outstanding unsecured and unsubordinated obligations, present and future, except those obligations as are preferred by operation of law.

*Listing.* Unless otherwise specified in the applicable pricing supplement, the securities will not be listed on any U.S. securities exchange or quotation system.

*Agreement with Respect to the Exercise of U.K. Bail-in Power.* Notwithstanding any other agreements, arrangements or understandings between Barclays Bank PLC and any holder or beneficial owner of the securities, by acquiring the securities, each holder and beneficial owner of the securities acknowledges, accepts, agrees to be bound by, and consents to the exercise of, any U.K. Bail-in Power (as defined below) by the relevant U.K. resolution authority (as defined below) that may result in (i) the reduction or cancellation of all, or a portion, of the principal amount of, interest on, or any other amounts payable on, the securities; (ii) the conversion of all, or a portion, of the principal amount of, interest on, or any other amounts payable on, the securities into shares or other securities or other obligations of Barclays Bank PLC or another person (and the issue to, or conferral on, the holder or beneficial owner of the securities such shares, securities or obligations); and/or (iii) the amendment or alteration of the maturity of the securities, or amendment of the amount of interest or any other amounts due on the securities, or the dates on which interest or any other amounts become payable, including by suspending payment for a temporary period; which U.K. Bail-in Power may be exercised by means of a variation of the terms of the securities solely to give effect to the exercise by the relevant U.K. resolution authority of such U.K. Bail-in Power. Each holder and beneficial owner of the securities further acknowledges and agrees that the rights of the holders or beneficial owners of the securities are subject to, and will be varied, if necessary, solely to give effect to, the exercise of any U.K. Bail-in Power by the relevant U.K. resolution authority. For the avoidance of doubt, this consent and acknowledgment is

not a waiver of any rights holders or beneficial owners of the securities may have at law if and to the extent that any U.K. Bail-in Power is exercised by the relevant U.K. resolution authority in breach of laws applicable in England.

For these purposes, a “U.K. Bail-in Power” is any write-down, conversion, transfer, modification and/or suspension power existing from time to time under any laws, regulations, rules or requirements relating to the resolution of banks, banking group companies, credit institutions and/or investment firms incorporated in the United Kingdom in effect and applicable in the United Kingdom to Barclays Bank PLC or other members of the Group (as defined below), including but not limited to any such laws, regulations, rules or requirements that are implemented, adopted or enacted within the context of any applicable European Union directive or regulation of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms and/or within the context of a U.K. resolution regime under the Banking Act (as defined below), pursuant to which obligations of a bank, banking group company, credit institution or investment firm or any of its affiliates can be reduced, cancelled, amended, transferred and/or converted into shares or other securities or obligations of the obligor or any other person (and a reference to the “relevant U.K. resolution authority” is to any authority with the ability to exercise a U.K. Bail-in Power). See “U.K. Bail-in Power” and “Risk Factors—Risks Relating to the Securities Generally—Regulatory action in the event a bank or investment firm in the Group is failing or likely to fail could materially adversely affect the value of the securities” and “—Under the terms of the securities, you have agreed to be bound by the exercise of any U.K. Bail-in Power by the relevant U.K. resolution authority” in this prospectus supplement.

### **Global Medium-Term Notes, Series A**

*Principal Payment at Maturity.* The applicable pricing supplement will specify the maturity date. If you hold your notes to maturity, for each note you will receive a cash payment or a delivery of property, the value of which may be more or less than the principal amount of each note based upon the value of the reference asset and as described in the applicable pricing supplement.

*Interest Rates and Interest Payments.* The notes may have a rate of interest based on, or contingent on the performance of, (1) one or more reference assets, (2) a fixed amount or rate or (3) movements in the level, value or price or other events relating to one or more reference assets. See “Terms of the Notes—Interest” in this prospectus supplement.

*Redemption, Repayment, Repurchase or Exchange.* Terms of specific notes described in the applicable pricing supplement may permit or require redemption for cash or one or more reference assets at our option or at your option. The notes may permit or require redemption or repurchase at our option or at your option. The notes may be optionally or mandatorily exchangeable for cash or one or more reference assets.

### **Universal Warrants**

*Type of Warrant.* The applicable pricing supplement will specify whether the warrants are call warrants, put warrants or any other type of warrant, and how the warrants will be settled. Call warrants are warrants that entitle the holder to purchase warrant property at the applicable exercise price or to receive the cash value of the warrant property by paying the applicable exercise price, if any. Put warrants are warrants that entitle the holder to sell warrant property at the applicable exercise price or to receive the cash value of the exercise price by tendering the warrant property or its cash value.

*Payment or Delivery upon Exercise.* If you exercise your warrants on the exercise date or during the exercise period, as applicable, for each warrant you will receive cash or warrant property that may be worth more or less than the issue price of your warrant based upon the value of the reference asset and as described in the applicable pricing supplement.

*Exercise Date or Exercise Period.* The applicable pricing supplement will specify the exercise date or exercise period, as applicable.

*Redemption or Repurchase.* Terms of specific warrants described in the applicable pricing supplement may permit or require redemption or repurchase for cash or warrant property at our option or at your option.

See “**Risk Factors**” beginning on page S-7 of this prospectus supplement for risks relating to an investment in the securities.

**Any amount payable or property deliverable on the securities is not guaranteed by any third party and is subject to both the creditworthiness of Barclays Bank PLC and to the exercise of any U.K. Bail-in Power (as described below) by the relevant U.K. resolution authority.**

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined that this prospectus supplement is truthful or complete. Any representation to the contrary is a criminal offense.

The securities are not deposit liabilities of Barclays Bank PLC and are not covered by the U.K. Financial Services Compensation Scheme or insured by the U.S. Federal Deposit Insurance Corporation or any other governmental agency or deposit insurance agency of the United States, the United Kingdom or any other jurisdiction.

Barclays Capital Inc. and other entities disclosed in the applicable pricing supplement may solicit offers to subscribe for the securities as our agent. We may also issue securities to any agent as principal for its own account at prices to be agreed upon at the time of subscription. The agents may resell any securities they subscribe for as principal for their own accounts at prevailing market prices, or at other prices, as the agents determine. The applicable pricing supplement will disclose the agents' discounts and commissions, if any. **Unless we or our agent informs you otherwise in the confirmation of sale, the agents may also use this prospectus supplement, the prospectus, any applicable underlying supplement, the applicable pricing supplement and any applicable product supplement in connection with offers and sales of the securities in market-making transactions.**



August 1, 2019

**TABLE OF CONTENTS**  
**PROSPECTUS SUPPLEMENT**

|   | <u>Page</u> |
|---|-------------|
| SUMMARY .....                                       | S-1         |
| RISK FACTORS .....                                  | S-7         |
| U.K. BAIL-IN POWER.....                             | S-38        |
| TERMS OF THE NOTES .....                            | S-41        |
| INTEREST MECHANICS .....                            | S-50        |
| TERMS OF THE WARRANTS.....                          | S-53        |
| REFERENCE ASSETS .....                              | S-60        |
| BENEFIT PLAN INVESTOR CONSIDERATIONS .....          | S-97        |
| PLAN OF DISTRIBUTION (CONFLICTS OF INTEREST).....   | S-99        |
| USE OF PROCEEDS AND HEDGING .....                   | S-108       |
| MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES ..... | S-109       |
| VALIDITY OF SECURITIES .....                        | S-129       |

**PROSPECTUS**

|   | <u>Page</u> |
|---|-------------|
| FORWARD-LOOKING STATEMENTS .....                        | 1           |
| INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE .....   | 2           |
| THE BARCLAYS BANK GROUP .....                           | 3           |
| USE OF PROCEEDS .....                                   | 3           |
| DESCRIPTION OF DEBT SECURITIES .....                    | 4           |
| DESCRIPTION OF WARRANTS .....                           | 23          |
| GLOBAL SECURITIES .....                                 | 35          |
| CLEARANCE AND SETTLEMENT .....                          | 36          |
| DESCRIPTION OF PREFERENCE SHARES .....                  | 43          |
| DESCRIPTION OF AMERICAN DEPOSITARY SHARES .....         | 49          |
| DESCRIPTION OF SHARE CAPITAL .....                      | 55          |
| TAX CONSIDERATIONS .....                                | 57          |
| EMPLOYEE RETIREMENT INCOME SECURITY ACT .....           | 76          |
| PLAN OF DISTRIBUTION .....                              | 78          |
| SERVICE OF PROCESS AND ENFORCEMENT OF LIABILITIES ..... | 81          |
| WHERE YOU CAN FIND MORE INFORMATION .....               | 82          |
| FURTHER INFORMATION .....                               | 82          |
| VALIDITY OF SECURITIES .....                            | 82          |
| EXPERTS .....   | 82          |
| EXPENSES OF ISSUANCE AND DISTRIBUTION .....             | 84          |

Offers and sales of the securities are subject to restrictions in certain jurisdictions. The distribution of this prospectus supplement, the prospectus, any product supplement, any underlying supplement and any pricing supplement and the offer or sale of the securities in certain other jurisdictions may be restricted by law. Persons who come into possession of this prospectus supplement, the prospectus, any product supplement, any underlying supplement and any pricing supplement or any security must inform themselves about and observe any applicable restrictions on the distribution of these materials and the offer and sale of the securities.

*United Kingdom.* This document is for distribution (i) in the United Kingdom only to persons who have professional experience in matters relating to investments who fall within Article 19(5) of the Financial Services and Markets Act 2000 (the “FSMA”) (Financial Promotion) Order 2005 (as amended, the “Financial Promotion Order”), or persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations etc.”) of the Financial Promotion Order or (ii) persons outside the United Kingdom (all such persons in (i) and (ii) together being referred to as “relevant persons”). This document is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons.

*European Economic Area.* This prospectus supplement has been prepared on the basis that all offers of securities made pursuant to it will be made pursuant to an exemption under the Prospectus Directive, as implemented in member states of the European Economic Area (“EEA”), from the requirement to produce a prospectus for offers of securities. Accordingly any person making or intending to make any offer within the EEA of securities pursuant to this prospectus should only do so in circumstances in which no obligation arises for us or any of the underwriters, dealers or agents to produce a prospectus for that offer. Neither Barclays Bank PLC nor any underwriter, dealer or agent has authorized, nor do they authorize, the making of any offer of securities in circumstances in which an obligation arises for Barclays Bank PLC or any underwriter, dealer or agent to publish a prospectus for that offer.

*Prohibition of sales to EEA retail investors.* The securities are not intended to be offered, sold or otherwise made available to and may not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA Retail Investor”). For these purposes, an EEA Retail Investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended from time to time, “MiFID”); (ii) a customer within the meaning of Directive (EU) 2016/97 (the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “Prospectus Regulation”). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended from time to time, the “PRIIPs Regulation”) for offering or selling the securities or otherwise making them available to EEA Retail Investors has been prepared and therefore offering or selling such securities or otherwise making them available to any EEA Retail Investor may be unlawful under the PRIIPs Regulation.

## SUMMARY

### **The Barclays Bank Group**

Barclays PLC and its subsidiary undertakings (taken together, the “Group”) is a transatlantic consumer and wholesale bank with global reach offering products and services across personal, corporate and investment banking, credit cards and wealth management anchored in the Group’s two home markets of the United Kingdom and the United States. The Group is organized into two clearly defined business divisions—Barclays UK division and Barclays International division. These are housed in two banking subsidiaries—Barclays UK sits within Barclays Bank UK PLC and Barclays International sits within Barclays Bank PLC (together with its subsidiary undertakings, the “Barclays Bank Group”)—which operate alongside Barclays Services Limited but, in accordance with the requirements of ring-fencing legislation, independently from one another. Barclays Services Limited drives efficiencies in delivering operational and technology services across the Group. Barclays Bank PLC and the Barclays Bank Group offer products and services designed for the Group’s larger corporate, wholesale and international banking clients.

The whole of the issued ordinary share capital of Barclays Bank PLC is beneficially owned by Barclays PLC. Barclays PLC is the ultimate holding company of the Group.

The registered head office of Barclays Bank PLC is located at 1 Churchill Place, London, E14 5HP, United Kingdom. Our telephone number is 011-44-20-7116-1000.

In this prospectus supplement, unless the context otherwise requires, “we,” “us” and “our” mean Barclays Bank PLC, and references to “\$” are to U.S. dollars.

## **Overview of the Securities**

This section summarizes the material terms that will apply generally to the securities issued as part of a series. Each particular security will have financial and other terms specific to it. Some of those terms as pertaining to the notes are described under the captions “Terms of the Notes,” “Interest Mechanics” and “Reference Assets,” and certain of those terms as pertaining to the warrants are described under the captions “Terms of the Warrants” and “Reference Assets.” The specific terms of each security issuance will be described in a pricing supplement that will accompany this prospectus supplement and the prospectus. Those terms may vary from the terms described here. As you read this prospectus supplement, please remember that the specific terms of your security as described in your pricing supplement will supplement and, if applicable, may modify or replace the general terms described in this prospectus supplement and in the accompanying prospectus. Unless we say otherwise below, the terms we use in this prospectus supplement that we also use in the accompanying prospectus have the meanings we give them in the prospectus. Similarly, the terms we use in any pricing supplement that we also use in this prospectus supplement will have the meanings we give them in this prospectus supplement, unless we say otherwise in the pricing supplement.

### ***Types of Securities***

The principal, interest or any other amounts payable on or any other property deliverable in respect of the notes, and the amount of cash or warrant property payable or deliverable in respect of the warrants, may be based on, as applicable, one or more of the following or on movements in the level(s), value(s) or price(s) of, or other events relating to, one or more of the following: equity securities, shares or other interests in exchange-traded funds, commodities, currencies, interest rates, indices of any of the foregoing or any combination thereof, indices of consumer prices or other asset classes. In addition, any amounts payable or property deliverable on the securities, may be based on measures, formulas or instruments, including those related to macroeconomic events or indicators or the occurrence or nonoccurrence of any event or circumstance, or baskets composed of any instruments or measures, as specified in the applicable pricing supplement. We refer to each of the assets, instruments or measures on which payments on the securities may be based as a “reference asset.”

See “Terms of the Notes,” “Terms of the Warrants” and “Reference Assets” in this prospectus supplement.

Under no circumstances will we offer or issue warrants for the purchase or sale of our ordinary shares or the ordinary shares of Barclays PLC.

### ***Ranking***

The securities constitute our unsecured and unsubordinated obligations ranking *pari passu*, without any preference among themselves, with all our other outstanding unsecured and unsubordinated obligations, present and future, except those obligations as are preferred by operation of law.

The securities are not deposit liabilities of Barclays Bank PLC and are not covered by the U.K. Financial Services Compensation Scheme or insured by the U.S. Federal Deposit Insurance Corporation (“FDIC”) or any other governmental agency or deposit insurance agency of the United States, the United Kingdom or any other jurisdiction.

### ***Agreement with Respect to the Exercise of U.K. Bail-in Power***

Notwithstanding any other agreements, arrangements or understandings between Barclays Bank PLC and any holder or beneficial owner of the securities, by acquiring the securities, each holder and beneficial owner of the securities acknowledges, accepts, agrees to be bound by, and consents to the exercise of, any U.K. Bail-in Power (as defined below) by the relevant U.K. resolution authority (as defined below) that may result in (i) the reduction or cancellation of all, or a portion, of the principal amount of, interest on, or any other amounts payable on, the securities; (ii) the conversion of all, or a portion, of the principal amount of, interest on, or any other amounts payable on, the securities into shares or other securities or other obligations of Barclays Bank PLC or another person (and the issue to, or conferral on, the holder or beneficial owner of the securities such shares, securities or obligations); and/or (iii) the amendment or alteration of the maturity of the securities, or amendment of the amount of interest or any other amounts due on the securities, or the dates on which interest or any other amounts become payable, including by suspending payment for a temporary period; which U.K. Bail-in Power may be exercised by



means of a variation of the terms of the securities solely to give effect to the exercise by the relevant U.K. resolution authority of such U.K. Bail-in Power. Each holder and beneficial owner of the securities further acknowledges and agrees that the rights of the holders or beneficial owners of the securities are subject to, and will be varied, if necessary, solely to give effect to, the exercise of any U.K. Bail-in Power by the relevant U.K. resolution authority. For the avoidance of doubt, this consent and acknowledgment is not a waiver of any rights holders or beneficial owners of the securities may have at law if and to the extent that any U.K. Bail-in Power is exercised by the relevant U.K. resolution authority in breach of laws applicable in England.

For these purposes, a “U.K. Bail-in Power” is any write-down, conversion, transfer, modification and/or suspension power existing from time to time under any laws, regulations, rules or requirements relating to the resolution of banks, banking group companies, credit institutions and/or investment firms incorporated in the United Kingdom in effect and applicable in the United Kingdom to Barclays Bank PLC or other members of the Group (as defined below), including but not limited to any such laws, regulations, rules or requirements that are implemented, adopted or enacted within the context of any applicable European Union directive or regulation of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms and/or within the context of a U.K. resolution regime under the Banking Act, pursuant to which obligations of a bank, banking group company, credit institution or investment firm or any of its affiliates can be reduced, cancelled, amended, transferred and/or converted into shares or other securities or obligations of the obligor or any other person (and a reference to the “relevant U.K. resolution authority” is to any authority with the ability to exercise a U.K. Bail-in Power). See “U.K. Bail-in Power” and “Risk Factors—Risks Relating to the Securities Generally—Regulatory action in the event a bank or investment firm in the Group is failing or likely to fail could materially adversely affect the value of the securities” and “—Under the terms of the securities, you have agreed to be bound by the exercise of any U.K. Bail-in Power by the relevant U.K. resolution authority” in this prospectus supplement.

## **Medium-Term Notes**

The notes described in this prospectus supplement are a separate series of our debt securities. We summarize various terms that apply generally to our debt securities, including the notes described in this prospectus supplement, in the accompanying prospectus under the caption “Description of Debt Securities.” The following description of the notes supplements that description of the debt securities. Consequently, you should read this prospectus supplement together with the accompanying prospectus and the applicable pricing supplement in order to understand the terms of the notes.

### ***The Notes Will Be Issued Under the Senior Debt Securities Indenture***

The notes are governed by the senior debt securities indenture between us and The Bank of New York Mellon, which acts as trustee. The senior debt securities indenture is sometimes referred to in this prospectus supplement as the “indenture.” The trustee has two main roles:

- First, the trustee can enforce your rights against us if we default. There are limitations on the extent to which the trustee acts on your behalf, which we describe under “Description of Debt Securities” in the accompanying prospectus; and
- Second, the trustee performs administrative duties for us, such as sending you any interest and principal payments and notices.

The indenture and the notes are governed by the laws of the State of New York.

### ***We May Issue Other Series of Debt Securities***

The senior debt securities indenture permits us to issue different series of debt securities from time to time. The medium-term notes are a single, distinct series of debt securities. We may, however, issue notes in any amounts, at any times and on any terms as we wish. The notes may differ from other notes issued pursuant to the series designated as our Global Medium-Term Notes, Series A, and from debt securities of other series, in their terms. When we refer to “the notes,” “the medium-term notes” or “these notes,” we mean our Global Medium-Term Notes, Series A. When we refer to a “series” of debt securities, we mean a series, such as the notes, issued under the senior debt securities indenture. When we refer to a “class” of the medium-term notes, we mean notes of a certain offering that may be reopened or reissued as described under “Summary—Medium-Term Notes—Amounts That We May Issue” and “Summary—Medium-Term Notes—Reissuances or Reopened Issues,” resulting in notes with different issue dates, but otherwise the same terms.

### ***Amounts That We May Issue***

The senior debt securities indenture does not limit the aggregate amount of debt securities that we may issue. Nor does it limit the number of series or the aggregate principal amount of any particular series that we may issue. We intend to issue notes initially in an amount having the aggregate offering price specified on the cover of the applicable pricing supplement. However, we may issue additional notes in amounts that exceed the amount on the cover of the applicable pricing supplement at any time, without your consent and without notifying you. Our affiliates, including Barclays Capital Inc., may use this prospectus supplement to resell notes in market-making transactions from time to time. We describe these transactions under “Plan of Distribution” below. The senior debt securities indenture and the notes do not limit our ability to incur other indebtedness or to issue other securities. Also, we are not subject to financial or similar restrictions by the terms of the notes or the senior debt securities indenture, except as described under “Description of Debt Securities” in the accompanying prospectus.

### ***Reissuances or Reopened Issues***

Under some limited circumstances, and at our sole discretion, we may “reopen” or reissue certain issuances of notes, without your consent and without notifying you. These further issuances, if any, will be consolidated to form a single class with the originally issued notes and will have the same CUSIP number and will trade interchangeably with the notes immediately upon settlement, *provided* that if the further issuances are not fungible with the originally issued notes for U.S. federal income tax purposes, the further issuances will have a separate CUSIP number. Any additional issuances will increase the aggregate principal amount of the outstanding notes of the class, plus the aggregate principal amount of any notes bearing the same CUSIP number that are issued pursuant to (1) any over-allotment option we may grant to an agent and (2) any future issuances of notes bearing the same CUSIP number. The price of any additional offering will be determined at the time of pricing of that offering.

We are under no obligation to reopen or reissue any notes, and we have no obligation to take your interests into account when deciding whether to reopen or reissue any notes.

### ***This Section Is Only a Summary***

The senior debt securities indenture and its associated documents, including your note, contain the full legal text of the matters described in this section and your pricing supplement. The senior debt securities indenture and the notes are governed by New York law. A copy of the senior debt securities indenture has been filed with the SEC as part of our registration statement. See “Further Information” in the accompanying prospectus for information on how to obtain a copy. Investors should carefully read the description of the terms and provisions of our senior debt securities and the senior debt securities indenture under “Description of Debt Securities” in the accompanying prospectus. That section, together with this prospectus supplement and the applicable pricing supplement, summarize material terms of the senior debt securities indenture and your note. They do not, however, describe every aspect of the senior debt securities indenture and your note. For example, in the section entitled “Terms of the Notes” in this prospectus supplement, the accompanying prospectus and your pricing supplement, we use terms that have been given special meaning in the senior debt securities indenture, but we describe the meaning of only the more important of those terms.

### ***Form, Denomination and Legal Ownership of Notes***

Unless otherwise specified in the applicable pricing supplement, your note will be issued:

- in registered form, without interest coupons;
- in authorized denominations of \$1,000 (or the specified currency equivalent) and integral multiples thereof; and
- in book-entry form, represented by a global note or a master global note.

You should read the section “Description of Debt Securities—Legal Ownership; Form of Debt Securities” in the accompanying prospectus for information about this type of arrangement and your rights under this type of arrangement.

## **Universal Warrants**

The warrants described in this prospectus supplement are a separate series of our warrants. We summarize various terms that apply generally to our warrants, including the warrants described in this prospectus supplement, in the accompanying prospectus under the caption “Description of Warrants.” The following description of the universal warrants supplements that description of the warrants. Consequently, you should read this prospectus supplement together with the accompanying prospectus and the applicable pricing supplement in order to understand the terms of the universal warrants.

### ***The Warrants Will Be Issued Under a Warrant Indenture or Warrant Agreement***

The warrants are governed either by the warrant indenture between us and The Bank of New York Mellon, which acts as trustee, or a warrant agreement between us and the applicable warrant agent.

The trustee acting pursuant to the warrant indenture has two main roles:

- First, the trustee can enforce your rights against us if we default. There are limitations on the extent to which the trustee acts on your behalf, which we describe under “Description of Warrants” in the accompanying prospectus; and
- Second, the trustee performs administrative duties for us, such as sending you payments and notices or transferring warrant property, as applicable.

The warrant indenture or the warrant agreement, as applicable, and the warrants are governed by the laws of the State of New York.

The warrant agent acting pursuant to a warrant agreement will act as agent in connection with the warrants issued under that agreement.

### ***We May Issue Other Series of Warrants***

The warrant indenture or warrant agreement, as applicable, permits us to issue different series of warrants from time to time. We may issue warrants in any quantities, at any times and on any terms as we wish. The warrants may differ from one another, and from warrants of other series, in their terms. When we refer to “the warrants,” “universal warrants” or “these warrants,” we mean our universal warrants. When we refer to a “series” of warrants, we mean all warrants issued as part of the same series under the applicable warrant indenture or warrant agreement. When we refer to a “class” of the warrants, we mean warrants of a certain offering that may be reopened or reissued as described under “Summary—Universal Warrants—Amounts That We May Issue” and “Summary—Universal Warrants—Reissuances or Reopened Issues,” resulting in warrants with different issue dates, but otherwise the same terms.

### ***Amounts That We May Issue***

Neither the warrant indenture nor the warrant agreement limits the aggregate number of warrants that we may issue. Nor does the warrant indenture or the warrant agreement limit the number of series or the aggregate number of any particular series that we may issue. We intend to issue universal warrants initially in the aggregate number specified on the cover of the applicable pricing supplement. However, we may issue additional universal warrants in numbers that exceed the amount on the cover of the applicable pricing supplement at any time, without your consent and without notifying you. Our affiliates, including Barclays Capital Inc., may use this prospectus supplement to resell warrants in market-making transactions from time to time. We describe these transactions under “Plan of Distribution” below. The warrant indenture, warrant agreement and the warrants do not limit our ability to incur indebtedness or to issue other securities. Also, we are not subject to financial or similar restrictions by the terms of the warrants, the warrant indenture or warrant agreement, except as described under “Description of Warrants” in the accompanying prospectus.

### ***Reissuances or Reopened Issues***

Under some limited circumstances, and at our sole discretion, we may “reopen” or reissue certain issuances of warrants, without your consent and without notifying you. These further issuances, if any, will be consolidated to form a single class with the originally issued warrants and will have the same CUSIP number and will trade interchangeably with the warrants immediately upon settlement, *provided* that if the further issuances are not fungible with the originally issued warrants for U.S. federal income tax purposes, the further issuances will have a separate CUSIP number. Any additional issuances will increase the aggregate number of the outstanding warrants of the class, plus the aggregate number of any warrants bearing the same CUSIP number that are issued pursuant to (1) any over-allotment option we may grant to an agent and (2) any future issuances of warrants bearing the same CUSIP number. The price of any additional offering will be determined at the time of pricing of that offering.

We are under no obligation to reopen or reissue any warrants, and we have no obligation to take your interests into account when deciding whether to reopen or reissue any warrants.

### ***This Section Is Only a Summary***

The warrant indenture or warrant agreement, as applicable, and their respective associated documents, including your warrant, contain the full legal text of the matters described in this section and your pricing supplement. The warrant indenture or warrant agreement, as applicable, and the warrant, are governed by New York law. Copies of the form of warrant indenture and the form of warrant agreement have been filed with the SEC as part of our registration statement. The specific warrant indenture or warrant agreement under which we issue any warrants will be filed with the SEC either as an exhibit to an amendment to the registration statement or as an exhibit to a current report on Form 6-K. See “Further Information” in the accompanying prospectus for information on how to obtain a copy of the warrant indenture or warrant agreement. Investors should carefully read the description of the terms and provisions of our warrants and the warrant indenture or the warrant agreement, as applicable, under “Description of Warrants” in the accompanying prospectus. That section, together with this prospectus supplement and the applicable pricing supplement, summarize material terms of the warrant indenture or warrant agreement, as applicable, and your warrant. They do not, however, describe every aspect of the warrant indenture or warrant agreement and your warrant. For example, in the section entitled “Terms of the Warrants” herein, the accompanying prospectus and your pricing supplement, we use terms that have been given special meaning in the warrant indenture or warrant agreement, but we describe the meaning of only the more important of those terms.

### ***Form, Denomination and Legal Ownership of Warrants***

Unless otherwise specified in the applicable pricing supplement, your warrant will be issued:

- in registered form;
- in authorized denominations of 100 and integral multiples thereof; and
- in book-entry form, represented by a global warrant or a master global warrant.

You should read the section “Description of Warrants—Legal Ownership; Form of Warrants” in the accompanying prospectus for information about this type of arrangement and your rights under this type of arrangement.

### ***Conflicts of Interest***

Barclays Capital Inc. is an affiliate of Barclays Bank PLC, and, as such, may be deemed to have a “conflict of interest” in any offering in which it participates, as either principal or agent, within the meaning of Rule 5121 of the consolidated rulebook of the Financial Industry Regulatory Authority (“FINRA”) (or any successor rule thereto) (“Rule 5121”). Rule 5121 imposes certain requirements when a FINRA member, such as Barclays Capital Inc., distributes an affiliated company’s securities, such as our securities. Barclays Capital Inc. has advised us that each particular offering of securities in which it participates will be conducted in compliance with the provisions of Rule 5121. Barclays Capital Inc. is not permitted to sell securities in any such offering to an account over which it exercises discretionary authority without the prior specific written approval of the account holder.

## RISK FACTORS

*You should understand the risks of investing in the securities and should reach an investment decision only after careful consideration with your advisors of the suitability of the securities in light of your particular financial circumstances, the following risk factors and the other information included or incorporated by reference in the applicable pricing supplement, any applicable product supplement, any applicable underlying supplement, this prospectus supplement and the prospectus. Please note that this “Risk Factors” section has various subsections addressing risk factors relating to specific types of reference assets and transaction structures. We have no control over a number of matters, including economic, financial, regulatory, geographic, judicial and political events, that are important in determining the existence, magnitude and longevity of these risks and their influence on the value of, or the payments made on or settlement of obligations with respect to, the securities. You should not purchase the securities unless you understand and can bear these investment risks.*

### Risks Relating to the Securities Generally

- (1) The notes differ from conventional debt securities and may not pay interest or return all of your principal amount.**

Any amounts payable on the notes will be determined pursuant to the terms set forth in the applicable pricing supplement. The notes will not pay interest unless specified in the applicable pricing supplement, and any interest payments may be contingent on the performance of the reference asset(s). The applicable pricing supplement may specify that you may lose some or all of your principal amount at maturity. Even if the applicable pricing supplement provides for payment of at least your principal amount at maturity (subject to the credit risks of Barclays Bank PLC and to the exercise of any U.K. Bail-in Power by U.K. resolution authorities), you may receive no return on your investment at maturity or the return on your investment at maturity may be less than the amount that would be paid on a conventional debt security of ours of comparable maturity. Under these circumstances, you will not be compensated or fully compensated for any loss in value due to inflation and other factors relating to the value of money over time.

- (2) The warrants are subject to significant risks and may expire worthless.**

You will receive cash or warrant property upon exercise (including automatic exercise, if applicable) only if the warrant has a settlement value greater than zero at that time. You should therefore be prepared to lose all or some of your investment in the warrants you purchase. The warrants are not standardized options issued by the Options Clearing Corporation. See “Risk Factors—Additional Risks Relating to Warrants” below.

- (3) The securities are subject to the credit risk of Barclays Bank PLC, and are not insured against loss by any third parties.**

The securities are unsecured and unsubordinated debt obligations of Barclays Bank PLC, and are not, either directly or indirectly, an obligation of any third party. Any payment to be made on the securities is subject to the ability of Barclays Bank PLC to satisfy its obligations as they come due and is not guaranteed by any third party. As a result, the actual and perceived creditworthiness of Barclays Bank PLC may affect the market value of the securities and, in the event Barclays Bank PLC were to default on its obligations, you might not receive any amounts owed to you under the terms of the securities.

- (4) Regulatory action in the event a bank or investment firm in the Group is failing or likely to fail could materially adversely affect the value of the securities.**

The European Union directive 2014/59/EU of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms of May 15, 2014, as amended (the “BRRD”), provides an EU-wide framework for the recovery and resolution of credit institutions and investment firms, their subsidiaries and certain holding companies. The BRRD (including the bail-in tool), together with the majority of associated Financial Conduct Authority (“FCA”) and PRA (as defined under “U.K. Bail-In Power—Certain Definitions” in this prospectus supplement) rules, was implemented in the U.K. in January 2015. The final PRA rules on contractual recognition of bail-in for liabilities came into force in January 2016. The majority of the requirements of the BRRD (including the bail-in tool) were implemented in the United Kingdom by way of amendments to the Banking Act. For more information on the bail-in tool, see “The relevant U.K. resolution

*authority may exercise the bail-in tool in respect of Barclays Bank PLC and the securities, which may result in holders and beneficial owners of the securities losing some or all of their investment” and “—Under the terms of the securities, you have agreed to be bound by the exercise of any U.K. Bail-in Power by the relevant U.K. resolution authority” below.*

*The Banking Act confers substantial powers on a number of U.K. authorities designed to enable them to take a range of actions in relation to U.K. banks or investment firms and certain of their affiliates (currently including Barclays Bank PLC) in the event a bank or investment firm in the same group is considered to be failing or likely to fail. The exercise of any of these actions in relation to Barclays Bank PLC or any Group subsidiary could materially adversely affect the value of the securities.*

Under the Banking Act, substantial powers are granted to the Bank of England (or, in certain circumstances, HM Treasury), in consultation with the PRA, the FCA and HM Treasury, as appropriate, as part of a special resolution regime (the “SRR”). These powers enable the relevant U.K. resolution authority to implement resolution measures with respect to a U.K. bank or investment firm and certain of its affiliates (currently including Barclays Bank PLC) (each, a “relevant entity”) in circumstances in which the relevant U.K. resolution authority is satisfied that the resolution conditions are met. Such conditions include that a U.K. bank or investment firm is failing or is likely to fail to satisfy the Financial Services and Markets Act 2000 (the “FSMA”) threshold conditions for authorization to carry on certain regulated activities (within the meaning of section 55B of the FSMA) or, in the case of a U.K. banking group company that is an EEA or third country institution or investment firm, that the relevant EEA or third country relevant authority is satisfied that the resolution conditions are met in respect of such entity.

The SRR consists of five stabilization options: (a) private sector transfer of all or part of the business or shares of the relevant entity, (b) transfer of all or part of the business of the relevant entity to a “bridge bank” established by the Bank of England, (c) transfer to an asset management vehicle wholly or partly owned by HM Treasury or the Bank of England, (d) the bail-in tool (as described below) and (e) temporary public ownership (nationalization).

The Banking Act also provides for two new insolvency and administration procedures for relevant entities. Certain ancillary powers include the power to modify contractual arrangements in certain circumstances (which could include a variation of the terms of the securities), powers to impose temporary suspension of payments, powers to suspend enforcement or termination rights that might be invoked as a result of the exercise of the resolution powers and powers for the relevant U.K. resolution authority to disapply or modify laws in the U.K. (with possible retrospective effect) to enable the powers under the Banking Act to be used effectively.

Holders and beneficial owners of the securities should assume that, in a resolution situation, financial public support will only be available to a relevant entity as a last resort after the relevant U.K. resolution authorities have assessed and used, to the maximum extent practicable, the resolution tools, including the bail-in tool.

The exercise of any resolution power or any suggestion of any such exercise could materially adversely affect the value of the securities and could lead to holders and beneficial owners losing some or all of the value of their investment in the securities.

*The SRR is designed to be triggered prior to insolvency of Barclays Bank PLC, and holders and beneficial owners of the securities may not be able to anticipate the exercise of any resolution power (including the U.K. Bail-in Power) by the relevant U.K. resolution authority.*

The stabilization options are intended to be used prior to the point at which any insolvency proceedings with respect to the relevant entity could have been initiated. The purpose of the stabilization options is to address the situation where all or part of a business of a relevant entity has encountered, or is likely to encounter, financial difficulties, giving rise to wider public interest concerns.

Although the Banking Act provides specific conditions to the exercise of any resolution powers and, furthermore, European Banking Authority’s guidelines published in May 2015 set out the objective elements for the resolution authorities to apply in determining whether an institution is failing or likely to fail, it is uncertain how the relevant U.K. resolution authority would assess such conditions in any particular pre-insolvency scenario affecting Barclays Bank PLC and/or other members of the Group and in deciding whether to exercise a resolution power.

The relevant U.K. resolution authority is also not required to provide any advance notice to holders or beneficial owners of the securities of its decision to exercise any resolution power. Therefore, holders and beneficial

owners of the securities may not be able to anticipate a potential exercise of any such powers nor the potential effect of any exercise of such powers on Barclays Bank PLC, the Group and the securities.

*Holders and beneficial owners of the securities may have only very limited rights to challenge the exercise of any resolution powers (including the U.K. Bail-in Power) by the relevant U.K. resolution authority.*

Holders and beneficial owners of the securities may have only very limited rights to challenge and/or seek a suspension of any decision of the relevant U.K. resolution authority to exercise its resolution powers (including the U.K. Bail-in Power) or to have that decision reviewed by a judicial or administrative process or otherwise.

*The relevant U.K. resolution authority may exercise the bail-in tool in respect of Barclays Bank PLC and the securities, which may result in holders and beneficial owners of the securities losing some or all of their investment.*

Where the relevant statutory conditions for use of the bail-in tool have been met, the relevant U.K. resolution authority would be expected to exercise these powers without the consent of the holders and beneficial owners. Subject to certain exemptions set out in the BRRD (including secured liabilities, bank deposits guaranteed under an EU member state's deposit guarantee scheme, liabilities arising by virtue of the holding of client money, liabilities to other non-group banks or investment firms that have an original maturity of fewer than seven days and certain other exceptions), it is intended that all liabilities of institutions and/or their EEA parent holding companies should potentially be within scope of the bail-in tool. Accordingly, any such exercise of the bail-in tool in respect of Barclays Bank PLC and the securities may result in the cancellation of all, or a portion, of the principal amount of, interest on, or any other amounts payable on, the securities and/or the conversion of the securities into shares or other securities or other obligations of Barclays Bank PLC or another person, or any other modification or variation of the terms of the securities.

The Banking Act specifies the order in which the bail-in tool should be applied, reflecting the hierarchy of capital instruments under CRD IV (as defined under "U.K. Bail-In Power—Certain Definitions" in this prospectus supplement) and otherwise respecting the hierarchy of claims in an ordinary insolvency. In addition, the bail-in tool contains an express safeguard (known as "no creditor worse off") with the aim that shareholders and creditors do not receive a less favorable treatment than they would have received in ordinary insolvency proceedings involving the relevant entity. Among other proposals, the amendments to the BRRD and the CRD IV Regulation proposed by the European Commission on November 23, 2016 were related to the ranking of unsecured debt instruments on insolvency hierarchy and resulted in the adoption of EU Directive 2017/2399 on December 12, 2017 (the "Amendment Directive"). The Amendment Directive introduced a new layer in insolvency for ordinary, long-term, unsecured debt-instruments issued by credit institutions and financial institutions within their consolidation perimeter that are established within the EU. In the U.K., the 2018 Order referred to above was published on December 19, 2018 and set out the new insolvency hierarchy. Further, in November 2016, the PRA set out its policy on the relationship between the minimum requirements for own funds and eligible liabilities ("MREL") pursuant to the BRRD. MREL, which is being implemented in the EU and the U.K., will apply to EU and U.K. financial institutions and cover capital and debt instruments that are capable of being written-down or converted to equity in order to prevent a financial institution from failing in a crisis. The Bank of England has set interim MREL compliance dates of January 1, 2019 and January 1, 2020, and a final MREL compliance date of January 1, 2022.

The exercise of the bail-in tool in respect of Barclays Bank PLC and the securities or any suggestion of any such exercise could materially adversely affect the rights of the holders and beneficial owners, the price or value of their investment in the securities and/or the ability of Barclays Bank PLC to satisfy its obligations under the securities and could lead to holders and beneficial owners losing some or all of the value of their investment in the securities. In addition, even in circumstances where a claim for compensation is established under the "no creditor worse off" safeguard in accordance with a valuation performed after the resolution action has been taken, it is unlikely that such compensation would be equivalent to the full losses incurred by the holders or beneficial owners of the securities in the resolution and there can be no assurance that holders or beneficial owners of the securities would recover such compensation promptly.

**(5) Under the terms of the securities, you have agreed to be bound by the exercise of any U.K. Bail-in Power by the relevant U.K. resolution authority.**

Notwithstanding any other agreements, arrangements or understandings between us and any holder or beneficial owner of the securities, by acquiring the securities, each holder and beneficial owner of the securities acknowledges, accepts, agrees to be bound by, and consents to the exercise of, any U.K. Bail-in Power by the relevant U.K.

resolution authority that may result in (i) the reduction or cancellation of all, or a portion, of the principal amount of, interest on, or any other amounts payable on, the securities; (ii) the conversion of all, or a portion, of the principal amount of, interest on, or any other amounts payable on, the securities into shares or other securities or other obligations of Barclays Bank PLC or another person (and the issue to, or conferral on, the holder or beneficial owner of the securities such shares, securities or obligations); and/or (iii) the amendment or alteration of the maturity of the securities, or amendment of the amount of interest or any other amounts due on the securities, or the dates on which interest or any other amounts become payable, including by suspending payment for a temporary period; which U.K. Bail-in Power may be exercised by means of a variation of the terms of the securities solely to give effect to the exercise by the relevant U.K. resolution authority of such U.K. Bail-in Power. Each holder and beneficial owner of the securities further acknowledges and agrees that the rights of the holders or beneficial owners of the securities are subject to, and will be varied, if necessary, solely to give effect to, the exercise of any U.K. Bail-in Power by the relevant U.K. resolution authority.

Accordingly, any U.K. Bail-in Power may be exercised in such a manner as to result in you and other holders and beneficial owners of the securities losing all or a part of the value of your investment in the securities or receiving a different security from the securities, which may be worth significantly less than the securities and which may have significantly fewer protections than those typically afforded to debt securities. Moreover, the relevant U.K. resolution authority may exercise the U.K. Bail-in Power without providing any advance notice to, or requiring the consent of, the holders and beneficial owners of the securities. In addition, under the terms of the securities, the exercise of the U.K. Bail-in Power by the relevant U.K. resolution authority with respect to the securities is not an event of default under the relevant indenture.

For more information, see “U.K. Bail-in Power” in this prospectus supplement. See also “Risk Factors—Regulatory action in the event a bank or investment firm in the Group is failing or likely to fail could materially adversely affect the value of the securities” in this prospectus supplement.

**(6) If the securities are not listed on a national securities exchange, the securities are intended to be held to maturity or to the relevant exercise date or period, as applicable.**

If the securities are not listed on a national securities exchange, you may receive less, and possibly significantly less, than the amount you originally invested if you sell your securities prior to maturity or prior to the relevant exercise date or period, as applicable. Unless otherwise specified in the applicable pricing supplement, you should be willing to hold your securities to maturity or to the relevant exercise date or period.

**(7) There may not be any secondary market for your securities.**

Upon issuance, the securities will not have an established trading market. We cannot assure you that a trading market for the securities will develop or, if one develops, that it will be maintained. Unless otherwise specified in the applicable pricing supplement, the securities will not be listed on any U.S. securities exchange or quotation system. Even if we do apply to list securities on a U.S. securities exchange, we may not meet the requirements for listing and do not expect to announce, prior to the issuance of the securities, whether we will meet those requirements. Even if there is a secondary market, it may not provide liquidity. While we anticipate that our affiliate, Barclays Capital Inc., may make a market for the securities, it is not required to do so. If the securities are not listed on any securities exchange and Barclays Capital Inc. were to cease acting as a market maker, which it may do at any time for any reason, it is likely that there would be no secondary market for the securities. Therefore, you must be willing and able to hold the securities until maturity or until the relevant exercise date or period, as applicable.

**(8) The estimated value of your securities is expected to be lower than the initial issue price of your securities.**

The estimated value of your securities on the initial valuation date is expected to be lower, and may be significantly lower, than the initial issue price of your securities. The difference between the initial issue price of your securities and the estimated value of the securities is expected as a result of certain factors, such as any sales commissions expected to be paid to Barclays Capital Inc. or another affiliate of ours, any selling concessions, discounts, commissions or fees expected to be allowed or paid to non-affiliated intermediaries, the estimated profit that we or any of our affiliates expect to earn in connection with structuring the securities, the estimated cost that we may incur in hedging our obligations under the securities, and estimated development and other costs that we may incur in connection with the securities. Moreover, at our sole option, we may decide to sell additional securities after the initial valuation date. Our estimated value of the securities on any subsequent trade date or pricing date may reflect issue prices, commissions and aggregate proceeds that differ from the amounts set forth in the applicable



pricing supplement and will take into account a number of variables, including prevailing market conditions and our subjective assumptions, which may or may not materialize, on the date that those additional securities are traded or priced for sale to the public. As a result of changes in these variables, our estimated value of the securities on any subsequent trade date or pricing date may differ significantly from our estimated value of the securities on the initial valuation date.

**(9) The estimated value of the securities is based on our internal pricing models, which may prove to be inaccurate and may be different from the pricing models of other financial institutions.**

The estimated value of your securities on the initial valuation date is based on our internal pricing models, which take into account a number of variables and are based on a number of subjective assumptions, which may or may not materialize. These variables and assumptions are not evaluated or verified on an independent basis. Further, our pricing models may be different from other financial institutions' pricing models and the methodologies used by us to estimate the value of the securities may not be consistent with those of other financial institutions that may be purchasers or sellers of securities in the secondary market. As a result, the secondary market price of your securities may be materially different from the estimated value of the securities determined by reference to our internal pricing models.

**(10) The estimated value of your securities is not a prediction of the prices at which you may sell your securities in the secondary market, if any, and the secondary market prices, if any, will likely be lower than the initial issue price of your securities and may be lower than the estimated value of your securities.**

The estimated value of the securities will not be a prediction of the prices at which Barclays Capital Inc., other affiliates of ours or third parties may be willing to purchase the securities from you in secondary market transactions (if they are willing to purchase, which they are not obligated to do). The price at which you may be able to sell your securities in the secondary market at any time will be influenced by many factors that cannot be predicted, such as market conditions, and any bid and ask spread for similar sized trades, and may be substantially less than our estimated value of the securities. Further, as secondary market prices of your securities (i) in the case of notes, take into account the levels at which our debt securities trade in the secondary market, and (ii) in all cases, do not take into account our various costs related to the securities such as fees, commissions, discounts, and the costs of hedging our obligations under the securities, secondary market prices of your securities will likely be lower than the initial issue price of your securities. As a result, the price at which Barclays Capital Inc., other affiliates of ours or third parties may be willing to purchase the securities from you in secondary market transactions, if any, will likely be lower than the price you paid for your securities, and any sale prior to the maturity date could result in a substantial loss to you.

**(11) The temporary price at which we may initially buy the securities in the secondary market and the value we may initially use for customer account statements, if we provide any customer account statements at all, may not be indicative of future prices of your securities.**

Assuming that all relevant factors remain constant after the initial valuation date, the price at which Barclays Capital Inc. may initially buy or sell the securities in the secondary market (if Barclays Capital Inc. makes a market in the securities, which it is not obligated to do) and the value that we may initially use for customer account statements, if we provide any customer account statements at all, may exceed our estimated value of the securities on the initial valuation date, as well as the secondary market value of the securities, for a temporary period after the initial offering date of the securities. The price at which Barclays Capital Inc. may initially buy or sell the securities in the secondary market and the value that we may initially use for customer account statements may not be indicative of future prices of your securities.

**(12) Price or other movements in a reference asset and its components are unpredictable.**

Movements in the level, value or price of a reference asset or its components are unpredictable and volatile, and are influenced by complex and interrelated political, economic, financial, regulatory, geographic, judicial and other factors. Moreover, the global capital, credit and commodity markets have experienced volatility and disruption in the last several years. In periods of high volatility, the markets may produce downward pressure on the level, value or price of a reference asset.

It is impossible to predict whether the level, value or price of a reference asset will rise or fall during the term of the securities. Changes in the level, value or price of a reference asset will affect any amounts payable or property

deliverable on the securities. Therefore, these changes may result in a significant loss on your securities. There can be no assurance that the levels of volatility and periods of sudden and dramatic price increases or declines seen over the last several years will not continue or recur.

As the securities are linked to reference asset(s) that may be unpredictable and volatile, there can be no assurance that these changes will not be adverse to you, and therefore, you may not receive any return and may suffer a significant loss on your securities.

**(13) The historical or hypothetical historical performance of a reference asset is not an indication of its future performance.**

The historical or hypothetical historical performance of a reference asset, which may be included in the applicable pricing supplement, should not be taken as an indication of the future performance of that reference asset. It is impossible to predict whether the level, value or price of a reference asset will fall or rise during the term of the securities, in particular in the environment in the last several years, which has been characterized by volatility across a wide range of asset classes. Past fluctuations and trends in the reference asset(s)—either individually or in comparison to each other in the case of securities linked to a basket or to the best or worst performing reference asset in a group of reference assets—are not necessarily indicative of fluctuations or trends that may occur in the future.

**(14) You must rely on your own evaluation of the merits of an investment in the securities.**

In connection with your purchase of the securities, we urge you to consult your own financial, tax and legal advisors as to the risks involved in an investment in the securities and to investigate the reference asset(s) and not rely on our views in any respect. You should make a complete investigation as to the merits of an investment in the securities.

**(15) The price at which you will be able to sell your securities prior to the maturity date or prior to the relevant exercise date or period, as applicable, will depend on a number of factors and may be substantially less than the amount you had originally invested.**

If you wish to liquidate your investment in the securities prior to the maturity date or prior to the relevant exercise date or period, as applicable, your only alternative, in the absence of any applicable provisions for redemption at the option of the holder, would be to sell them. However, there may be an illiquid market for the securities or no market at all. Even if you were able to sell your securities, there are many factors that may affect their market value. We believe that the market value of your securities will be affected by the volatility of the reference asset(s), the level(s), value(s) or price(s) of the reference asset(s) at the time of the sale, changes in interest rates, our actual and perceived financial condition and credit ratings, the supply of and demand for the securities, the time remaining until the maturity or until the relevant exercise date or period, as applicable, of the securities and a number of other factors. Some of these factors are interrelated in complex ways; as a result, the effect of any one factor may be offset or magnified by the effect of another factor. The price, if any, at which you will be able to sell your securities prior to maturity or prior to the relevant exercise date or period, as applicable, may be substantially less than the amount you originally invested and will depend on the market value of the securities at the time of the sale. The following paragraphs describe the manner in which we expect the market value of the securities to be affected in the event of a change in a specific factor, assuming all other conditions remain constant.

- *Reference asset performance.* We expect that the market value of the securities prior to maturity or prior to the relevant exercise date or period, as applicable, will depend substantially on the then-current level(s), values(s) or price(s) (or in some cases, performance since the date on which the securities price) of the reference asset(s) relative to their initial level(s), value(s) or price(s). If you decide to sell your securities prior to maturity or prior to the relevant exercise date or period, as applicable, when the level(s), value(s) or prices(s) of the reference asset(s) at the time of sale are favorable relative to their initial level(s), value(s) or price(s), you may nonetheless receive substantially less than the amount that would be payable at maturity or upon exercise if those level(s), value(s) or price(s) were to have been determined at valuation dates later in the term of the securities because of expectations at the earlier time of sale that the level(s), value(s) or price(s) will continue to fluctuate until the final level(s), value(s) or price(s) are determined.
- *Volatility of a reference asset.* Volatility is the term used to describe the degree of variation in the level, value or price of a reference asset over a period of time. If the volatility of a reference asset or its

components increases or decreases, the market value of the securities may be adversely affected. The volatility of a reference asset may change unpredictably.

- *Correlation of reference assets.* The correlation of a pair of reference assets represents a statistical measurement of the degree to which the returns of those reference assets were similar to each other over a given period in terms of timing and direction. If the correlation of a pair of reference assets increases or decreases, the market value of the securities may be adversely affected. The correlation of a pair of reference assets may change unpredictably.
- *Interest rates.* We expect that the market value of the securities will be affected by changes in interest rates. Interest rates also may affect the economy and, in turn, the level(s), value(s) or price(s) of the reference asset or their components, which would affect the market value of the securities.
- *Supply and Demand for the Securities.* We expect that the market value of the securities will be affected by the supply of and demand for the securities. In general, if the supply of the securities increases and/or the demand for the securities decreases, the market value of the securities may be adversely affected. The supply of the securities, and therefore the market value of the securities, may be affected by inventory positions held by us or our affiliates or any market maker.
- *Exercise or Redemption Rights and Call Rights.* Your right to redeem the securities, if any, or our right to call the securities, if any, as applicable, may affect the market value of the relevant securities. Generally, the lack of a redemption right for note holders and the inclusion of a call right by us may each adversely affect the market value of the securities.
- *Our financial condition, credit ratings and results of operations.* Actual, perceived, anticipated or unanticipated changes in our financial condition, credit ratings or results of operations may significantly affect the market value of the securities. The significant difficulties experienced in the global financial system in the last several years and resulting lack of credit, lack of confidence in the financial sector, increased volatility in the financial markets and reduced business activity could materially and adversely affect our business, financial condition, credit ratings and results of operations. However, because the return on the securities is dependent upon factors in addition to our ability to pay or settle our obligations under the securities (such as the current level(s), value(s) or price(s) of the reference asset(s)), an improvement in our financial condition, credit ratings or results of operations may not have a positive effect on the market value of the securities. These credit ratings relate only to our creditworthiness, do not affect or enhance the return on the securities and are not indicative of other risks associated with the securities or an investment in the reference asset(s). A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.
- *Time remaining to maturity or to the expiration date.* A “time premium” results from expectations concerning the level(s), value(s) or price(s) of the reference asset(s) during the period prior to the maturity date of the notes or prior to the expiration date of the warrants. As the time remaining to the maturity date of the notes or to the expiration date of the warrants decreases, this time premium will likely decrease, potentially adversely affecting the market value of the securities. As the time remaining to maturity or to the expiration date, as applicable, decreases, the market value of the securities may be less sensitive to any favorable changes in the volatility of the reference asset(s).
- *Events affecting or involving a reference asset.* Economic, financial, regulatory, geographic, judicial, political and other developments that affect the level, value or price of a reference asset and its components, and real or anticipated changes in those factors, also may affect the market value of the securities. For example, if a reference asset is composed of equity securities, the financial condition and earnings results of a component of that reference asset, and real or anticipated changes in those conditions or results, may affect the market value of the securities. In addition, speculative trading by third parties in a reference asset could significantly increase or decrease the level, value or price of that reference asset, thereby exposing that reference asset to additional volatility, which could adversely affect the market value of the securities.
- *Agents’ commissions and cost of hedging.* The initial issue price of the securities includes the agents’ commission or discount, if any, and may reflect the estimated cost of hedging our obligations under the securities. These costs may include our or our affiliates’ expected cost of providing that hedge and the

profit we expect to realize in consideration for assuming the risks inherent in providing that hedge. As a result, assuming no change in market conditions or any other relevant factors, the price, if any, at which we (or our affiliates) will be willing to purchase securities from you in secondary market transactions, if at all, will likely be lower than the initial issue price, and could result in a substantial loss to you. In addition, any secondary market prices may differ from values determined by pricing models used by us or our affiliates, as a result of dealer discounts, mark-ups or other transaction costs. Moreover, this hedging activity may result in us or our affiliates realizing a profit, even if the market value of the securities declines.

The effect of any one factor may be offset or magnified by the effect of another factor.

**(16) The securities are not insured against loss by any third parties.**

The securities will be solely our obligations, and no other entity will have any payment or settlement obligations, contingent or otherwise, in respect of the securities. In the event that we are unable to pay or settle our obligations under the securities, you risk losing your entire investment.

**(17) The securities are not insured by the FDIC.**

The securities are not deposit liabilities of Barclays Bank PLC and neither the securities nor your investment in the securities are insured by the FDIC or any other governmental agency or deposit insurance agency of the United States, United Kingdom or any other jurisdiction. In the event that we are unable to pay or settle our obligations under the securities, you risk losing your entire investment.

**(18) There are no security interests in the securities or other financial instruments or assets held by Barclays Bank PLC.**

Neither the indenture governing the notes nor the warrant indenture or warrant agreement, as applicable, governing the warrants contains any restrictions on our ability or the ability of any of our affiliates to sell, pledge or otherwise convey all or any portion of the securities or other instruments or assets acquired by us or our affiliates. Neither we nor any of our affiliates will pledge or otherwise hold those securities or other instruments or assets for the benefit of holders of the securities. Consequently, in the event of a bankruptcy, insolvency or liquidation involving us, any of those securities or other instruments or assets that we own will be subject to the claims of our creditors generally and will not be available specifically for the benefit of the holders of the securities. Any amounts payable or property deliverable on the securities constitute our unsecured and unsubordinated obligations ranking *pari passu*, without any preference among themselves, with all our other outstanding unsecured and unsubordinated obligations, present and future, except those obligations as are preferred by operation of law.

**(19) A downgrade of the rating assigned by any credit rating agency to Barclays Bank PLC or to the securities could adversely affect the liquidity or market value of the securities. Ratings downgrades could occur as a result of, among other causes, changes in the ratings methodologies used by credit rating agencies. Changes in credit rating agencies' views of the level of implicit sovereign support for European banks and their groups are likely to lead to ratings downgrades.**

Certain securities may be rated by credit rating agencies, although Barclays Bank PLC is under no obligation to ensure that the securities are rated by any credit rating agency. Credit ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed in this "Risk Factors" section and other factors that may affect the liquidity or market value of the securities. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the credit rating agency at any time.

Any rating assigned to Barclays Bank PLC or the securities may be withdrawn entirely by a credit rating agency, may be suspended or may be lowered, if, in that credit rating agency's judgment, circumstances relating to the basis of the rating so warrant. Ratings may be impacted by a number of factors which can change over time, including the credit rating agency's assessment of: the issuer's strategy and management's capability; the issuer's financial condition including in respect of capital, funding and liquidity; competitive and economic conditions in the issuer's key markets; the level of political support for the industries in which the issuer operates; and legal and regulatory frameworks affecting the issuer's legal structure, business activities and the rights of its creditors. The credit rating agencies may also revise the ratings methodologies applicable to issuers within a particular industry, or political or economic region. If credit rating agencies perceive there to be adverse changes in the factors affecting an issuer's credit rating, including by virtue of changes to applicable ratings methodologies, the credit rating agencies may downgrade, suspend or withdraw the ratings assigned to an issuer and/or its securities. In addition, credit rating

agencies may publish revised methodologies that result in credit rating actions being taken on Barclays Bank PLC's ratings, including downgrading of certain ratings.

If Barclays Bank PLC determines to no longer maintain one or more ratings, or if any credit rating agency withdraws, suspends or downgrades the credit ratings of Barclays Bank PLC or the securities, or if such a withdrawal, suspension or downgrade is anticipated (or any credit rating agency places the credit ratings of Barclays Bank PLC or any securities on "credit watch" status in contemplation of a downgrade, suspension or withdrawal), whether as a result of the factors described above or otherwise, such event could adversely affect the liquidity or market value of the securities (whether or not the securities had an assigned rating prior to such event).

**(20) The U.S. federal income tax consequences of an investment in certain securities are uncertain.**

There is no direct legal authority regarding the proper U.S. federal income tax treatment of certain securities (including, in particular, securities that are not treated as indebtedness for U.S. federal income tax purposes) and we do not plan to request a ruling from the Internal Revenue Service (the "IRS"). Consequently, significant aspects of the tax treatment of certain securities are uncertain, and the IRS or a court might not agree with the treatment of the securities as described in the applicable section under "Material U.S. Federal Income Tax Consequences" in this prospectus supplement. If the IRS were successful in asserting an alternative treatment, the tax consequences of your ownership and disposition of the securities could be materially and adversely affected. In addition, in 2007 the U.S. Treasury Department and the IRS released a notice requesting comments on various issues regarding the U.S. federal income tax treatment of "prepaid forward contracts" and similar instruments. Any Treasury regulations or other guidance promulgated after consideration of these issues could materially and adversely affect the tax consequences of an investment in certain securities, possibly with retroactive effect.

**You should review the discussion under "Material U.S. Federal Income Tax Consequences" below and consult your tax adviser regarding the U.S. federal tax consequences of an investment in the securities, as well as tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction.**

**(21) A reference asset or its components may trade outside regular trading hours in the United States; however, if any secondary market for the securities develops, the securities may trade only during regular trading hours in the United States.**

If the market for a reference asset or its components is an international market, the hours of trading for the securities, if any, may not conform to the hours during which that reference asset or its components are traded. To the extent that U.S. markets are closed while international markets remain open, significant movements may take place in the level, value or price of a reference asset or its components that will not be reflected immediately in the price of the securities. There may not be any systematic reporting of last-sale or similar information for a reference asset or its components. The absence of last-sale or similar information and the limited availability of quotations would make it difficult for many investors to obtain timely, accurate data about the state of the market for a reference asset or its components.

**(22) We may sell additional notes at a different issue price.**

At our sole option, we may decide to sell an additional amount of the notes offered by any pricing supplement subsequent to the date of that pricing supplement. The issue price of the notes in the subsequent sale may differ substantially (higher or lower) from the initial issue price you paid as provided in the applicable pricing supplement.

**(23) If you purchase your notes at a premium to the principal amount, the return on your investment will be lower than the return on notes purchased at the principal amount or at a discount to the principal amount.**

Any amounts payable on the notes will not be adjusted based on the price you pay for the notes. If you purchase notes at a price that differs from the principal amount of the notes, then the return on your investment in those notes held to the maturity date will differ from, and may be substantially less than, the return on notes purchased at the principal amount. If you purchase your notes at a premium to the principal amount and hold them to the maturity date, the return on your investment in the notes will be lower than it would have been had you purchased the notes at the principal amount or at a discount to the principal amount. In addition, the impact of certain terms of the notes on the return on your investment will depend upon the price you pay for your notes relative to the principal amount.

**(24) The amounts payable or property deliverable on your securities is not based on the level, value or price of any reference asset at any time other than the specified valuation date or dates.**

The level, value or price of a reference asset may be based on the level, value or price of that reference asset on the specified valuation date or dates (subject to adjustments as described in this prospectus supplement). Therefore, if the level, value or price of one or more reference assets decreases (or, for securities that provide short exposure to the reference asset, increases) significantly on the valuation date or dates, the amounts payable or property deliverable on your securities may be significantly less than it would otherwise have been had the payment been linked to the level, value or price of each relevant reference asset at any time prior to such decline(s).

**(25) The securities may be subject to an investor fee and other costs.**

The securities may be subject to an investor fee and other costs as specified in the applicable pricing supplement. Because the investor fee and any applicable costs reduce the amount of your return, the value of the relevant reference asset must increase significantly (or, for securities that provide short exposure to the reference asset, decrease significantly) in order for you to receive at least the principal amount of your investment at maturity or upon redemption, in the case of notes, or for you to receive any return on your investment, in the case of warrants. If the value of the reference asset decreases or does not increase sufficiently (or, for securities that provide short exposure to the reference asset, increases or does not decrease sufficiently) to offset the investor fee and any applicable costs, you may receive less than the principal amount of your investment at maturity or upon redemption, in the case of notes, or you may receive little or no return on your investment, in the case of warrants.

**(26) We and our affiliates, and any agent or dealer participating in the distribution of the securities, may engage in various activities or make determinations that could materially affect your securities in various ways and create conflicts of interest.**

We and our affiliates play a variety of roles in connection with the issuance of the securities, as described below. In performing these roles, our and our affiliates' economic interests are potentially adverse to your interests as an investor in the securities. We and our affiliates will have no obligation to consider your interests as a holder of the notes in taking any actions that might affect the value of any reference asset or the securities.

- *Trading activities.* We and our affiliates may from time to time buy or sell a reference asset and its components, or similar instruments, or derivative instruments relating to that reference asset or its components, as part of our general business for proprietary accounts, for other accounts under management, to facilitate transactions for customers or to hedge obligations under the securities. To the extent that we or any of our affiliates have a hedge position in a reference asset or its components, or in a derivative or synthetic instrument related to a reference asset or its components, we or any of our affiliates may increase or liquidate a portion of those holdings at any time before, during or after the term of the securities. In addition, we or any of our affiliates may purchase or otherwise acquire a long or short position in the securities, and we or any of our affiliates may hold or sell any such position in the securities.

In any such market making, trading and hedging activity, investment banking and other financial services, we or our affiliates may take positions or take actions that are inconsistent with, or adverse to, the investment objectives of the holders of the securities. These trading activities may present a conflict of interest between your interest in the securities and the interests we and our affiliates may have in our proprietary accounts, in facilitating transactions, including block trades, for our other customers and in accounts under our management. These trading activities could also affect the level, value or price of a reference asset in a manner that would decrease the market value of the securities and any amounts payable or property deliverable on the securities. It is possible that these hedging or trading activities could result in substantial returns for us or our affiliates while the value of the securities declines.

- *Other business activities.* We or our affiliates may currently or from time to time engage in business with the issuer of a reference asset or its components, including making loans to, equity investments in, or providing investment banking, asset management or other advisory services. We and our affiliates, at present or in the future, may engage in business relating to the persons or organizations responsible for calculating, publishing or maintaining any reference asset that is an index or exchange-traded fund, which we refer to as the "sponsor" of that reference asset. We do not make any representation or warranty to any purchaser of securities with respect to any matters whatsoever relating to its business with the issuer of a

reference asset or its components or sponsor. In connection with these activities, we may receive information pertinent to the reference assets or their components that we will not divulge to you.

We or one or more of our affiliates may have published, and may in the future publish, research reports relating to the issuer of a reference asset or its components. The views expressed in this research may be modified from time to time without notice and may express opinions or provide recommendations that are inconsistent with purchasing or holding the securities. Any of these activities may affect the level, value or price of a reference asset or its components and, therefore, the market value of the securities and any amounts payable or property deliverable on your securities. Moreover, other professionals who deal in these markets may at any time have views that differ significantly from ours. In connection with your purchase of the securities, you should investigate each reference asset and its components and not rely on our views with respect to future movements in any reference asset and its components.

We or any of our affiliates also may issue, underwrite or assist unaffiliated entities in the issuance or underwriting of other securities or financial instruments with returns linked to a reference asset or its components. By introducing competing products into the marketplace in this manner, we or our affiliates could adversely affect the market value of the securities.

In addition, the value of a reference asset may be determined in whole or in part by reference to the value of a benchmark that is established based on quotes, prices, values or other data provided by market participants, including, in some cases, us or our affiliates. In addition, we or our affiliates may take part in, or have a supervisory role in connection with, the administration of certain benchmarks.

- *Agents and dealers.* In addition, the role played by Barclays Capital Inc., as the agent for the securities, could present significant conflicts of interest with the role of Barclays Bank PLC, as issuer of the securities. For example, Barclays Capital Inc. or its representatives may derive compensation or financial benefit from the distribution of the securities and such compensation or financial benefit may serve as an incentive to sell the securities instead of other investments. Furthermore, we and our affiliates establish the offering price of the securities for initial sale to the public, and the offering price is not based upon any independent verification or valuation. Furthermore, if any other agent or dealer participating in the distribution of the securities or any of its affiliates conducts hedging activities for us in connection with the securities, that participating dealer or its affiliates will expect to realize a projected profit from such hedging activities, and this projected profit will be in addition to any selling concession that the participating agent or dealer realizes for the sale of the securities to you. This additional projected profit may create a further incentive for the participating agent or dealer to sell the securities to you.
- *Calculation agent determinations.* In addition to the activities described above, we or one of our affiliates could also act as the calculation agent for the securities. As calculation agent, we will determine any values of the underliers and make any other determinations necessary to calculate any payments on the securities. In making these determinations, we may be required to make discretionary judgments. In making these discretionary judgments, our economic interests are potentially adverse to your interests as an investor in the securities, and any of these determinations may adversely affect any payments on the securities. The calculation agent will have no obligation to consider your interests as an investor in the securities in making any determinations with respect to the securities.

**(27) You will be bound by the determinations made by the calculation agent.**

The calculation agent will, in its sole discretion, make certain determinations in respect of your securities that may affect the timing and value of payments on your securities, perhaps significantly. Absent manifest error, all determinations of the calculation agent will be final and binding on you and us, without any liability on the part of the calculation agent. You will not be entitled to any compensation from us for any loss suffered as a result of any determinations made by the calculation agent with respect to the securities.

**(28) The calculation agent may postpone the determination of any amounts payable or property deliverable on the securities if a market disruption event occurs.**

A valuation date (as described under “Terms of the Notes—Valuation Dates, Review Dates, Determination Dates, Observation Dates and Averaging Dates” and “Terms of the Warrants—Valuation Dates, Review Dates, Determination Dates, Observation Dates and Averaging Dates” below) for the securities may be postponed if the

calculation agent determines that a market disruption event with respect to any reference asset has occurred or is continuing on that valuation date or if the calculation agent determines that a valuation date is not a scheduled trading day with respect to any reference asset (as described under “Reference Assets” below). In the event that a market disruption event with respect to a reference asset continues for a sustained period, the calculation agent will determine the level, value or price of that reference asset. You will not be entitled to compensation from us or the calculation agent for any loss suffered as a result of the postponement of any valuation date, any resulting delay in payment, any change in the level, value or price of any affected reference asset after the originally scheduled valuation date or any level, value or price of the affected reference asset determined by the calculation agent.

As a result of the foregoing, or in the event that a scheduled payment date (including, in the case of notes, the maturity date) is not a business day, payment dates for the securities may be postponed, as described under “Terms of the Notes—Payment Dates” or “Terms of the Warrants—Payment Dates” below, as applicable. If a payment date is postponed, we will not be obligated to pay or deliver, and you may not receive, any amounts payable or property deliverable on the relevant payment date until several days after the originally scheduled payment date. Any payment or delivery made under the circumstances will not result in a default under any security or the applicable indenture or warrant agreement.

**(29) Anti-dilution protection is limited, and the calculation agent has discretion to make anti-dilution adjustments or, in some circumstances, to accelerate the securities.**

For securities linked to the shares of an equity security or an exchange-traded fund, the calculation agent may in its sole discretion adjust any variable described in the applicable pricing supplement, including but not limited to, if applicable, any price (including but not limited to the initial price, any price derived from the initial price, the final price and the closing price or any other relevant price on any valuation date) or physical delivery amount or any combination thereof or any other variable described in the applicable pricing supplement, upon the occurrence of certain events that the calculation agent determines have a diluting or concentrative effect on the theoretical value of the shares. See “Reference Assets—Equity Securities—Share Adjustments Relating to Securities with an Equity Security as a Reference Asset” and “Reference Assets—Exchange-Traded Funds—Adjustments Relating to Securities with an Exchange-Traded Fund as a Reference Asset—Anti-dilution Adjustments” in this prospectus supplement. However, the calculation agent will not make such adjustments in response to all events that could affect the shares. The occurrence of any such event and any adjustment made by the calculation agent (or a determination by the calculation agent not to make any adjustment) may adversely affect the market value of the securities and any amounts payable or property deliverable on the securities.

If the securities are linked to more than one reference asset, at least one of which is an equity security or an exchange-traded fund, and as described above, an event with respect to any such equity security or exchange-traded fund occurs that the calculation agent determines has a diluting or concentrative effect on the theoretical value of the shares, but the calculation agent elects not to make such an adjustment or determines that no adjustment that it could make will produce a commercially reasonable result, then the calculation agent may in its sole discretion accelerate the maturity date of the notes or the payment or settlement date of the warrants for a payment determined by the calculation agent. Any amount payable upon acceleration could be significantly less than the amount(s) that would be due on the securities if they were not accelerated.

**(30) The calculation agent may replace a reference asset, make other adjustments or, in some circumstances, accelerate the securities in response to certain events affecting that reference asset.**

The calculation agent may replace a reference asset, make other adjustments or, in some circumstances, accelerate the securities in response to certain events affecting that reference asset:

- *Equity securities.* In the case of a reference asset that is an equity security, upon the occurrence of certain reorganization events or a nationalization, expropriation, liquidation, bankruptcy, insolvency or de-listing of that equity security, the calculation agent will make adjustments to the reference asset or, in some cases, will accelerate the maturity date of the notes or the payment or settlement date of the warrants for a payment determined by the calculation agent. Any amount payable upon acceleration could be significantly less than the amount(s) that would be due on the securities if they were not accelerated. If the applicable pricing supplement specifies that any payment on the securities may be made in shares of an equity security, any such payment will be made with shares of any replacement reference asset. See “Reference Assets—Equity Securities—Share Adjustments Relating to Securities with an Equity Security as a Reference Asset” in this prospectus supplement.



- *Exchange-traded funds.* In the case of a reference asset that is an exchange-traded fund, if the shares or other interests of that exchange-traded fund are de-listed from the relevant exchange or if that exchange-traded fund is liquidated or otherwise terminated, the calculation agent may substitute a successor fund that is comparable to that exchange-traded fund, or if the calculation agent determines that no successor fund is available, accelerate the maturity date of the notes or the payment or settlement date of the warrants. Any amount payable upon acceleration could be significantly less than the amount(s) that would be due on the securities if they were not accelerated. See “Reference Assets—Exchange-Traded Funds—Adjustments Relating to Securities with an Exchange-Traded Fund as a Reference Asset” in this prospectus supplement.
- *Indices.* In the case of a reference asset that is an index, if that index is discontinued or calculation or publication of that index is suspended, the calculation agent may select a substitute index that the calculation agent determines to be comparable to the discontinued index to calculate any amounts payable or property deliverable on your securities. In addition, in the event of certain material changes in or modification to an index, the calculation agent may determine the level of that index. See “Reference Assets—Indices—Adjustments Relating to Securities with an Index as a Reference Asset” in this prospectus supplement.
- *Commodities.* In the case of a reference asset that is a commodity, if the relevant price source discontinues price discovery of, or the relevant market or exchange discontinues trading in, or physical delivery of, that commodity, the calculation agent may replace that commodity with another commodity. In addition, in the event of certain changes in or modification to a commodity, the calculation agent may determine the price of that commodity. See “Reference Assets—Commodities and Commodity Futures Contracts—Discontinuation of Trading; Alteration of Method of Calculation” in this prospectus supplement.
- *Currency exchange rates.* In the case of a reference asset that is a currency exchange rate, if the calculation agent determines that such currency has been removed from circulation or otherwise discontinued, then that currency will be replaced by a successor currency. In addition, in the event of certain changes in or modification to the price source of a currency exchange rate, the calculation agent may determine the value of that currency exchange rate. See “Reference Assets—Currency Exchange Rates—Adjustments Relating to Securities with a Currency Exchange Rate as a Reference Asset” in this prospectus supplement.

A replacement or substitute reference asset may perform significantly worse than the reference asset it replaces. If the securities are accelerated, the term of your investment in the securities will be limited to a period that is shorter than their original term, and holders of the securities will not benefit from any potential positive performance of the reference asset or receive any further payments. There is no guarantee that you would be able to reinvest the proceeds from an investment in the securities at a comparable return for a similar level of risk in the event that the securities are accelerated. Any of these actions may adversely affect, perhaps significantly, the market value of the securities, as well as any amounts payable or property deliverable on the securities.

**(31) Actions by a sponsor or issuer of any reference asset or its components may adversely affect the securities.**

Unless otherwise specified in the applicable pricing supplement, we will not be affiliated with any sponsor or issuer of a reference asset or its components (except for the licensing arrangements with respect to indices, if any, discussed in any applicable underlying supplement or the applicable pricing supplement). Unless otherwise specified in the applicable pricing supplement, no such sponsor or issuer will have involvement in the offer and sale of the securities and no such sponsor or issuer will owe any obligation to you. We have no ability to control or predict the actions of any such sponsor or issuer. These actions could include mergers, asset sales, tender offers or the commencement of bankruptcy proceedings in the case of reference assets consisting of securities or errors in information disclosed by a sponsor of an index or an issuer of an equity security or any discontinuance by that sponsor or issuer of that disclosure. In addition, the sponsor of an index can add, delete or substitute the components of that index or make other methodological changes that could adversely change the values of the reference assets and, therefore, the market value of the securities. You should realize that changes in the components of these indices may affect the reference assets, as a newly added instrument or instruments may perform significantly worse than the instrument or instruments it replaces. There can be no assurances that any indices that are reference assets or tracked by reference assets that are exchange-traded funds will continue or the method by which these indices are calculated will remain unchanged. The sponsors of these indices may have the ability from time to time to change the method by which these indices are calculated or to take emergency action under their rules, which could

adversely affect the level, value or price of a reference asset and any amounts payable or property deliverable on your securities and the market value of your securities. Actions by any such issuer or sponsor may have an adverse effect on the level, value or price of the market value of the securities, and any such issuer or sponsor may take action without regard to your interests.

**(32) Changes in laws or regulations may affect the market value of the securities and any amounts payable or property deliverable on your securities**

The level, value or price of a reference asset could be adversely affected by the promulgation of new laws or regulations or by the reinterpretation of existing laws or regulations after the date hereof (including, without limitation, those relating to taxes and duties on any reference asset) by one or more governments, governmental agencies or instrumentalities, courts or other official bodies. For example, direct or indirect government intervention may restrict the issuance or trading of products, such as your securities, linked to the value of international securities (or indices relating to those securities). Governments may also seek to regulate not only the reference asset(s) to which your securities are linked but also derivative instruments based on a reference asset, which can affect the value of that reference asset. Any of these events could adversely affect the level, value or price of a reference asset and, correspondingly, could adversely affect the market value of the securities, as well as any amounts payable or property deliverable on the securities.

**(33) You have no recourse to the sponsor or issuer of any reference asset or any of its components.**

Your investment in the securities will not give you any rights against the sponsor or issuer of any reference asset or any of its components, including any sponsor (with respect to an index or exchange-traded fund) that may determine or publish the level, value or price of a reference asset and any issuer (with respect to equity securities) that may otherwise affect the level, value or price of a reference asset.

Unless otherwise specified in the applicable pricing supplement, no sponsor or issuer of a reference asset or its components will be involved with the administration, marketing or trading of the securities and no sponsor or issuer of a reference asset or its components will have any obligations with respect to any amounts payable or property deliverable on the securities, or to consider your interests as a holder of the securities when it takes any actions that might affect the market value of the securities. No sponsor or issuer of a reference asset or its components will be responsible for, or have participated in, the determination of the timing of, prices for, or quantities of, the securities to be issued.

Neither we, nor any of our affiliates, including the agent, assume any responsibility for the adequacy or accuracy of any publicly available information about the sponsor or issuer of any reference asset or its components. You should make your own investigation into each reference asset and the sponsor or issuer of each reference asset or its components.

**Additional Risks Relating to Securities That We May Call or Redeem (Automatically or Otherwise)**

**(34) If we call or redeem the securities prior to their scheduled maturity or prior to the relevant exercise date or period, as applicable, you will be exposed to reinvestment risk.**

If the securities are called or redeemed, the term of your investment in the securities will be limited to a period that is shorter than their original term. There is no guarantee that you would be able to reinvest the proceeds from an investment in the securities at a comparable return for a similar level of risk in the event that the securities are called or redeemed prior to scheduled maturity or prior to the relevant exercise date or period, as applicable. No further payments will be made on the securities after they have been called or redeemed.

**(35) If we have the right to call or redeem the securities prior to their scheduled maturity or prior to the relevant exercise date or period, as applicable, market factors may influence whether we exercise that right.**

It is more likely that we will redeem the securities at our sole discretion to the extent that the expected amounts payable on the securities are greater than the amounts that would be payable on other instruments issued by us of comparable maturity, terms and credit rating trading in the market. We are less likely to call the securities when the expected amounts payable on the securities are less than the amounts that would be payable on other comparable instruments issued by us. Therefore, the securities are more likely to remain outstanding when the expected amounts payable on the securities is less than what would be payable on other comparable instruments.

### **Additional Risks Relating to Securities Based on a Basket Composed of More Than One Reference Asset**

- (36) Baskets are not the same as market indices and, therefore, may not reflect the performance of any market sector.**

Unless otherwise specified in the applicable pricing supplement, a basket composed of more than one reference asset is not the same as a recognized market index and will be created solely for purposes of the offering of the securities and calculated solely during the term of the securities. In that instance, the level, value or price of a basket and, therefore, its performance will not be published during the term of the securities. A basket composed of more than one reference asset might not be reflective of any particular market sector or economic measure but may instead represent a particular exposure created in connection with the particular offering of securities.

- (37) Risks associated with the basket may adversely affect the market price of the securities and any amounts payable or property deliverable on your securities.**

Because the basket to which securities may be linked may consist of a limited number of reference assets, the basket may be less diversified than funds or portfolios investing in broader markets and, therefore, could experience greater volatility.

If the basket is concentrated in a geographic region, an industry or group of industries or a particular economic sector, the basket and any amounts payable or property deliverable on the securities will be subject to concentration risks. These include the risks that the levels, values or prices of other assets in these geographic regions, industries or economic sectors or the prices of securities or other components of the reference assets composing the basket may decline, thereby adversely affecting the market value of the securities and any amounts payable or property deliverable on the securities. For example, a financial crisis could erupt in a particular geographic region, industry or economic sector and lead to sharp declines in the currencies, stock markets and other asset prices in that geographic region, industry or economic sector, threatening the particular financial systems, disrupting economies and causing political upheaval. Accordingly, the market value of the securities and any amounts payable or property deliverable on the securities may be adversely affected if the basket provides concentrated exposure.

- (38) Correlation (or lack of correlation) of performances among the basket components may adversely affect your return on the securities, and changes in the value of one or more of the basket components may offset each other.**

“Correlation” is the term used to describe the relationship between the percentage change among the basket components. Movements in the values of basket components may not correlate with each other. At a time when the value of a basket component increases in value, the value of the other basket components may not increase as much, or may even decline in value. Therefore, in calculating the basket’s performance, an increase in the value of a basket component may be mitigated, or wholly offset, by lesser increases or declines in the value of other basket components. On the other hand, high correlation of movements in the values of the basket components could adversely affect your return on the securities during periods of negative performance of the basket components. Changes in the correlation of the basket components may adversely affect the market value of the securities.

- (39) The basket components may be unequally weighted.**

The basket components may have different weights in determining the performance of the basket. In such case, the performance of a basket component with a greater weight will influence the performance of the basket to a greater degree than the performance of a basket component with a lesser weight. Under these circumstances, increases in the value of a lower-weighted basket component may be offset by even small decreases in the value of a more greater-weighted basket component. Accordingly, you may be subject to greater risks in connection with basket components that have greater weights.

### **Additional Risks Relating to Securities Based on the Performance of the Least or Best Performing Reference Asset**

- (40) Payments on the securities may be calculated based solely on the performance of the least performing reference asset or, for securities that provide short exposure, the best performing reference asset.**

Payment on the securities may be linked solely to the performance of the least performing reference asset or, for securities that provide short exposure, the best performing reference asset. Under these circumstances, you will not

benefit from the performance of the other reference assets. Accordingly, the performance of a single reference asset can adversely affect the value of the notes and any payment on the notes, regardless of the performance of any other reference asset.

- (41) If the securities are linked to the performance of the least or best performing reference asset, you will be exposed to the market risk of each reference asset.**

If the securities are linked to the performance of the least or best performing reference asset, your return on the securities will not be linked to a basket consisting of the reference assets. Rather, it will be contingent upon the independent performance of each reference asset. Unlike an instrument with a return linked to a basket of reference assets in which risk is mitigated and diversified among all the basket components, you will be exposed to the risks related to each reference asset. Adverse performance by any reference asset over the term of the securities may negatively affect your return and will not be offset or mitigated by beneficial performance by any other reference asset. Accordingly, your investment is subject to the market risk of each reference asset.

- (42) If the securities are linked to the performance of the least or best performing reference asset, you will be exposed to greater risk than if the securities were linked to only one of those reference assets, the performance of the reference assets may not be correlated or may be negatively correlated.**

The risk that payments on the securities will be adversely affected by the performance of a reference asset is greater for securities that are linked to the performance of the least performing reference asset (or, for securities that provide short exposure, the best performing reference asset) than for securities that are linked to only one of those reference assets. With multiple reference assets, it is more likely that at least one of those reference assets will perform adversely.

In addition, the performance of the reference assets may not be correlated or may be negatively correlated. Although the correlation of the reference assets may change over the term of the securities, the terms of the securities will be determined, in part, based on the correlations of the reference assets calculated using our internal models at the time when the terms of the securities are finalized. More favorable terms will generally be associated with lower correlation of the reference assets, and lower correlation. However, the lower the correlation between two reference assets, the greater the potential for one of those reference assets to perform adversely with respect to the securities. It is impossible to predict what the correlations between the reference assets will be over the term of the securities.

#### **Additional Risks Relating to Securities with Reference Assets That Are Equity Securities, Indices of Equity Securities or Exchange-Traded Funds that Hold Equity Securities**

*The use of the term “reference asset(s)” under this subsection may refer to an equity security, an index composed of equity securities or an exchange-traded fund that includes equity securities.*

- (43) The market value of the securities and any amounts payable or property deliverable on the securities will be affected by equity market risks.**

We expect that each reference asset will generally fluctuate in accordance with changes in the financial condition of the issuer of that reference asset for reference assets that are equity securities or the equity securities that are components of a reference asset that is an index or exchange-traded fund, the value of equity securities generally and other factors. The financial condition of the issuer of an equity securities may become impaired or the general condition of the equity market may deteriorate, either of which may cause a decrease in the level, value or price of the relevant reference asset and thus in the market value of the securities and any amounts payable or property deliverable on the securities. Equity securities are susceptible to general equity market fluctuations, to speculative trading by third parties and to volatile increases and decreases in value as market confidence in and perceptions regarding those equity securities, or equity markets more generally, change. Investor perceptions regarding the issuer of an equity security are based on various factors, which may be unpredictable, including expectations regarding government, economic, monetary and fiscal policies, inflation and interest rates, economic expansion or contraction, and global or regional political, economic and banking crises.

- (44) You have no rights in the property, or shareholder rights in any securities of any issuer, of a reference asset or the equity securities composing or held by a reference asset.**

Investing in the securities will not make you a holder of any reference asset or the equity securities composing or held by any reference asset. Neither you nor any other holder or owner of the securities will have any voting

rights, any right to receive dividends or other distributions, or any other rights with respect to any property or securities of any issuer or with respect to any equity securities underlying or held by a reference asset.

**(45) Payments on the securities will not reflect dividends or other distributions on any of the reference assets or the equity securities composing or held by the reference assets.**

Unless specified in the applicable pricing supplement, any amounts payable or property deliverable on the securities will not reflect the payment of dividends or other distributions on any of the reference assets or the equity securities held by or underlying the reference assets.

**(46) A reference asset that is an index will reflect the price return of the securities composing that index, not the total return.**

Unless otherwise specified in the applicable pricing supplement, a reference asset that is an index will reflect the price return of the securities composing that index, not the total return. A “total return” index reflects dividends paid on the securities composing that index, in addition to reflecting the price returns of those securities. Accordingly, unless otherwise specified in the applicable pricing supplement, the securities will not include such a total return feature.

**(47) We will obtain the information about the sponsors or issuers of the reference assets or the equity securities underlying or held by the reference assets from publicly available information.**

Unless otherwise specified in the applicable underlying supplement or the applicable pricing supplement, we will derive all information in any applicable underlying supplement and the applicable pricing supplement about the reference assets or their issuers from publicly available documents or other publicly available information, without independent verification. We have not participated, and will not participate, in the preparation of any of those documents, nor have we made, nor will we make, any “due diligence” investigation or any inquiry with respect to the reference assets or their issuers in connection with the offering of the securities. Furthermore, we do not and will not know whether all events occurring before the date of any applicable underlying supplement and the applicable pricing supplement, including events that would affect the accuracy or completeness of the publicly available documents referred to above or the level, value or price of any reference asset, have been publicly disclosed. Subsequent disclosure of any events of this kind or the disclosure of, or failure to disclose, material future events concerning the sponsors or issuers could adversely affect any amounts payable or property deliverable on the securities and the market value of the securities.

**(48) For securities linked to indices of non-U.S. equity securities, if the prices of the non-U.S. equity securities are converted into U.S. dollars for purposes of calculating the level of the applicable index, the securities will be subject to currency exchange risk.**

If the securities are linked to indices of non-U.S. equity securities and the prices of the non-U.S. equity securities are converted into U.S. dollars for purposes of calculating the level of the applicable index, then investors in those securities will be exposed to the currency exchange rate risk with respect to each of the currencies in which the non-U.S. equity securities underlying that index trade. Exchange rate movements for a particular currency can often be volatile and are the result of numerous factors including the supply of, and the demand for, those currencies, as well as the relevant government policy, intervention or actions, but are also influenced significantly from time to time by political or economic developments, and by macroeconomic factors and speculative actions related to the relevant region. An investor’s net exposure will depend on the extent to which the currencies of the non-U.S. equity securities underlying the applicable index strengthen or weaken against the U.S. dollar and the relative weight of the non-U.S. equity securities denominated in those currencies. If, taking into account that weighting, the dollar strengthens against the currencies of the securities underlying the applicable index, the level of that index will be adversely affected and any amounts payable or property deliverable on the securities may be reduced.

Of particular importance to potential currency exchange risk are: existing and expected rates of inflation; existing and expected interest rate levels; the balance of payments in the relevant countries and the United States and between each relevant country and its major trading partners; the extent of governmental surplus or deficit in the relevant countries and the United States; and intervention by the relevant countries or the United States in currency exchange rates, including through the imposition of currency controls. All of these factors are, in turn, sensitive to the monetary, fiscal and trade policies pursued by the relevant countries, the United States and those of other countries important to international trade and finance.

- (49) For securities linked to indices of non-U.S. equity securities, if the prices of those non-U.S. equity securities are not converted into U.S. dollars for purposes of calculating the level of the applicable index, any amounts payable or property deliverable on the securities will not be adjusted for fluctuations in exchange rates.**

If the securities are linked to indices of non-U.S. equity securities and the prices of the non-U.S. equity securities are not converted into U.S. dollars for purposes of calculating the level of the applicable index, then the value of the securities will not be adjusted for exchange rate fluctuations between the U.S. dollar and the currencies in which the non-U.S. equity securities underlying the applicable index are denominated, although any currency fluctuations could affect the performance of that index. If any applicable currency appreciates relative to the U.S. dollar over the term of the securities, investors will not receive the benefit of that increase, which they would have had they owned the non-U.S. equity securities underlying the relevant index directly.

- (50) Securities linked to exchange-traded funds holding non-U.S. equity securities will be subject to currency exchange risk.**

Because the price of an exchange-traded fund that holds non-U.S. equity securities is related to the U.S. dollar value of the non-U.S. equity securities, investors in these securities will be exposed to the currency exchange rate risk with respect to each of the currencies in which the non-U.S. equity securities held by that exchange-traded fund trade. Currency exchange rates may be subject to a high degree of fluctuation, as described above under “Risk Factors—For securities linked to indices of non-U.S. equity securities, if the prices of the non-U.S. equity securities are converted into U.S. dollars for purposes of calculating the level of the applicable index, the securities will be subject to currency exchange risk.” An investor’s net exposure will depend on the extent to which the currencies of the non-U.S. equity securities held by the applicable exchange-traded fund strengthen or weaken against the U.S. dollar and the relative weight of the non-U.S. equity securities denominated in those currencies. If, taking into account that weighting, the dollar strengthens against the currencies of the securities held by the applicable exchange-traded fund, the value of that exchange-traded fund’s portfolio will be adversely affected, which is expected to have an adverse effect on the price per share of the exchange-traded fund, and any amounts payable or property deliverable on the securities may be reduced.

- (51) Time differences between the domestic and international markets may create discrepancies in the market value of the securities if any reference asset or the equity securities composing or held by any reference asset trade wholly or partly on international markets.**

In the event that a reference asset or the equity securities held by a reference asset trade wholly or partly on an international market, time differences between the domestic and international markets (e.g., New York City is 13 or 14 hours (depending on time of year) behind Tokyo) may result in discrepancies between the value of that reference assets or the equity securities composing or held by that reference asset. To the extent that U.S. markets are closed while markets for a reference asset or the equity securities composing or held by a reference asset remain open, significant price or rate movements may take place in that reference asset or the equity securities composing or held by that reference asset that will not be reflected immediately in the market value of the securities. In addition, there may be periods when the relevant international markets are closed for trading (e.g., during holidays in an international country), causing the values of a reference asset or the equity securities composing or held by a reference asset to remain unchanged for multiple trading days in New York City.

- (52) Securities linked to non-U.S. equity securities and/or indices of non-U.S. equity securities and/or exchange-traded funds that include non-U.S. equity securities will be subject to risks associated with non-U.S. securities markets.**

Non-U.S. equity securities are issued by non-U.S. companies in non-U.S. securities markets. Investments in securities linked to the value of non-U.S. equity securities or indices or exchange-traded funds that include non-U.S. equity securities involve risks associated with the securities markets in the home countries of the issuers of those non-U.S. equity securities. Non-U.S. securities markets may have less liquidity and may be more volatile than U.S. securities markets, and market developments may affect non-U.S. markets differently than U.S. securities markets. Direct or indirect government intervention to stabilize a non-U.S. securities market, as well as cross-shareholdings in non-U.S. companies, may affect trading prices and volumes in those markets. In addition, governments may seek to regulate not only the reference assets or the equity securities composing or held by the reference assets to which your securities are linked but also derivative instruments based on the equity securities, which can affect the value of the equity securities and your securities. Also, there is generally less publicly available information about companies in some of these jurisdictions than there is about U.S. companies that are subject to the reporting requirements of the

Securities and Exchange Commission, and generally non-U.S. companies are subject to accounting, auditing and financial reporting standards and requirements and securities trading rules different from those applicable to U.S. reporting companies. The prices of securities in non-U.S. markets may be affected by political, economic, financial and social factors in those countries, or global regions, including changes in government, economic and fiscal policies and currency exchange laws.

Further, non-U.S. equity securities may be issued by companies in countries considered as emerging markets. Emerging markets pose further risks in addition to the risks associated with investing in non-U.S. equity markets generally. Countries considered as emerging markets may have relatively unstable governments, may present the risks of nationalization of businesses, restrictions on foreign ownership and prohibitions on the repatriation of assets, and may have less protection of property rights than more developed countries. The economies of countries considered as emerging markets may be based on only a few industries, may be highly vulnerable to changes in local or global trade conditions, and may suffer from extreme and volatile debt burdens or inflation rates. Local securities markets may trade a small number of securities and may be unable to respond effectively to increases in trading volume, potentially making prompt liquidation of holdings difficult or impossible at times. Moreover, the economies in those countries may differ unfavorably from the economy in the United States in such respects as growth of gross national product, rate of inflation, capital reinvestment, resources, self-sufficiency and balance of payment positions.

Some or all of these factors may adversely affect the performance of the applicable non-U.S. equity securities and, as a result, the market value of the securities and any amounts payable or property deliverable on the securities.

**(53) Securities linked to an exchange-traded fund may be subject to liquidity risk.**

Although an exchange-traded fund may be listed for trading on a securities exchange, there is no assurance that an active trading market will develop or continue for the shares of the exchange-traded fund or that there will be liquidity in the trading market. These liquidity issues could adversely affect the performance of the exchange-traded fund and, as a result, the market value of the securities and any amounts payable or property deliverable on the securities.

**(54) An exchange-traded fund and any index tracked by that exchange-traded fund are different and the performance of the exchange-traded fund may not correlate with the performance of that index.**

The performance of an exchange-traded fund will not fully replicate the performance of the index it tracks, and an exchange-traded fund may hold securities or other assets not included in the index it tracks. The price of an exchange-traded fund is subject to:

- *Management risk.* This is the risk that the investment strategy for an exchange-traded fund, the implementation of which is subject to a number of constraints, may not produce the intended results. The exchange-traded fund's investment adviser may have the right to use a portion of the exchange-traded fund's assets to invest in shares of equity securities that are not included in any index tracked by the exchange-traded fund. Unless otherwise specified in the applicable pricing supplement, the exchange-traded fund is not actively managed, and the exchange-traded fund's investment adviser will generally not attempt to take defensive positions in declining markets.
- *Derivatives risk.* An exchange-traded fund may invest in derivatives, including forward contracts, futures contracts, options on futures contracts, options and swaps. A derivative is a financial contract, the value of which depends on, or is derived from, the value of an underlying asset such as a security or an index. Compared to conventional securities, derivatives can be more sensitive to changes in interest rates or to sudden fluctuations in market prices, and thus an exchange-traded fund's losses may be greater than if the Underlier invested only in conventional securities.
- *Transaction costs and fees.* Unlike the index tracked by an exchange-traded fund, the exchange-traded fund will reflect transaction costs and fees that will reduce its performance relative to the index it tracks.

Generally, the longer the time remaining to maturity, the more the market price of the securities will be affected by the factors described above. In addition, an exchange-traded fund may diverge significantly from the performance of the index it tracks due to differences in trading hours between that exchange-traded fund and the securities or other assets composing that index or other circumstances. During periods of market volatility, the

component securities other assets held by an exchange-traded fund may be unavailable in the secondary market, market participants may be unable to calculate accurately the intraday net asset value per share of that exchange-traded fund and the liquidity of that exchange-traded fund may be adversely affected. This kind of market volatility may also disrupt the ability of market participants to create and redeem shares in an exchange-traded fund. Further, market volatility may adversely affect, sometimes materially, the prices at which market participants are willing to buy and sell shares of an exchange-traded fund. As a result, under these circumstances, the market value of an exchange-traded fund may vary substantially from the net asset value per share of that exchange-traded fund. Securities that provide exposure to the performance of an exchange-traded fund, and not to the index tracked by that exchange-traded fund, may provide a lower return than that of an alternative investment linked directly to the index tracked by that exchange-traded fund.

**(55) Securities linked to an exchange-traded fund are subject to the fluctuation of the market value of the exchange-traded fund.**

The net asset value of the shares of an exchange-traded fund is generally expected to fluctuate with changes in the market value of the exchange-traded fund's securities holdings. The market prices of the shares of the exchange-traded fund may fluctuate in accordance with changes in net asset value and supply and demand on the applicable stock exchanges. In addition, the market price of one share of an exchange-traded fund may differ from its net asset value per share; shares of an exchange-traded fund may trade at, above or below their net asset value per share.

During periods of market volatility, securities held by an exchange-traded fund may be unavailable in the secondary market, market participants may be unable to calculate accurately the intraday net asset value per share of the exchange-traded fund and the liquidity of the exchange-traded fund may be adversely affected. This kind of market volatility may also disrupt the ability of market participants to create and redeem shares of the exchange-traded fund. Further, market volatility may adversely affect, sometimes materially, the prices at which market participants are willing to buy and sell shares of the exchange-traded fund. As a result, under these circumstances, the market value of the exchange-traded fund may vary substantially from the net asset value per share of the exchange-traded fund.

**(56) Securities linked to American depositary shares carry exchange rate risk.**

Because American depositary shares are denominated in U.S. dollars but represent non-U.S. equity securities that are denominated in a non-U.S. currency, changes in currency exchange rates may adversely impact the value of the American depositary shares. The value of the non-U.S. currency may be subject to a high degree of fluctuation due to changes in interest rates, the effects of monetary policies issued by the United States, non-U.S. governments, central banks or supranational entities, the imposition of currency controls or other national or global political or economic developments. Therefore, exposure to exchange rate risk may result in reduced returns for securities linked to American depositary shares.

**(57) Additional risks relating to securities linked to American depositary shares of a company.**

There are important differences between the rights of holders of American depositary shares and the rights of holders of the shares of equity securities underlying the American depositary shares. Each American depositary share is a security evidenced by American depositary receipts that represent a certain number of shares of the issuing company. The American depositary shares are issued pursuant to a deposit agreement, which sets forth the rights and responsibilities of the depositary, the company, and holders of the American depositary shares, which may be different from the rights of holders of the underlying shares. For example, a company may make distributions in respect of the underlying shares that are not passed on to the holders of its American depositary shares. Any differences between the rights of holders of the American depositary shares and the rights of holders of the underlying shares of the company may be significant and may materially and adversely affect the value of the American depositary shares and, as a result, the value of securities that are linked to American depositary shares.

**Additional Risks Relating to Securities with Reference Assets That Are Commodities, Commodity Futures Contracts, Indices of Commodities or Exchange-Traded Funds That Hold Commodities**

*The use of the term "reference asset(s)" under this subsection may refer to commodities, commodity futures contracts, an index composed of commodities or commodity futures contracts and/or an exchange-traded fund that holds commodities or commodity futures contracts.*



**(58) Prices of commodities are highly volatile and may change unpredictably.**

Commodity prices are highly volatile and, in many sectors, have experienced increased volatility in recent periods. Commodity prices are affected by numerous factors, including: changes in supply and demand relationships (whether actual, perceived, anticipated, unanticipated or unrealized); weather; agriculture; trade, fiscal, monetary and exchange control programs; domestic and foreign political and economic events and policies; disease; pestilence; technological developments; changes in interest rates, whether through governmental action or market movements; monetary and other governmental policies, action and inaction; macroeconomic, geopolitical or military events, including political instability in oil-producing countries or other commodity producing countries; and natural or nuclear disasters. Those events tend to affect prices worldwide, regardless of the location of the event. Market expectations about these events and speculative activity also cause prices to fluctuate. These factors may adversely affect the performance of the reference assets or their components and, as a result, the market value of the securities and any amounts payable or property deliverable on the securities. It is possible that lower prices, or increased volatility, will adversely affect the performance of the reference assets or their components and, as a result, the market value of the securities.

**(59) Changes in supply and demand in the market for futures contracts may adversely affect the value of the securities.**

Your securities may be linked to the performance of futures contracts on the applicable underlying physical commodities instead of providing actual exposure to physical commodities. Futures contracts are legally binding agreements for the purchase and sale of a commodity at a fixed price for settlement on a future date. Commodity futures contract prices are subject to similar types of pricing volatility patterns as may affect the specific commodities underlying the futures contracts, as well as additional trading volatility factors that may impact futures markets generally. Moreover, changes in the supply and demand for commodities and futures contracts and for the purchase and sale of particular commodities, may lead to differentiated pricing patterns in the market for futures contracts over time. For example, a futures contract scheduled to expire in the first nearby month may experience more severe pricing pressure or greater price volatility than the corresponding futures contract scheduled to expire in the second nearby month, or vice versa. Under these circumstances, and depending on when the specified valuation date occurs, the price of the reference asset may be determined by reference to the futures contract expiring in a less favorable month for pricing purposes. As a result, the value of your securities may be less than would otherwise be the case if the settlement price of the reference asset had been determined by reference to the corresponding futures contract scheduled to expire in a more favorable month for pricing purposes.

**(60) The prices of some futures contracts on commodities may be subject to daily price ceilings and floors.**

Some exchanges have regulations that limit the amount of fluctuation in futures contract prices that may occur during a single business day. These limits are generally referred to as “daily price fluctuation limits,” and the maximum or minimum price of a futures contract on any given day as a result of these limits is referred to as a “limit price.” Once the limit price has been reached in a particular futures contract, no trades may be made at a price above or below the limit price, as the case may be or trading may be limited for a set period of time. Limit prices may have the effect of precluding trading in a particular contract or forcing the liquidation of futures contracts at potentially disadvantageous times or prices. These circumstances could adversely affect the prices of the futures contracts on commodities composing the reference asset and, therefore, could adversely affect the market value of the securities and any amounts payable or property deliverable on the securities.

**(61) Suspensions or disruptions of market trading in the commodity markets and related futures markets may adversely affect the market value of the securities and any amounts payable or property deliverable on the securities.**

The commodity markets and related futures markets are subject to temporary distortions or other disruptions due to various factors, including a lack of liquidity in the markets, the participation of speculators and potential government regulation and intervention. Some exchanges, or the U.S. Commodity Futures Trading Commission, commonly referred to as the “CFTC,” could suspend or terminate trading in a particular futures contract or contracts in order to address market emergencies. These circumstances may adversely affect the performance of the reference assets or their components and, as a result, may adversely affect any amounts payable or property deliverable on the securities.

**(62) Risks relating to trading of commodity futures contracts on international futures exchanges.**

Some international futures exchanges operate in a manner more closely analogous to the over-the-counter physical commodity markets than to the regulated futures markets, and some features of U.S. futures markets are not present. For example, there may not be any daily price limits which would otherwise restrict the extent of daily fluctuations in the prices of the respective contracts. In a declining market, therefore, it is possible that prices would continue to decline without limitation within a trading day or over a period of trading days. This may adversely affect the performance of the reference assets or their components and, as a result, the market value of the securities and any amounts payable or property deliverable on the securities.

**(63) Commodity indices may include contracts that are not traded on regulated futures exchanges.**

Commodity indices are typically based solely on futures contracts traded on regulated futures exchanges. However, a commodity index may include over-the-counter contracts (such as swaps and forward contracts) traded on trading facilities that are subject to lesser degrees of regulation or, in some cases, no substantive regulation. As a result, trading in these contracts, and the manner in which prices and volumes are reported by the relevant trading facilities, may not be subject to the provisions of, and the protections afforded by, for example, the U.S. Commodity Exchange Act of 1936, as amended, or other applicable statutes and related regulations, that govern trading on regulated U.S. futures exchanges, or similar statutes and regulations that govern trading on regulated U.K. futures exchanges. In addition, many electronic trading facilities have only recently initiated trading and do not have significant trading histories. As a result, the trading of contracts on these facilities, and the inclusion of these contracts in a commodity index, may be subject to certain risks not presented by, for example, U.S. or U.K. exchange-traded futures contracts, including risks related to the liquidity and price histories of the relevant contracts, which may have a material adverse effect on the market value of the securities and any amounts payable or property deliverable on the securities.

**(64) You will not have any rights to receive the underlying commodities or commodities futures contracts.**

Investing in the securities will not make you a holder of any underlying commodity or futures contract on any commodity. Payments due on the securities will be made in U.S. dollars or the specified currency stated in the applicable pricing supplement, and you will have no right to receive delivery of any underlying commodity or futures contract relating to any commodity.

**(65) Your securities may provide exposure only to futures contracts and may not provide direct exposure to physical commodities.**

Your securities may be linked to the performance of futures contracts on physical commodities instead of providing actual exposure to physical commodities. Therefore, the securities will reflect a return based, in part, on the performance of futures contracts and do not provide exposure to the spot prices in respect of the applicable commodities. The price of a commodity futures contract reflects the expected value of the commodity upon delivery in the future, whereas the spot price of a commodity reflects the immediate delivery value of the commodity. The spot prices of physical commodities may affect the prices of related futures contracts in a volatile and inconsistent manner. A variety of factors can lead to a disparity between the expected future price of a commodity and the spot price at a given point in time, such as the cost of storing the commodity for the term of the futures contract, interest charges incurred to finance the purchase of the commodity and expectations concerning supply and demand for the commodity. The price movement of a futures contract is typically correlated with the movements of the spot price of the reference commodity, but the correlation is generally imperfect and price movements in the spot market may not be reflected in the futures market (and vice versa). Accordingly, the securities may underperform a similar investment that reflects the return on the underlying physical commodities.

**(66) Your investment in securities linked to commodities, commodity futures contracts or an index of commodities or commodity futures contracts will not entitle you to the regulatory protections of the CFTC or any other regulated futures exchange.**

The net proceeds to be received by us from the sale of securities relating to one or more commodities, commodity futures contracts or an index of commodities or commodity futures contracts will not be used to purchase or sell any commodity futures contracts or options on futures contracts for your benefit. An investment in the securities thus does not constitute either an investment in futures contracts, options on futures contracts or in a collective investment vehicle that trades in these futures contracts (*i.e.*, the securities will not constitute a direct or

indirect investment by you in the futures contracts), and you will not benefit from the regulatory protections of the CFTC. We are not registered with the CFTC as a futures commission merchant and you will not benefit from the CFTC's or any other regulatory authority's regulatory protections afforded to persons who trade in futures contracts on a regulated futures exchange through a registered futures commission merchant. Unlike an investment in the securities, an investment in a collective investment vehicle that invests in futures contracts on behalf of its participants may be subject to regulation as a commodity pool and its operator may be required to be registered with and regulated by the CFTC as a commodity pool operator, or qualify for an exemption from the registration requirement. Because the securities will not be interests in a commodity pool, the securities will not be regulated by the CFTC as a commodity pool, we will not be registered with the CFTC as a commodity pool operator, and you will not benefit from the CFTC's or any other regulatory authority's regulatory protections afforded to persons who invest in regulated commodity pools.

**(67) Changes in law or regulation relating to commodity futures contracts may adversely affect the market value of certain securities and any amounts payable or property deliverable on your securities.**

Commodity futures contracts are subject to legal and regulatory regimes that have undergone substantial changes in recent years in the United States and, in some cases, in other countries. Although the regulatory scheme established by the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") (including the rulemaking authority granted to the CFTC thereunder) has been substantially implemented by CFTC rulemaking, many of the regulatory changes have only recently been implemented and the ultimate impact of the regulations on the markets and market participants cannot yet be determined. It is possible, however, that such regulatory changes will reduce liquidity in the markets, due to increased costs and regulatory requirements, which could lead to greater volatility and adverse effects on prices. Also, in December 2016, the CFTC re-proposed rules to establish new position limits that would apply to a party's combined futures, options and swaps positions in any one of 28 physical commodities and economically equivalent futures, options and swaps. These limits would, among other things, expand existing position limits applicable to options and futures contracts to apply to swaps. The CFTC has adopted final rules to require aggregation of positions across certain affiliated and controlled entities and accounts, for purposes of determining compliance with both the existing futures position limits and the proposed position limits. If the proposed position limit rules or substantially similar rules are ultimately adopted and implemented by the CFTC, those rules could interfere with our ability to enter into or maintain hedge positions to hedge our obligations under the securities. Such restrictions may also have the effect of making the markets for futures contracts and options on futures contracts less liquid and more volatile.

Other regulatory organizations (such as relevant European Union rulemaking bodies) have proposed, and in the future may propose, further reforms similar to those enacted by the Dodd-Frank Act or other legislation which could have an adverse impact on the liquidity and depth of the commodities, futures and derivatives markets. Any such adverse impact may have a material adverse effect on the market value of the securities and, consequently, any amounts payable or property deliverable on the securities.

**(68) The level, value or price of a commodity or commodity futures contract can fluctuate widely due to supply and demand disruptions in major producing or consuming regions.**

The level, value or price of a commodity or commodity futures contract can fluctuate widely due to supply and demand disruptions in major producing or consuming regions. For example, some commodities are used primarily in one industry, and fluctuations in levels of activity in (or the availability of alternative resources to) one industry may have a disproportionate effect on global demand for a particular commodity. Moreover, recent growth in industrial production and gross domestic product has made many developing countries, particularly China, disproportionately large users of commodities and has increased the extent to which the reference assets rely on the markets of these developing countries. Political, economic and other developments that affect these developing countries may affect the level, value or price of a commodity or commodity futures contract and, thus, the market value of the securities and any amounts payable or property deliverable on the securities. Because a commodity may be produced in a limited number of countries and may be controlled by a small number of producers, political, economic and supply-related events in those countries could have a disproportionate impact on the prices of that commodity.

**(69) Future prices of commodity futures contracts within a commodity index that are different relative to their current prices may affect the value of that commodity index and result in a reduced amount payable or property deliverable on the securities.**

Commodity indices typically track commodity futures contracts rather than physical commodities. Unlike equities, which typically entitle the holder to a continuing stake in a corporation, commodity futures contracts normally specify a certain date for delivery of the underlying physical commodity. As the exchange-traded futures contracts that compose a commodity index approach expiration, they are replaced by similar contracts that have a later expiration. For example, a futures contract purchased and held in August may specify an October expiration date. As time passes, the contract expiring in October may be replaced by a contract for delivery in December. This process is referred to as “rolling.”

If the market for these contracts is (putting aside other considerations) in “backwardation,” which means that the prices are lower in the distant delivery months than in the nearer delivery months, the purchase of the December contract would take place at a price that is lower than the sale price of the October contract. Conversely, if the market for these contracts is in “contango,” which means that the prices are higher in the distant delivery months than in the nearer delivery months, the purchase of the December contract would take place at a price that is higher than the sale price of the October contract. The difference between the prices of the two contracts when they are rolled is sometimes referred to as a “roll yield.”

The presence of contango in the commodity markets could result in negative roll yields, which could adversely affect the value of the commodity index. Because of the potential effects of negative roll yields, it is possible for the value of the commodity index to decrease significantly over time even when the near-term or spot prices of the underlying commodities are stable or increasing. It is also possible, when near-term or spot prices of the underlying commodities are decreasing, for the value of the commodity index to decrease significantly over time even when some or all of the constituent commodity futures contracts are experiencing backwardation.

Some commodity futures contracts have historically traded in contango markets. Although some commodity futures contracts have historically experienced periods of backwardation, it is possible that this backwardation will not be experienced in the future. The absence of backwardation in the commodity futures markets could result in negative “roll yields,” which could adversely affect the value of the commodity index to which your securities are linked and, accordingly, decrease any amounts payable or property deliverable on the securities.

**(70) Economic or political events or crises could result in large-scale purchases or sales of commodities, which could affect the price of commodities and may adversely affect the value of an investment in the securities.**

Investors, institutions, governments and others may purchase and sell commodities as a hedge against inflation, market turmoil or uncertainty or political events, and significant large-scale purchases or sales of commodities by market participants may affect the price of commodities, which could adversely affect the value of the securities. In addition, governments and other public sector entities, such as agencies of governments and multi-national institutions, may regularly buy, sell and hold commodities as part of the management of their reserves. In the event that economic, political or social conditions or pressures require or motivate public sector entities to sell commodities, in a coordinated or uncoordinated manner, the resulting purchases could cause the price of those commodities to decrease substantially, which could adversely affect the value of an investment in the securities linked to those commodities.

**(71) The securities may be linked to an excess return commodity index and not to a total return commodity index.**

The securities may be linked to an excess return commodity index and not to a total return commodity index. The return from investing in futures contracts derives from three sources: (a) changes in the price of the relevant futures contracts (which is known as the “price return”); (b) any profit or loss realized when rolling the relevant futures contracts (which is known as the “roll return”); and (c) any interest earned on the cash deposited as collateral for the purchase of the relevant futures contracts (which is known as the “collateral return”). Some commodity indices are excess return indices that measure the returns accrued from investing in uncollateralized futures contracts (i.e., the sum of the price return and the roll return associated with an investment in futures contracts). By contrast, a total return index, in addition to reflecting those returns, also reflects interest that could be earned on funds committed to the trading of the underlying futures contracts (i.e., the collateral return associated with an investment in futures contracts). If the securities provide long exposure to a commodity index that is an excess return index,

then investing in the securities will not generate the same return as would be generated from investing directly in the relevant futures contracts or in a total return index related to the relevant futures contracts.

**(72) If the securities are linked to a total return commodity index, changes in the applicable rate of interest may affect the value of that commodity index and securities linked to that commodity index.**

If the securities are linked to a total return commodity index, the value of that commodity index will be linked, in part, to a rate of interest that could be earned on cash collateral. Under these circumstances, changes in that rate of interest may affect any amount payable or property deliverable on any securities linked to that commodity index and, therefore, the market value of those commodity linked securities. Assuming the trading prices of the commodity components included in the commodity index remain constant, a decrease in the relevant rate of interest will adversely impact the value of the commodity index and, therefore, the value of the commodity-linked securities.

**Additional Risks Relating to Securities with Reference Assets That Are Currencies, Indices of Currencies or Exchange-Traded Funds That Hold Currencies**

*The use of the term “reference asset(s)” under this subsection may refer to currencies, an index composed of currencies and/or an exchange-traded fund that holds currencies.*

**(73) Securities relating to currencies may be subject to foreign exchange risk.**

The price relationship between two different currencies (e.g., the U.S. dollar and the Indian rupee) can be highly volatile and varies based on a number of interrelated factors, including the supply of and demand for each currency, political, economic, legal, financial, accounting and tax matters and other actions that we cannot control. Relevant factors include, among other things, the possibility that exchange controls could be imposed or modified, the possible imposition of other regulatory controls or taxes, the overall growth and performance of the local economies, the trade and current account balance between the relevant countries, market interventions by the central banks, inflation, interest rate levels, the performance of the global stock markets, the stability of the relevant governments and banking systems, wars, major natural disasters and other foreseeable and unforeseeable events. In addition, the value of a currency may be affected by the operation of, and the identity of persons and entities trading on, interbank and interdealer foreign exchange markets. These factors may adversely affect the performance of the reference assets or their components and, as a result, the market value of the securities and any amounts payable or property deliverable on the securities.

**(74) You will not have any rights to receive the underlying currencies.**

Investing in the securities will not make you a holder of any underlying currency. The securities will be paid in U.S. dollars or the specified currency stated in the applicable pricing supplement, and you will have no right to receive delivery of any underlying currency. Further, the return on your securities linked to any currency will not reflect the return you would realize if you directly purchased, invested in or traded that currency or instruments related to that currency.

**(75) The liquidity and market value of the securities and any amounts payable or property deliverable on the securities could be suddenly and severely affected by the actions of the relevant sovereign governments.**

Currency exchange rates of most economically developed nations are “floating,” meaning the rate is permitted to fluctuate in value. However, governments, from time to time, may not allow their currencies to float freely in response to economic forces. Moreover, governments, including the government of the United States, use a variety of techniques, such as intervention by their central bank or imposition of regulatory controls or taxes, to affect the currency exchange rates of their respective currencies. Governments also may issue a new currency to replace an existing currency or alter the currency exchange rate or relative exchange characteristics by devaluation or revaluation of a currency. Thus, a special risk in purchasing securities based on the relationships of one or more non-U.S. currencies to each other or to the U.S. dollar is that their liquidity, their value and any amounts payable or property deliverable on the securities could be suddenly and severely affected by the actions of sovereign governments which could change or interfere with currency valuation and the movement of currencies across borders. Subject to calculation agent determinations in respect of certain events as described under “Reference Assets—Currency Exchange Rates—Adjustments Relating to Securities with a Currency Exchange Rate as a Reference Asset” below, there will be no adjustment or change in the terms of those securities in the event that currency exchange rates should become fixed, in the event of any devaluation, revaluation or imposition of

exchange or other regulatory controls or taxes, in the event of the issuance of a replacement currency, or in the event of any other development affecting the relevant currencies.

**(76) Suspensions or disruptions of market trading in the currency markets may adversely affect the market value of the securities and any amounts payable or property deliverable on the securities.**

The currency markets are subject to temporary distortions or other disruptions due to various factors, including lack of liquidity in the currency markets, the participation of speculators and government regulation and intervention. These circumstances may adversely affect the performance of the reference assets or their components and, as a result, may adversely affect any amounts payable or property deliverable on the securities or the market value of the securities.

**(77) Securities linked to emerging market currencies carry additional risks.**

An investment linked to emerging market currencies involves many risks beyond those involved in an investment linked to the currencies of developed markets, including, but not limited to: economic, social, political, financial and military conditions in the emerging markets, including especially political uncertainty and financial instability; the increased likelihood of restrictions on export or currency conversion in the emerging markets; the greater potential for an inflationary environment in the emerging markets; the possibility of nationalization or confiscation of assets; the greater likelihood of regulation by the national, provincial and local governments of the emerging market countries, including the imposition of currency exchange controls and taxes; and less liquidity in emerging market currency markets than in those of developed markets. The currencies of emerging markets may be more volatile than those of developed markets and may be affected by political and economic developments in different ways than developed markets. Moreover, the emerging market economies may differ, potentially unfavorably, from developed market economies in a variety of ways, including growth of gross national product, rate of inflation, capital reinvestment, resources and self-sufficiency.

**(78) Currency exchange risks can be expected to heighten in periods of financial crisis.**

In periods of financial crisis, capital can move quickly out of regions that are perceived to be more vulnerable to the effects of the crisis than other regions with sudden and severely adverse consequences to the currencies of those regions that are perceived to be more vulnerable. In addition, governments around the world, including the United States and governments issuing other major world currencies, have recently made, and may be expected to continue to make, very significant interventions in their economies, and sometimes directly in their currencies. These interventions may affect currency exchange rates globally and, in particular, may affect the value of the currencies underlying the currency exchange rate to which your securities may be linked. Further interventions, other government actions or suspensions of actions, as well as other changes in government financial, economic or monetary policy or other financial, economic or monetary events affecting the currency markets, may cause currency exchange rates to fluctuate sharply in the future, which could have a material adverse effect on the value of the securities and your return on your investment in the securities.

**(79) The formula for calculating the return of any currency exchange rate to which the securities are linked may have a significant adverse effect on your return on the securities. You should carefully consider the formulas used to calculate the return of any currency exchange rate to which the securities are linked.**

The securities may be linked to the return of one or more currency exchange rates. If the applicable pricing supplement specifies that the return of the currency exchange rate is expressed as (a) the initial exchange rate minus the final exchange rate divided by (b) the initial exchange rate or as (a) the final exchange rate minus the initial exchange rate divided by (b) the final exchange rate, then in no event will the return of the currency exchange rate be equal to or greater than 100%, even though the return of the currency exchange rate may be less than -100%.

In addition, under these circumstances, the method of calculating the return of the currency exchange rate to which the securities are linked will result in (a) a less than 1-to-1 increase in the return on the currency exchange rate if the currency to which the securities provide long exposure (which we refer to as the “long currency”) strengthens relative to the currency to which the securities provide short exposure (which we refer to as the “short currency”) and (b) a greater than 1-to-1 decrease in the return on the currency exchange rate if the long currency weakens relative to the short currency.

This means that if the long currency strengthens relative to the short currency by a certain percentage, the corresponding return on the currency exchange rate to which the securities are linked will increase by a smaller percentage. Conversely, if the long currency were to weaken relative to the short currency by a certain percentage, the corresponding return on the currency exchange rate to which the securities are linked will decrease by a greater percentage.

In addition, if the securities are linked to a basket, significant depreciation of any single long currency relative to the short currency could offset significant appreciation by the other basket components.

For example, assuming (i) the securities are linked to a currency exchange rate that is quoted as the amount (a specified number) of the long currency that can be exchanged for one unit of the short currency, (ii) the return of the currency exchange rate is expressed as (a) the initial exchange rate minus the final exchange rate divided by (b) the initial exchange rate, and (iii) the initial exchange rate for the long currency relative to the short currency is 1.0. Based on the above assumptions, if the long currency appreciates relative to the short currency by 10% such that the final exchange rate is 0.9091, the return of the currency exchange rate will only be 9.09%; conversely, if the long currency depreciates relative to the short currency by 10% such that the final exchange rate is 1.1111, the return of the currency exchange rate will be -11.11%. Further, if the long currency appreciates relative to the short currency by 30% such that the final exchange rate is 0.7692, the return of the currency exchange rate will only be 23.08%; conversely, if the long currency depreciates relative to the short currency by 30% such that the final exchange rate is 1.4286, the return of the currency exchange rate will be -42.86%.

As illustrated above, the method of calculating the return of the currency exchange rate also will also result in (i) the value of the reference asset increasing at a diminishing rate the greater the appreciation of the long currency relative to the short currency, and (ii) the value of the reference asset decreasing at an increasing rate the greater the depreciation of the long currency relative to the short currency.

Accordingly, any amounts payable or property deliverable on the securities may be less than if you had invested in similar securities that use a different method for calculating currency returns or if you had invested directly in the relevant currencies.

You should carefully consider the formulas used to calculate the return of any currency exchange rate to which the securities are linked, which we will set forth in the applicable pricing supplement.

#### **Additional Risks Relating to Notes with a Reference Asset That Is a Floating Interest Rate, an Index Containing Floating Interest Rates or Based in Part on a Floating Interest Rate**

**(80) You may receive a lesser amount of interest in the future.**

Because the reference asset(s) will be composed of or based in part on a floating interest rate, there will be significant risks not associated with a conventional fixed-rate debt security. These risks include fluctuation of the applicable interest rate and the possibility that, in the future, you will receive a lesser amount of interest or no interest at all. We have no control over a number of factors that may affect interest rates, including economic, financial and political events that are important in determining the existence, magnitude and longevity of these risks and their results. Interest rates have been volatile in recent years and could remain volatile in the future.

**(81) The interest rate may be below the rate otherwise payable on similar notes with a floating interest rate issued by us or another issuer with the same credit rating.**

Because the reference asset(s) will be composed of or based in part on a floating interest rate, you may receive a rate of interest that is less than the rate of interest on other debt securities with the same maturity issued by us or an issuer with the same credit rating.

**(82) The notes may be subject to a maximum interest rate, which will limit your return.**

If the reference asset(s) are composed of or based in part on a floating interest rate, the notes may be subject to a maximum interest rate.

**(83) The interest rate on the notes could be zero.**

We have no control over fluctuations in the level, value or price of a reference asset. If the interest payments depend on a formula that uses a reference asset as a variable, certain values of that reference asset may result in a calculation that equals zero. In that case, no interest may accrue for the related interest payment period.

**(84) Changes in the method pursuant to which a floating interest rate is determined may adversely affect the value of your notes.**

The method by which any floating interest rate is calculated may change in the future, as a result of governmental actions, actions by the publisher of the applicable floating interest rate or otherwise. We cannot predict whether the method by which the applicable floating interest rate is calculated will change or what the impact of any change might be. Any of these changes could adversely affect the applicable floating interest rate, the market value of the securities and any amounts payable or property deliverable on the securities.

In particular, LIBOR and other rates that are deemed “benchmarks” are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause these “benchmarks” to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any of these consequences could adversely affect any securities based on, or linked to, these “benchmarks.” Any of these international, national or other proposals for reform or the general increased regulatory scrutiny of “benchmarks” could increase the costs and risks of administering or otherwise participating in the setting of a “benchmark” and complying with any of these regulations or requirements. These factors may have the effect of discouraging market participants from continuing to administer or participate in certain “benchmarks,” trigger changes in the rules or methodologies used in certain “benchmarks” or lead to the disappearance of certain “benchmarks.” The disappearance of a “benchmark” or changes in the manner of administration of a “benchmark” could result in adjustment to the terms and conditions, early redemption, discretionary valuation by the calculation agent, delisting or other consequence in relation to securities linked to that “benchmark.” Any of these consequences could adversely affect the market value of the securities and any amounts payable or property deliverable on the securities.

**(85) Uncertainty about the future of LIBOR may adversely affect the notes.**

On July 27, 2017, the Chief Executive of the United Kingdom Financial Conduct Authority, which regulates LIBOR, announced that it intends to stop persuading or compelling banks to submit rates for the calculation of LIBOR to the administrator of LIBOR after 2021. Further, on July 12, 2018 the FCA announced that LIBOR may cease to be a regulated “benchmark.” The announcement indicates that the continuation of LIBOR on the current basis (or at all) cannot and will not be guaranteed after 2021. It is impossible to predict whether and to what extent banks will continue to provide LIBOR submissions to the administrator of LIBOR or whether any additional reforms to LIBOR may be enacted in the United Kingdom, the United States or elsewhere. At this time, no consensus exists as to what rate or rates may become accepted alternatives to LIBOR, and it is impossible to predict the effect of any such alternatives on the value of securities that are linked to or otherwise related to LIBOR, such as the notes. Uncertainty as to the nature of alternative reference rates and as to potential changes or other reforms to LIBOR may adversely affect LIBOR rates during the term of the notes, your return on the notes and the trading market for LIBOR-based securities.

**(86) LIBOR may be replaced by a successor or alternative reference rate if it is discontinued or ceased to be published.**

If the calculation agent determines in its sole discretion on or prior to the relevant interest determination date that LIBOR has ceased or will cease to be published, has been or will be permanently or indefinitely discontinued, or is no longer representative, in each case resulting in a Benchmark Event (as defined below), the calculation agent will determine a Successor Rate or an Alternative Reference Rate (each as defined below) as LIBOR for that interest determination date. If the calculation agent has determined a Successor Rate or an Alternative Reference Rate, the calculation agent may apply an Adjustment Spread (as defined below) to the relevant Successor Rate or Alternative Reference Rate and/or specify changes to the terms of the notes, including but not limited to the relevant spread, day count convention and screen page, definitions of business day, interest determination date and/or the definition of LIBOR, and the method for determining the fallback rate in relation to the Successor Rate or Alternative Reference Rate, in order to follow market practice in relation to the Successor Rate, the Alternative Reference Rate (as applicable) and/or the Adjustment Spread. The circumstances that can lead to a Benchmark Event are beyond our control and subsequent use of a Successor Rate or an Alternative Reference Rate following such Benchmark Event



may result in payments on the notes that are lower than or that do not otherwise correlate over time with the payments that could have been made on the notes if LIBOR remained available in its current form. Furthermore, any of the foregoing determinations or actions by the calculation agent could result in adverse consequences to the interest rate on the applicable interest determination date, which could adversely affect the return on and the market value of the notes.

#### **Additional Risks Relating to Securities Payable in a Currency Other Than U.S. Dollars**

**(87) The unavailability of non-U.S. currencies could result in a substantial loss to you.**

Banks may not offer non-U.S. dollar denominated checking or savings account facilities in the United States. Accordingly, payments on non-U.S. dollar denominated securities will be made from an account with a bank located in the country issuing the specified currency. As a result, you may have difficulty converting or be unable to convert those specified currencies into U.S. dollars on a timely basis or at all.

**(88) Changes in non-U.S. currency exchange rates and foreign exchange controls could result in a substantial loss to you.**

An investment in securities denominated in a specified currency other than U.S. dollars entails significant risks that are not associated with a similar investment in a security denominated in U.S. dollars. Risks include, without limitation, the possibility of significant changes in rates of exchange between the U.S. dollar and the relevant non-U.S. currencies or composite currencies and the possibility of the imposition or modification of foreign exchange controls by either the United States or non-U.S. governments. These risks generally depend on factors over which we have no control, such as economic and political events or the supply of and demand for the relevant currencies. In recent periods, rates of exchange between the U.S. dollar and certain non-U.S. currencies have been highly volatile and that volatility could continue in the future. If a security is non-U.S. dollar denominated, changes in rates of exchange between the U.S. dollar and the relevant non-U.S. currency could adversely affect the value of your security, and in the case of a note, could lower the effective yield of the note below its interest rate, and in some circumstances could result in a loss to the investor on a U.S. dollar basis.

Governments have imposed, and may in the future impose, exchange controls that could affect currency exchange rates, as well as the availability of a specified non-U.S. currency for making payments with respect to a non-U.S. dollar denominated security. There can be no assurance that exchange controls will not restrict or prohibit payments in any of those currencies or currency units. Even if there are no actual exchange controls, it is possible that the specified currency for any particular security would not be available to make payments when due. In that event, unless otherwise specified in the applicable pricing supplement, we will pay cash amounts due on the securities in U.S. dollars on the basis of the most recently available currency exchange rate.

**(89) Securities payable in a non-U.S. currency may permit us to make payments in U.S. dollars or delay payment if we are unable to obtain the specified currency.**

Securities payable in a currency other than U.S. dollars may provide that, if the other currency is subject to convertibility or transferability restrictions, market disruption or other conditions affecting its availability at or about the time when a payment on the securities comes due because of circumstances beyond our control, we will be entitled to make the payment in U.S. dollars or delay making the payment. We will describe these provisions in the pricing supplement relating to your securities. These circumstances could include the imposition of exchange controls or our inability to obtain the other currency because of a disruption in the currency markets. If we made payment in U.S. dollars, the currency exchange rate we would use for the securities would be determined in the manner described, in the case of notes, under “Terms of the Notes—Payment and Paying Agent,” and in the case of warrants, under “Terms of the Warrants—Payment and Paying Agent.” A determination of this kind may be based on limited information and would involve significant discretion on the part of the exchange rate agent appointed by us. As a result, the value of the payment in U.S. dollars an investor would receive on the payment date may be less than the value of the payment the investor would have received in the other currency if it had been available, or may be zero. In addition, a government may impose extraordinary taxes on transfers of a currency. If that happens, we will be entitled to deduct these taxes from any payment on securities payable in that currency.

**(90) We will not adjust non-U.S. dollar denominated securities to compensate for changes in currency exchange rates.**

Except as described in the applicable pricing supplement, we will not make any adjustment or change in the terms of a non-U.S. dollar denominated security in the event of any change in currency exchange rates for the relevant currency, whether in the event of any devaluation, revaluation, substitution of a new currency, or imposition of exchange or other regulatory controls or taxes or in the event of other developments affecting that currency, the U.S. dollar or any other currency. Consequently, investors in non-U.S. dollar denominated securities will bear the risk that their investment may be adversely affected by these types of events.

**(91) In a lawsuit for payment on a non-U.S. dollar denominated security, you may bear currency exchange risk.**

Our securities will be governed by New York law. Under Section 27 of the New York Judiciary Law, a state court in the State of New York rendering a judgment on a security denominated in a currency other than U.S. dollars would be required to render the judgment in the specified currency; however, the judgment would be converted into U.S. dollars at the currency exchange rate prevailing on the date of entry of the judgment. Consequently, in a lawsuit for payment on a security denominated in a currency other than U.S. dollars, U.S. dollar-based investors would bear currency exchange risk until judgment is entered, which could be a long time.

In courts outside of New York, investors may not be able to obtain judgment in a specified currency other than U.S. dollars. For example, a judgment for money in an action based on a non-U.S. dollar denominated security in many other U.S. federal or state courts ordinarily would be enforced in the United States only in U.S. dollars. The date used to determine the rate of conversion of the currency in which any particular security is denominated into U.S. dollars will depend upon various factors, including which court renders the judgment.

**Additional Risks Relating to Warrants**

**(92) The warrants may expire worthless.**

You will receive cash or warrant property upon exercise (including automatic exercise, if applicable) only if the warrant has a settlement value greater than zero at that time. The settlement value will be greater than zero only if the value of the reference asset from the initial valuation date to the applicable valuation date is favorable. If the value of the reference asset is less than (or, in the case of put warrants, greater than) or equal to the initial value of the reference asset, the warrants will expire worthless. You should therefore be prepared to lose all or some of your investment in the warrants you purchase. In some cases you may not be able to determine, at the time of exercise of your warrant, the value of the reference asset that will be used in calculating the settlement value of your warrant. Therefore, you may be unable to determine the settlement value you are entitled to receive when making the decision to exercise that warrant. Potential profit or loss upon exercise (including automatic exercise, if applicable) of a warrant will be a function of the settlement value of that warrant, the purchase price of that warrant and any related transaction costs.

Because warrants may become worthless upon expiration, you must generally be correct about the direction, timing and magnitude of anticipated changes in the level of the reference asset in order to receive a positive return on your investment.

**(93) The return on the warrants may be significantly less than the return on conventional debt securities.**

Your return on the warrants may be less than the return you could earn on other investments. Because the settlement amount may be equal to or less than the issue price, the effective yield to maturity on the warrants may be less than that which would be payable on a conventional fixed-rate debt security with the same maturity issued by a company with a credit rating comparable to ours. Furthermore, any return may not compensate you for any opportunity cost implied by inflation and other factors relating to the time value of money.

**(94) The warrants are suitable only for investors with options-approved accounts.**

The warrants will be sold only to investors with options-approved accounts. You should therefore be experienced with respect to options and options transactions and you should reach an investment decision with respect to the warrants only after carefully considering the suitability of the warrants in light of their particular circumstances. The warrants are not suitable for persons solely dependent upon a fixed income, for individual

retirement plan accounts or for accounts under the U.S. Uniform Transfers to Minors Act or Uniform Gifts to Minors Act.

**(95) The warrants are not standardized options issued by the Options Clearing Corporation.**

The warrants are not standardized options of the type issued by the U.S. Options Clearing Corporation (“OCC”), a clearing agency regulated by the SEC. For example, unlike purchasers of OCC standardized options who have the credit benefits of guarantees and margin and collateral deposits by OCC clearing members to protect the OCC from a clearing member’s failure, you must look solely to us for performance of our obligations to pay or deliver the amount of cash or warrant property payable or deliverable, if any, on the payment or settlement date of the applicable warrants. Further, the market for warrants is not expected to be as liquid as the market for OCC standardized options.

## **U.K. BAIL-IN POWER**

### **Agreement with Respect to the Exercise of U.K. Bail-in Power**

Notwithstanding any other agreements, arrangements or understandings between Barclays Bank PLC and any holder or beneficial owner of the securities, by acquiring the securities, each holder and beneficial owner of the securities acknowledges, accepts, agrees to be bound by, and consents to the exercise of, any U.K. Bail-in Power (as defined below) by the relevant U.K. resolution authority (as defined below) that may result in (i) the reduction or cancellation of all, or a portion, of the principal amount of, interest on, or any other amounts payable on, the securities; (ii) the conversion of all, or a portion, of the principal amount of, interest on, or any other amounts payable on, the securities into shares or other securities or other obligations of Barclays Bank PLC or another person (and the issue to, or conferral on, the holder or beneficial owner of the securities such shares, securities or obligations); and/or (iii) the amendment or alteration of the maturity of the securities, or amendment of the amount of interest or any other amounts due on the securities, or the dates on which interest or any other amounts become payable, including by suspending payment for a temporary period; which U.K. Bail-in Power may be exercised by means of a variation of the terms of the securities solely to give effect to the exercise by the relevant U.K. resolution authority of such U.K. Bail-in Power. Each holder and beneficial owner of the securities further acknowledges and agrees that the rights of the holders or beneficial owners of the securities are subject to, and will be varied, if necessary, solely to give effect to, the exercise of any U.K. Bail-in Power by the relevant U.K. resolution authority. For the avoidance of doubt, this consent and acknowledgment is not a waiver of any rights holders or beneficial owners of the securities may have at law if and to the extent that any U.K. Bail-in Power is exercised by the relevant U.K. resolution authority in breach of laws applicable in England.

For these purposes, a “U.K. Bail-in Power” is any write-down, conversion, transfer, modification and/or suspension power existing from time to time under any laws, regulations, rules or requirements relating to the resolution of banks, banking group companies, credit institutions and/or investment firms incorporated in the United Kingdom in effect and applicable in the United Kingdom to Barclays Bank PLC or other members of the Group, including but not limited to any such laws, regulations, rules or requirements that are implemented, adopted or enacted within the context of any applicable European Union directive or regulation of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms and/or within the context of a U.K. resolution regime under the U.K. Banking Act 2009, as the same has been or may be amended from time to time (whether pursuant to the U.K. Financial Services (Banking Reform) Act 2013 (the “Banking Reform Act 2013”), secondary legislation or otherwise, the “Banking Act”), pursuant to which obligations of a bank, banking group company, credit institution or investment firm or any of its affiliates can be reduced, cancelled, amended, transferred and/or converted into shares or other securities or obligations of the obligor or any other person (and a reference to the “relevant U.K. resolution authority” is to any authority with the ability to exercise a U.K. Bail-in Power and the “Group” refers to Barclays PLC (or any successor entity) and its consolidated subsidiaries).

No repayment of the principal amount of the securities or payment of interest or any other amounts payable on the securities shall become due and payable after the exercise of any U.K. Bail-in Power by the relevant U.K. resolution authority unless such repayment or payment would be permitted to be made by Barclays Bank PLC under the laws and regulations of the United Kingdom and the European Union applicable to Barclays Bank PLC.

By its acquisition of the notes, each holder and beneficial owner of the notes, to the extent permitted by the Trust Indenture Act, waives any and all claims against the trustee for, agrees not to initiate a suit against the trustee in respect of, and agrees that the trustee shall not be liable for, any action that the trustee takes, or abstains from taking, in either case in accordance with the exercise of the U.K. Bail-in Power by the relevant U.K. resolution authority with respect to the notes.

Upon the exercise of the U.K. Bail-in Power by the relevant U.K. resolution authority with respect to the notes, Barclays Bank PLC shall provide a written notice to DTC as soon as practicable regarding such exercise of the U.K. Bail-in Power for purposes of notifying holders of such occurrence. Barclays Bank PLC shall also deliver a copy of such notice to the trustee for information purposes.

By its acquisition of the notes, each holder and beneficial owner of the notes acknowledges and agrees that the exercise of the U.K. Bail-in Power by the relevant U.K. resolution authority with respect to the notes shall not give

rise to a default for purposes of Section 315(b) (Notice of Defaults) and Section 315(c) (Duties of the Trustee in Case of Default) of the Trust Indenture Act.

Barclays Bank PLC's obligations to indemnify the trustee in accordance with the senior debt securities indenture shall survive the exercise of the U.K. Bail-in Power by the relevant U.K. resolution authority with respect to any notes.

With respect to the notes, by its acquisition of the notes, each holder and beneficial owner of the notes acknowledges and agrees that, upon the exercise of any U.K. Bail-in Power by the relevant U.K. resolution authority, (a) the trustee shall not be required to take any further directions from holders of the notes under Section 5.12 (Control by Holders) of the senior debt securities indenture, which authorizes holders of a majority in aggregate outstanding principal amount of the notes to direct certain actions relating to the notes, and (b) the senior debt securities indenture shall impose no duties upon the trustee whatsoever with respect to the exercise of any U.K. Bail-in Power by the relevant U.K. resolution authority. Notwithstanding the foregoing, if, following the completion of the exercise of the U.K. Bail-in Power by the relevant U.K. resolution authority in respect of the notes, the notes remain outstanding (for example, if the exercise of the U.K. Bail-in Power results in only a partial write-down of the principal of such notes), then the trustee's duties under the senior debt securities indenture shall remain applicable with respect to the notes following such completion to the extent that Barclays Bank PLC and the trustee shall agree pursuant to a supplemental indenture or an amendment thereto.

By its acquisition of the notes, each holder and beneficial owner of the notes shall be deemed to have (a) consented to the exercise of any U.K. Bail-in Power as it may be imposed without any prior notice by the relevant U.K. resolution authority of its decision to exercise such power with respect to the notes and (b) authorized, directed and requested DTC and any direct participant in DTC or other intermediary through which it holds the notes to take any and all necessary action, if required, to implement the exercise of any U.K. Bail-in Power with respect to the notes as it may be imposed, without any further action or direction on the part of such holder, beneficial owner or the trustee.

Under the terms of the notes, the exercise of the U.K. Bail-in Power by the relevant U.K. resolution authority with respect to the notes will not be a default or an Event of Default (as each term is defined in the senior debt securities indenture).

If any securities provide for the delivery of property, any reference in this prospectus supplement, the accompanying prospectus and the applicable pricing supplement to payment by Barclays Bank PLC under the securities will be deemed to include that delivery of property.

For the avoidance of doubt, references to "you" and "holder" in this "U.K. Bail-in Power" section include beneficial owners of the securities.

See "Risk Factors—Risks Relating to the Securities Generally—Regulatory action in the event a bank or investment firm in the Group is failing or likely to fail could materially adversely affect the value of the securities" and "—Under the terms of the securities, you have agreed to be bound by the exercise of any U.K. Bail-in Power by the relevant U.K. resolution authority" in this prospectus supplement.

### **Subsequent Holders' Agreement**

Holders of securities that acquire such securities in the secondary market shall be deemed to acknowledge, agree to be bound by and consent to the same provisions described herein to the same extent as the holders of such securities that acquire the securities upon their initial issuance, including, without limitation, with respect to the acknowledgment and agreement to be bound by and consent to the terms of the securities, including in relation to the U.K. Bail-in Power.

### **Certain Definitions**

"CRD IV" consists of Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, as the same may be amended or replaced from time to time and the CRD IV Regulation.

“CRD IV Regulation” means Regulation (EU) No. 575/2013 on prudential requirements for credit institutions and investment firms of the European Parliament and of the Council of June 26, 2013, as the same may be amended or replaced from time to time.

“PRA” means the Prudential Regulation Authority of the United Kingdom or such other governmental authority in the United Kingdom (or if Barclays Bank PLC becomes domiciled in a jurisdiction other than the United Kingdom, such other jurisdiction) having primary responsibility for the prudential supervision of Barclays Bank PLC.

## TERMS OF THE NOTES

### General

You should carefully read the general terms and provisions of our debt securities in “Description of Debt Securities” in the accompanying prospectus. This section supplements that description. The pricing supplement for each offering of notes will contain the detailed information and terms for that particular offering. The pricing supplement also may add, update or change information contained in any applicable product supplement, any applicable underlying supplement, this prospectus supplement and the prospectus. If the terms described in the applicable pricing supplement are different from or inconsistent with those described in this prospectus supplement, in the prospectus, in any applicable product supplement or any applicable underlying supplement, the terms described in the applicable pricing supplement will control. Any pricing supplement should be read in connection with any applicable product supplement, any applicable underlying supplement, this prospectus supplement and the prospectus. It is important that you consider all of the information in the pricing supplement, any applicable product supplement, any applicable underlying supplement, this prospectus supplement and the prospectus when making your investment decision.

We will issue Global Medium-Term Notes, Series A, under the senior debt securities indenture between us and The Bank of New York Mellon. The senior debt securities indenture permits us to issue different series of debt securities from time to time. The medium-term notes are a single, distinct series of debt securities. We may, however, issue notes in any amounts, at any times and on any terms as we wish. The notes may differ from other notes issued pursuant to the series designated as our Global Medium-Term Notes, Series A, and from debt securities of other series, in their terms.

The notes constitute our unsecured and unsubordinated obligations ranking *pari passu*, without any preference among themselves, with all our other outstanding unsecured and unsubordinated obligations, present and future, except those obligations as are preferred by operation of law.

The notes are not deposit liabilities of Barclays Bank PLC and are not covered by the U.K. Financial Services Compensation Scheme or insured by the FDIC or any other governmental agency or deposit insurance agency of the United States, the United Kingdom or any other jurisdiction.

Note that the information about the price to the public and net proceeds to Barclays Bank PLC in the applicable pricing supplement relates only to the initial sale of the notes. If you have purchased the notes in a purchase/resale transaction after the initial sale, information about the price and date of sale to you will be provided in a separate confirmation of sale.

### Payment at Maturity

The applicable pricing supplement will set forth the manner in which the payment at maturity will be determined. The payment at maturity may be based, or may be contingent, on movements in the level(s), value(s) or price(s) or other events relating to one or more reference assets and, if so, the formula or method of calculation and the relevant reference asset(s) will be specified in the applicable pricing supplement. See “Reference Assets” below for terms of the notes relating to any reference asset.

If so specified in the applicable pricing supplement, the payment at maturity may be made in shares of an equity security, with fractional shares paid in cash. Under these circumstances, the number of shares received is referred to as the “physical delivery amount.” The physical delivery amount, the initial price of the linked shares and other amounts may change due to stock splits or other corporate actions. See “Reference Assets—Equity Securities—Share Adjustments Relating to Securities with an Equity Security as a Reference Asset” below. Notwithstanding the foregoing, if due to an event beyond our control, we determine that it is impossible, impracticable (including if unduly burdensome) or illegal for us to deliver shares of the relevant equity security to you, we will, without your consent or any prior notice, pay the cash equivalent of the physical delivery amount (as determined by the calculation agent in good faith and in a commercially reasonable manner) in lieu of delivering shares.

## **Interest**

The applicable pricing supplement will specify whether the notes bear interest. The applicable pricing supplement may specify that interest will accrue on the notes from the original issue date or any other date specified in the applicable pricing supplement either at a fixed rate or floating rate or at a rate based on a reference asset as specified in the applicable pricing supplement. See “Interest Mechanics” below. The applicable pricing supplement may instead specify that any interest will be based, or will be contingent, on movements in the level(s), value(s) or price(s) or other events relating to one or more reference assets and, if so, the formula or method of calculation and the relevant reference asset(s) will be specified in the applicable pricing supplement. See “Reference Assets” below for terms of the notes relating to any reference asset.

## **Additional Amounts and Redemption for Tax Reasons**

Unless otherwise specified in the applicable pricing supplement, the provisions in the accompanying prospectus described under “Description of Debt Securities—Additional Amounts” and “Description of Debt Securities—Redemption—Redemption of Senior Debt Securities for Tax Reasons” will not apply to the notes. Unless the applicable pricing supplement provides otherwise, we will pay any amounts to be paid by us on any series of notes without deduction or withholding for, or on account of, any and all present or future income, stamp and other taxes, levies, imposts, duties, charges, fees, deductions or withholdings now or hereafter imposed, levied, collected, withheld or assessed by or on behalf of the United Kingdom or any U.K. political subdivision or authority thereof or therein that has the power to tax, unless the deduction or withholding is required by law.

## **Early Redemption at Barclays Bank PLC’s Option**

The applicable pricing supplement will indicate whether we have the option to redeem the notes, in whole or in part, on any optional redemption date. The amount payable upon redemption, which we may refer to in a pricing supplement as the “redemption price,” and any other terms related to our option to redeem the notes, will be specified in the applicable pricing supplement.

If we exercise any early redemption at our option, we will notify each holder, or in the case of global notes, the depositary, as holder of the global notes, within the redemption notice period specified in the applicable pricing supplement. The notes will not be subject to any sinking fund. See “Description of Debt Securities—Redemption” in the accompanying prospectus.

## **Automatic Early Redemption**

The applicable pricing supplement will indicate whether the notes will be automatically callable or redeemable based on the level(s), value(s) or prices(s) of the reference asset(s) on one or more valuation dates. The amount payable upon an automatic call, which we may refer to in a pricing supplement as the “call price” or “redemption price,” and any other terms related to the automatic call provision, will be specified in the applicable pricing supplement.

## **Repurchase at Option of the Holder**

The applicable pricing supplement will indicate whether the holder has the option to require us to repay the note on a date or dates specified prior to its maturity date. If applicable, the repurchase price, and any other terms related to the holder’s repurchase option, will be specified in the applicable pricing supplement.

Exercise of the repurchase option by the holder of a note will be irrevocable. Unless otherwise specified in the relevant terms supplement, the holder may exercise the repurchase option for less than the entire principal amount of the note but, in that event, the principal amount of the note remaining outstanding after repurchase must be an authorized denomination.

## ***Special Requirements for Optional Repayment of Global Notes***

Since the notes are represented by global notes, the depositary or depositary’s nominee will be the holder of the notes and therefore will be the only entity that can exercise a right to require repayment prior to the stated maturity. To ensure that the depositary’s nominee will timely exercise a right to require repayment of a particular note prior to the stated maturity, the beneficial owner of the note must instruct the broker or other direct or indirect participant



through which it holds an interest in the note to notify the depository of its desire to exercise a right to require repayment prior to the stated maturity. Different brokerage firms may have different deadlines for accepting instructions from their customers. Accordingly, each beneficial owner of the note should consult the broker or other direct or indirect participant through which it holds an interest in a note in order to ascertain the cut-off time by which an instruction must be given for timely notice to be delivered to the depository.

### **Payment Dates**

The applicable pricing supplement will specify the maturity date and any date preceding the maturity date on which amounts will or may be payable with respect to the notes. We refer to the maturity date and each of these other dates as a “payment date.”

If the valuation date with respect to any payment date preceding the maturity date is postponed, the relevant payment date will be postponed by the same number of business days from but excluding the originally scheduled valuation date to and including the actual valuation date.

If the final valuation date is postponed, the maturity date will be postponed by the same number of business days from but excluding the originally scheduled final valuation date to and including the actual final valuation date.

If the notes are linked to a basket of multiple assets or to the best or worst performing in a group of reference assets (in either case, other than a basket or a group of reference assets containing only equity securities, exchange-traded funds and/or indices of equity securities), the valuation date or final valuation date, for purposes of the preceding two paragraphs, will be deemed to have occurred on the earliest date on which the levels, values or prices for the all basket components or reference assets, as applicable, have been determined.

Unless otherwise stated in the applicable pricing supplement, each payment date will be governed by the “following business day” convention (*i.e.*, if the applicable payment date stated in the applicable pricing supplement is not a business day, that payment date will be extended to the next following business day) and will be “unadjusted” (*i.e.*, the relevant payment will be made on the following business day in accordance with the designated business day convention with the same effect as if paid on the originally scheduled payment date, without additional interest).

### **Valuation Dates, Review Dates, Determination Dates, Observation Dates and Averaging Dates**

We refer to each date on which the level, value or price of any reference asset is to be referenced in the determination of any payment on the notes as a “valuation date.” The applicable pricing supplement may also refer to a valuation date as an “observation date,” a “review date,” a “determination date” or an “averaging date.” We refer to the date on which the notes are initially priced for sale to the public as the “initial valuation date,” and such date will, unless otherwise set forth in the applicable pricing supplement, be the date on which the initial level, initial value or initial price of a reference asset is established. We refer to the valuation date on which the final level, final value or final price of a reference asset is established as the “final valuation date.” For the avoidance of doubt, if the final level, final value or final price of a reference asset is based on the levels, values, or prices of that reference asset on multiple valuation dates (either consecutively near the end of the term of the notes or periodically throughout the term of the notes), the last of those valuation dates will be the “final valuation date.”

Each valuation date will be specified in the applicable pricing supplement, *provided* that the calculation agent may in its sole discretion postpone any valuation date if the calculation agent determines that the originally scheduled valuation date is not a scheduled trading day or that a market disruption event has occurred or is continuing on a scheduled trading day that would otherwise be that valuation date. We describe market disruption events and valuation date postponement for the various reference assets under “Reference Assets” below.

### **Business Day**

As used in this prospectus supplement, and in the applicable pricing supplement unless otherwise defined therein, “business day” means any day that is a Monday, Tuesday, Wednesday, Thursday or Friday and that is not a day on which banking institutions in New York City generally are authorized or obligated by law, regulation or executive order to be closed.

## **Business Day Convention**

Business day conventions are procedures used to adjust payment dates that are not business days. Unless the applicable pricing supplement states otherwise, each payment date will be governed by the “following business day” convention (*e.g.*, if a payment date is not a business day, that payment date will be the next following business day).

*Following Business Day.* Any payment on the notes that would otherwise be due on a day that is not a business day will instead be paid on the next day that is a business day.

*Modified Following Business Day.* Any payment on the notes that would otherwise be due on a day that is not a business day will instead be paid on the next day that is a business day, unless that day falls in the next calendar month, in which case the payment date will be the first preceding day that is a business day.

*Preceding Business Day.* Any payment on the notes that would otherwise be due on a day that is not a business day will instead be paid on the first preceding day that is a business day.

*Nearest Business Day.* Any payment on the notes that would otherwise be due on a day that is not a business day will instead be paid on the first preceding day that is a business day if the originally scheduled payment date would otherwise fall on a day other than a Sunday or a Monday and will be paid on the next day that is a business day if the originally scheduled payment date would otherwise fall on a Sunday or a Monday.

## **Day Count Convention**

A day count convention is a method to calculate the fraction of a year between two dates. The applicable pricing supplement will specify the day count convention, if any.

*ACT/360 or Actual/360.* The actual number of days between two dates divided by 360.

*30/360.* Each month is deemed to have 30 days and the year is deemed to have 360 days.

*ACT/ACT or Actual/Actual.* The actual number of days between two dates divided by the actual number of days in the year.

*ACT/365 or Actual/365 Fixed.* The actual number of days between two dates, with the year deemed to have 365 days, regardless of leap year status.

*NL/365.* “No Leap Year” logic extension to ACT/365 where leap days are subtracted, ensuring the quotient never exceeds 1.

*30/365.* Extension to 30/360 where each month is deemed to have 30 days and the year is deemed to have 365 days.

*ACT/366 or Actual/366.* Extension to ACT/365 where the actual number of days between two dates is divided by 366, ensuring the quotient never exceeds 1.

*ACT/252 or BUS/252 or Actual/252 or Business Days/252.* The number of business days between two dates, divided by a nominal year deemed to have 252 business days. (Weekends and holidays are excluded; thus, Friday to Monday would be considered one business day.)

## **Payment and Paying Agent**

### ***Currency of Notes***

Amounts that become due and payable on your notes in cash will be payable in a currency, composite currency, basket of currencies or currency unit or units (“specified currencies”) specified in the applicable pricing supplement. The specified currency for your notes will be U.S. dollars, unless your pricing supplement states otherwise. Some notes may have different specified currencies for principal, interest or other amounts payable on your notes. We will make payments on your notes in the specified currency, except as described in the applicable pricing supplement. See “Risk Factors—Additional Risks Relating to Securities Payable in a Currency Other Than U.S. Dollars” in this prospectus supplement for more information about the risks of investing in this kind of note.

### ***Payments Due in U.S. Dollars***

We will follow the practices described below when paying amounts due in U.S. dollars.

*Payments on Global Notes.* We will make payments on a global note in accordance with the applicable policies of the depositary as in effect from time to time. Under those policies, we will pay directly to the depositary, or its nominee, and not to any indirect owners who own beneficial interests in the global note. An indirect owner's right to receive those payments will be governed by the rules and practices of the depositary and its participants, as described in the section entitled "Description of Debt Securities—Legal Ownership; Form of Debt Securities" in the accompanying prospectus.

*Payments on Non-Global Notes.* We will make payments on a note in non-global, registered form as follows. We will pay interest that is due on an interest payment date by check mailed on the interest payment date to the holder at his or her address shown on the trustee's records as of the close of business on the regular record date. We will make all other payments by check at the paying agent described below, against surrender of the note. All payments by check will be made in next-day funds—*i.e.*, funds that become available on the day after the check is cashed. Alternatively, if a non-global note has a principal amount of at least \$1,000,000 and the holder asks us to do so, we will pay any amount that becomes due on the note by wire transfer of immediately available funds to an account at a bank in New York City, on the due date. To request wire payment, the holder must give the paying agent appropriate wire transfer instructions at least five business days before the requested wire payment is due. In the case of any interest payment due on an interest payment date, the instructions must be given by the person or entity who is the holder on the relevant regular record date. In the case of any other payment, payment will be made only after the note is surrendered to the paying agent. Any wire instructions, once properly given, will remain in effect unless and until new instructions are given in the manner described above.

Book-entry and other indirect owners should consult their banks or brokers for information on how they will receive payments on their notes.

For a description of the paying agent, see "Description of Debt Securities—Legal Ownership; Form of Debt Securities—Payment and Paying Agents" in the accompanying prospectus.

### ***Payments Due in Non-U.S. Dollar Currencies***

We will follow the practices described below when paying amounts that are due in a specified currency other than U.S. dollars.

*Payments on Global Notes.* We will make payments on a global note in accordance with the applicable policies of the depositary as in effect from time to time. We understand that these policies, as currently in effect at The Depository Trust Company ("DTC"), are as follows:

Unless otherwise indicated in your pricing supplement, if you are an indirect owner of global notes denominated in a specified currency other than U.S. dollars, you will not have the right to elect to receive payment in that other currency. If your pricing supplement indicates that you have the right to elect to receive payments in that other currency and you do make that election, you must notify the DTC participant through which your interest in the global note is held of your election:

- on or before the applicable regular record date, which will be specified in your pricing supplement, in the case of a payment of interest, or
- on or before the 16th day prior to stated maturity, or any redemption or repurchase date, in the case of payment of principal or any premium.

If any interest, principal or premium payment is due in a specified currency other than U.S. dollars, you may elect to receive all or only a portion of the payment in that other currency.

Your DTC participant must, in turn, notify DTC of your election on or before the 12th DTC business day prior to the interest payment date or stated maturity, as applicable, or on the redemption or repurchase date if your note is redeemed or repaid earlier, in the case of a payment of principal or any premium.

DTC, in turn, will notify the paying agent of your election in accordance with DTC's procedures.

If complete instructions are received by the DTC participant and forwarded by the DTC participant to DTC, and by DTC to the paying agent, on or before the dates noted above, the paying agent, in accordance with DTC's instructions, will make the payments to you or your DTC participant by wire transfer of immediately available funds to an account maintained by you or your DTC participant with a bank located in the country issuing the specified currency or in another jurisdiction acceptable to us and the paying agent.

If the foregoing steps are not properly completed, we expect DTC to inform the paying agent that payment is to be made in U.S. dollars. In that case, we or our agent will convert the payment to U.S. dollars in the manner described under "Terms of the Notes—Payment and Paying Agent—Payments Due in Non-U.S. Dollar Currencies—Conversion to U.S. Dollars." We expect that we or our agent will then make the payment in U.S. dollars to DTC, and that DTC in turn will pass it along to its participants.

Book-entry and other indirect holders of a global note denominated in a currency other than U.S. dollars should consult their banks or brokers for information on how to request payment in the specified currency.

*Payments on Non-Global Notes.* Except where otherwise requested by the holder as described below, we will make payments on notes in non-global form in the applicable specified currency. We will make these payments by wire transfer of immediately available funds to any account that is maintained in the applicable specified currency at a bank designated by the holder and that is acceptable to us and the trustee. To designate an account for wire payment, the holder must give the paying agent appropriate wire instructions at least five business days before the requested wire payment is due. In the case of any interest payment due on an interest payment date, the instructions must be given by the person who is the holder on the regular record date. In the case of any other payment, the payment will be made only after the note is surrendered to the paying agent. Any instructions, once properly given, will remain in effect unless and until new instructions are properly given in the manner described above.

If a holder fails to give instructions as described above, we will notify the holder at the address in the trustee's records and will make the payment within five business days after the holder provides appropriate instructions. Any late payment made in these circumstances will be treated under the senior debt securities indenture as if made on the due date, and no interest will accrue on the late payment from the due date to the date paid.

Although a payment on a note in non-global form may be due in a specified currency other than U.S. dollars, we will make the payment in U.S. dollars if the holder asks us to do so. To request U.S. dollar payment, the holder must provide appropriate written notice to the paying agent at least five business days before the next due date for which payment in U.S. dollars is requested. In the case of any interest payment due on an interest payment date, the request must be made by the person who is the holder on the regular record date. Any request, once properly made, will remain in effect unless and until revoked by notice properly given in the manner described above.

Indirect owners of a non-global note with a specified currency other than U.S. dollars should contact their banks or brokers for information about how to receive payments in the specified currency or in U.S. dollars.

*Conversion to U.S. Dollars.* When we make payments in U.S. dollars of an amount due in another currency, either on a global note or a non-global note as described above, we will determine the U.S. dollar amount the holder receives as follows. The exchange rate agent described below will request currency bid quotations expressed in U.S. dollars from three or, if three are not available, then two, recognized foreign exchange dealers in New York City, any of which may be the exchange rate agent, which may be Barclays Capital Inc., an affiliate of Barclays Bank PLC, as of 11:00 a.m., New York City time, on the second business day before the payment date.

Currency bid quotations will be requested on an aggregate basis, for all holders of notes requesting U.S. dollar payments of amounts due on the same date in the same specified currency. The U.S. dollar amount the holder receives will be based on the highest acceptable currency bid quotation received by the exchange rate agent. If the exchange rate agent determines that fewer than two acceptable currency bid quotations are available on that second business day, the payment will be made in the specified currency.

To be acceptable, a quotation must be given as of 11:00 a.m., New York City time, on the second business day before the due date and the quoting dealer must commit to execute a contract at the quotation in the total amount due in that currency on all series of notes.

When we make payments to you in U.S. dollars of an amount due in another currency, you will bear all associated currency exchange costs, which will be deducted from the payment.

*When the Specified Currency Is Not Available.* If we are obligated to make any payment in a specified currency other than U.S. dollars, and the specified currency or any successor currency is not available to us or cannot be paid to you due to circumstances beyond our control—such as the imposition of exchange controls or a disruption in the currency markets—we will be entitled to satisfy our obligation to make the payment in that specified currency by making the payment in U.S. dollars, on the basis specified in the applicable pricing supplement.

The foregoing will apply to any note, whether in global or non-global form, and to any payment, including a payment at maturity. Any payment made under the circumstances and in a manner described above will not result in a default under any note or the senior debt securities indenture.

*Exchange Rate Agent.* If we issue a note in a specified currency other than U.S. dollars, we will appoint a financial institution to act as the exchange rate agent and will name the institution initially appointed when the note is originally issued in the applicable pricing supplement. We may select Barclays Capital Inc. or another of our affiliates to perform this role. We may change the exchange rate agent from time to time after the original issue date of the note without your consent and without notifying you of the change.

All determinations made by the exchange rate agent will be at its sole discretion unless we state in your pricing supplement that any determination is subject to our approval. In the absence of manifest error, those determinations will be conclusive for all purposes and final and binding on you and us, without any liability on the part of the exchange rate agent.

### **Calculations and Calculation Agent**

Any calculations relating to the notes will be made by the calculation agent, an institution that we appoint as our agent for this purpose. Unless otherwise specified in the applicable pricing supplement, Barclays Bank PLC will act as calculation agent. We may appoint a different institution, including one of our affiliates, to serve as calculation agent from time to time after the original issue date of the notes without your consent and without notifying you of the change. We will ensure that there is a financial institution serving as the calculation agent at all relevant times.

The calculation agent will, in its sole discretion, make all determinations regarding any amounts payable in respect of your notes, the level(s), value(s) or price(s) of the reference asset(s), market disruption events, early redemption events, business days, the default amount upon any acceleration (only in the case of an event of default under the senior debt securities indenture), the maturity date, optional redemption dates, if any, the interest rate, if any, and any other calculations or determinations to be made by the calculation agent. Absent manifest error, all determinations of the calculation agent will be conclusive for all purposes and final and binding on you and us, without any liability on the part of the calculation agent.

The calculation agent is obligated to carry out its duties and functions as calculation agent in good faith and using reasonable judgment. However, in engaging in these activities the calculation agent will have no obligation to consider your interests as an investor in the notes, and if the calculation agent is Barclays Bank PLC or one of our affiliates, in making these discretionary judgments, it may have economic interests that are adverse to your interests as an investor in the notes and its determinations may adversely affect the value of and any return on your notes. You will not be entitled to any compensation from us for any loss suffered as a result of any of the above determinations by the calculation agent.

All percentages resulting from any calculation relating to a note will, unless otherwise specified in the applicable pricing supplement, be rounded upward or downward, as appropriate, to the next higher or lower one hundred-thousandth of a percentage point, e.g., 9.876544% (or .09876544) being rounded down to 9.87654% (or .0987654) and 9.876545% (or .09876545) being rounded up to 9.87655% (or .0987655). All amounts used in or resulting from any calculation relating to a note will, unless otherwise specified in the applicable pricing supplement, be rounded upward or downward, as appropriate, to the nearest cent, in the case of U.S. dollars, the nearest corresponding hundredth of a unit, in the case of a currency other than U.S. dollars, or to the nearest one hundred-thousandth of a unit, in the case of a currency exchange rate, with one-half cent, one-half of a corresponding hundredth of a unit or one-half of a hundred-thousandth of a unit or more being rounded upward.

In determining the level, value or price of a reference asset that applies to a note during a particular interest or other period, the calculation agent may obtain quotes from various banks or dealers active in the relevant market, as described under “Reference Assets” below. Those reference banks, dealers, reference asset sponsors or information providers may include the calculation agent itself and its affiliates, as well as any underwriter, dealer or agent participating in the distribution of the relevant notes and its affiliates, and they may include Barclays Bank PLC or its affiliates.

## **Default Amount**

If an event of default occurs and the maturity of the notes is accelerated, we will pay the default amount in respect of the principal of the notes. We describe the default amount below under “Determination of Default Amount.”

For the purpose of determining whether the holders of our medium-term notes, of which the notes are a part, are entitled to take any action under the senior debt securities indenture, we will treat the stated principal amount of each note outstanding as the principal amount of that note. Although the terms of your notes may differ from those of the other medium-term notes, holders of specified percentages in principal amount of all medium-term notes, together in some cases with other series of our debt securities, will be able to take action affecting all the medium-term notes, including your notes. This action may involve changing some of the terms that apply to the medium-term notes, accelerating the maturity of the medium-term notes after a default or waiving some of our obligations under the senior debt securities indenture. We discuss these matters in the attached prospectus under “Description of Debt Securities—Modification and Waiver,” “Description of Debt Securities—Senior Events of Default; Dated Subordinated Events of Default and Debt Defaults” and “Description of Debt Securities—Limitation on Suits.”

### ***Determination of Default Amount***

The default amount for the notes on any day will be an amount, determined by the calculation agent in its sole discretion, that is equal to the cost of having a qualified financial institution, of the kind and selected as described below, expressly assume all our payment and other obligations (including accrued and unpaid interest) with respect to the notes as of that day and as if no default or acceleration had occurred, or to undertake other obligations providing substantially equivalent economic value to you with respect to the notes. That cost will equal:

- the lowest amount that a qualified financial institution would charge to effect this assumption or undertaking, plus
- the reasonable expenses, including reasonable attorneys’ fees, incurred by the holders of the notes in preparing any documentation necessary for this assumption or undertaking.

During the default quotation period for the notes, which we describe below, the holders of the notes and/or we may request a qualified financial institution to provide a quotation of the amount it would charge to effect this assumption or undertaking. If either party obtains a quotation, it must notify the other party in writing of the quotation. The amount referred to in the first bullet point above will equal the lowest—or, if there is only one, the only—quotation obtained, and as to which notice is so given, during the default quotation period. With respect to any quotation, however, the party not obtaining the quotation may object, on reasonable and significant grounds, to the assumption or undertaking by the qualified financial institution providing the quotation and notify the other party in writing of those grounds within two business days after the last day of the default quotation period, in which case that quotation will be disregarded in determining the default amount.

Notwithstanding the foregoing, if a voluntary or involuntary liquidation, bankruptcy or insolvency of, or any analogous proceeding is filed with respect to Barclays Bank PLC, then depending on applicable bankruptcy law, your claim may be limited to an amount that could be less than the default amount.

### ***Default Quotation Period***

The default quotation period is the period beginning on the day the default amount first becomes due and ending on the third business day after that day, unless:

- no quotation of the kind referred to above is obtained, or

- every quotation of that kind obtained is objected to within five business days after the due date as described above.

If either of these two events occurs, the default quotation period will continue until the third business day after the first business day on which prompt notice of a quotation is given as described above. If that quotation is objected to as described above within five business days after that first business day, however, the default quotation period will continue as described in the prior sentence and this sentence.

In any event, if the default quotation period and the subsequent two business day objection period have not ended before the final valuation date, or, in the case of notes linked to an interest rate, the maturity date, then the default amount will equal the principal amount of the notes.

### ***Qualified Financial Institutions***

For the purpose of determining the default amount at any time, a qualified financial institution must be a financial institution organized under the laws of any jurisdiction in the United States or Europe, which at that time has outstanding debt obligations with a stated maturity of one year or less from the date of issue and rated either:

- A-1 or higher by S&P Global Ratings, a division of Standard & Poor's Financial Services LLC or any successor, or any other comparable rating then used by that rating agency, or
- P-1 or higher by Moody's Investors Service or any successor, or any other comparable rating then used by that rating agency.

## INTEREST MECHANICS

### How Interest Is Calculated

If applicable, interest on notes will accrue from and including the most recent interest payment date to which interest has been paid or duly provided for, or, if no interest has been paid or duly provided for, from and including the original issue date or any other date specified in the applicable pricing supplement on which interest begins to accrue. Interest will accrue to but excluding the next interest payment date or, the date on which the principal has been paid or duly made available for payment, except as described below.

Unless otherwise specified in the applicable pricing supplement, accrued interest on a floating rate note during an interest period with more than one interest reset date will be calculated by multiplying the principal amount of the note by an accrued interest factor. The accrued interest factor will be computed by adding the interest factors calculated for each day in the applicable interest period. Unless otherwise specified in the applicable pricing supplement, the interest factor for each day in the applicable interest period will be computed by dividing the interest rate in effect on that day by 360, in the case of notes linked to the commercial paper rate, federal funds (effective) rate, federal funds (open) rate, LIBOR, EURIBOR, prime rate, eleventh district cost of funds rate, Consumer Price Index or ICE Swap rate. In the case of notes linked to the CMT rate or Treasury rate, the interest factor for each day in the applicable interest period will be computed by dividing the interest rate in effect on that day by the actual number of days in the year, unless otherwise specified in the applicable pricing supplement. The interest factor will be expressed as a decimal calculated to seven decimal places without rounding. For purposes of making the foregoing calculation, the interest rate in effect on any interest reset date will be the applicable rate as reset on that date.

Unless otherwise specified in the applicable pricing supplement, for all other floating rate notes, accrued interest will be calculated by first multiplying the principal amount of the notes by the interest rate in effect during the applicable interest period. Unless otherwise specified in the applicable pricing supplement, that product is then multiplied by the quotient obtained by dividing the actual number of days in the period for which accrued interest is being calculated by 360, in the case of notes linked to the commercial paper rate, federal funds (effective) rate, federal funds (open) rate, LIBOR, EURIBOR, prime rate, eleventh district cost of funds rate, Consumer Price Index or ICE Swap rate. In the case of notes linked to the CMT or Treasury rate, the product is multiplied by the quotient obtained by dividing the actual number of days in the period for which accrued interest is being calculated by the actual number of days in the year, unless otherwise specified in the applicable pricing supplement.

In all other cases, interest will be calculated in the manner set forth in the applicable pricing supplement.

### Regular Record Dates for Interest

#### *Global Notes*

In the event that the notes are issued as “global notes,” the ultimate beneficial owners of the notes are indirect holders and interest will be paid to the person in whose name the notes are registered at the close of business on the regular record date before each interest payment date. Unless otherwise specified in the applicable pricing supplement, the regular record date relating to an interest payment date for the notes issued as “global notes” will be the date one business day prior to the interest payment date, whether or not that interest payment date is a business day; *provided* that for an interest payment date that is also the maturity date, the interest payable on that interest payment date will be payable to the person to whom the principal is payable. If the interest payment date is also a day on which principal is due, the interest payable will include interest accrued to, but excluding, the maturity date. If a note is issued between a record date and an interest payment date, the first interest payment will be made on the next succeeding interest payment date. For the purpose of determining the holder at the close of business on a regular record date, the close of business will mean 5:00 p.m., New York City time, on that day. See “Description of Debt Securities—Legal Ownership; Form of Debt Securities” in the accompanying prospectus.



### ***Non-Global Notes***

The regular record date relating to an interest payment date for the notes issued in non-global, registered form will be the date 15 business days prior to the interest payment date, whether or not that interest payment date is a business day; *provided* that for an interest payment date that is also the maturity date, the interest payable on that interest payment date will be payable to the person to whom the principal is payable. If the interest payment date is also a day on which principal is due, the interest payable will include interest accrued to, but excluding, the maturity date. If a note is issued between a record date and an interest payment date, the first interest payment will be made on the next succeeding interest payment date. For the purpose of determining the holder at the close of business on a regular record date, the close of business will mean 5:00 p.m., New York City time, on that day. See “Description of Debt Securities—Legal Ownership; Form of Debt Securities” in the accompanying prospectus.

### **If a Payment Date Is Not a Business Day**

If any scheduled payment date is not a business day, we may pay interest or principal according to a designated business day convention, which may be the same for all of those dates or different for each date. See “Terms of the Notes—Business Day Convention” above. As described under “Terms of the Notes—Payment Dates” above, each payment date will be subject to the “following business day” convention, unless otherwise specified in the applicable pricing supplement.

Interest on that payment may or may not accrue during the period from and after the scheduled or stated payment date. Unless otherwise specified in the applicable pricing supplement, the business day convention is “unadjusted,” meaning that if an interest payment date is not a business day, the relevant interest payment will be made on the following or preceding business day in accordance with the designated business day convention with the same effect as if paid on the original due date. Accordingly, the amount of interest accrued and payable on that interest payment date will not be adjusted to reflect the longer or shorter interest period.

If the applicable pricing supplement specifies that the business day convention is “adjusted” and an interest payment date is not a business day, the relevant interest payment will be made on the following or preceding business day in accordance with the designated business day convention and deemed made on the date on which interest is actually paid (and not on the original due date). Accordingly, the amount of interest accrued and payable on that interest payment date will be adjusted to reflect the longer or shorter interest period.

### **Interest Payment Dates or Coupon Payment Dates**

Subject to adjustment in accordance with the business day convention, the “interest payment dates” or “coupon payment dates” are the dates payments of interest on notes will be made. The interest payment dates will be specified in the applicable pricing supplement. See “Terms of the Notes—Interest” and “Interest Mechanics—Regular Record Dates for Interest” in this prospectus supplement and “Description of Debt Securities—Legal Ownership; Form of Debt Securities” in the accompanying prospectus.

### **How Floating Interest Rates Are Reset**

If so specified in the applicable pricing supplement, the interest rate in effect from the date of issue to the first interest reset date for a floating rate note will be the initial interest rate specified in the applicable pricing supplement. We refer to this rate as the “initial interest rate.” The interest rate on each floating rate note may be reset daily, weekly, monthly, quarterly, semi-annually, annually or otherwise as specified in the applicable pricing supplement. This period is the “interest reset period.” Unless otherwise specified in the applicable pricing supplement, the first day of each interest reset period after the initial interest reset period will be the “interest reset date.” If the initial interest rate is not specified in the applicable pricing supplement, the issue date will be treated as the first interest reset date.

Unless otherwise specified in the applicable pricing supplement, if an interest reset date for any floating rate note (other than a note linked to LIBOR, EURIBOR, the federal funds (open) rate or the federal funds (effective) rate) would fall on a day that is not a business day, the interest reset date will be postponed to the next following business day. If an interest reset date for a note linked to LIBOR would fall on a day that is not a London business day (as defined below), the interest reset date will be postponed to the next modified following London business day. If an interest reset date for a note linked to EURIBOR would fall on a day that is not a Euro business day (as defined below), the interest reset date will be postponed to the next modified following Euro business day. If an

interest reset date, in the case of a note linked to the federal funds (open) rate or federal funds (effective) rate, would fall on a day that is not a business day, the interest reset date will be postponed to the next modified following business day. If an auction of direct obligations of U.S. Treasury bills falls on a day that is an interest reset date for notes linked to the Treasury rate, the interest reset date will be the next following business day.

As used in this prospectus supplement, a “London business day” means any day that is a Monday, Tuesday, Wednesday, Thursday or Friday and on which dealings in deposits in U.S. dollars are transacted, or with respect to any future date are expected to be transacted, in the London interbank market, and a “Euro business day” means any day that is a Monday, Tuesday, Wednesday, Thursday or Friday on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System (TARGET2), or any successor system, is open for business.

As used in this prospectus supplement, a “U.S. government securities business day” means any day except for a Saturday, Sunday or a day on which The Securities Industry and Financial Markets Association (formerly known as The Bond Market Association) (or any successor or replacement organization) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

The rate of interest that goes into effect on any interest reset date will be determined by the calculation agent, subject to a rate cut-off (as specified in the applicable pricing supplement), by reference to a particular date called an “interest determination date.” Unless otherwise specified in the applicable pricing supplement:

- For notes linked to the federal funds (open) rate, the interest determination date relating to a particular interest reset date will be the same day as the interest reset date.
- For notes linked to the prime rate or federal funds (effective) rate, the interest determination date relating to a particular interest reset date will be the first business day preceding the interest reset date.
- For notes linked to the commercial paper rate, the interest determination date relating to a particular interest reset date will be the second business day preceding the interest reset date.
- For notes linked to the ICE Swap rate or CMT rate, the interest determination date relating to a particular interest reset date will be the second U.S. government securities business day preceding the interest reset date.
- For notes linked to LIBOR, the interest determination date will be two London business days prior to the interest reset date.
- For notes linked to EURIBOR, the interest determination date relating to a particular interest reset date will be the second Euro business day preceding the interest reset date.
- For notes linked to the Treasury rate, the interest determination date for a particular interest reset date will be the day of the week in which the interest reset date falls on which Treasury securities would normally be auctioned. Treasury securities are normally sold at auction on Monday of each week unless that day is a legal holiday. In that case the auction is normally held on the following Tuesday, except that the auction may be held on the preceding Friday. If, as the result of a legal holiday, an auction is held on the preceding Friday, that Friday will be the Treasury rate interest determination date pertaining to the interest reset date falling in the next week. If an auction date falls on any day that would otherwise be an interest reset date for a Treasury rate note, then that interest reset date will instead be the business day immediately following the auction date.
- For notes linked to the eleventh district cost of funds rate, the interest determination date relating to a particular interest reset date will be the last working day, in the first calendar month before that interest reset date, on which the Federal Home Loan Bank of San Francisco publishes the monthly average cost of funds paid by a member institutions of the Eleventh Federal Home Loan Bank District for the second calendar month before that interest reset date.

The “index maturity” for any floating rate note is the period of maturity of the instrument or obligation from which the reference asset or base rate is calculated.

## TERMS OF THE WARRANTS

### General

You should carefully read the general terms and provisions of our debt securities in “Description of Warrants” in the accompanying prospectus. This section supplements that description. The pricing supplement for each offering of warrants will contain the detailed information and terms for that particular offering. The pricing supplement also may add, update or change information contained in any applicable product supplement, any applicable underlying supplement, this prospectus supplement and the prospectus. If the terms described in the applicable pricing supplement are different from or inconsistent with those described in this prospectus supplement, in the prospectus, in any applicable product supplement or any applicable underlying supplement, the terms described in the applicable pricing supplement will control. Any pricing supplement should be read in connection with any applicable product supplement, any applicable underlying supplement, this prospectus supplement and the prospectus. It is important that you consider all of the information in the pricing supplement, any applicable product supplement, any applicable underlying supplement, this prospectus supplement and the prospectus when making your investment decision.

We will issue warrants under the warrant indenture between us and The Bank of New York Mellon, which acts as trustee, or a warrant agreement between us and the applicable warrant agent. The warrant indenture or warrant agreement, as applicable, permits us to issue different series of warrants from time to time. We may issue warrants in any quantities, at any times and on any terms as we wish. The warrants may differ from one another, and from warrants of other series, in their terms.

The warrants constitute our unsecured and unsubordinated obligations ranking *pari passu*, without any preference among themselves, with all our other outstanding unsecured and unsubordinated obligations, present and future, except those obligations as are preferred by operation of law.

The warrants are not deposit liabilities of Barclays Bank PLC and are not covered by the U.K. Financial Services Compensation Scheme or insured by the FDIC or any other governmental agency or deposit insurance agency of the United States, the United Kingdom or any other jurisdiction.

Please note that the information about the price to the public and net proceeds to Barclays Bank PLC in the applicable pricing supplement relates only to the initial sale of the warrants. If you have purchased the warrants in a purchase/resale transaction after the initial sale, information about the price and date of sale to you will be provided in a separate confirmation of sale.

### Type of Warrant

The applicable pricing supplement will specify whether your warrants are call warrants or put warrants, including in each case warrants that may be settled by means of net cash settlement or cashless exercise, or any other type of warrants. Call warrants are warrants that entitle the holder to purchase warrant property at the applicable exercise price or to receive the cash value of the warrant property by paying the applicable exercise price, if any. Put warrants are warrants that entitle the holder to sell warrant property at the applicable exercise price or to receive the cash value of the exercise price by tendering the warrant property or its cash value.

The applicable pricing supplement will also specify whether your warrants will be settled in cash or warrant property, and the method of determining the amount of cash or warrant property payable or deliverable upon exercise of your warrants.

### Payment or Delivery upon Exercise

The applicable pricing supplement will set forth the manner in which the payment or settlement of the warrants will be determined. The payment or delivery of cash or warrant property on the payment or settlement date may be based on movements in the level(s), value(s) or price(s) or other events relating to one or more reference assets and, if so, the formula or method of calculation and the relevant reference assets will be specified in the applicable pricing supplement. See “Reference Assets” below for terms of the warrants relating to any reference asset.

## **Early Redemption at Barclays Bank PLC's Option**

The applicable pricing supplement will indicate whether we have the option to redeem the warrants, in whole or in part, on any optional redemption date. If applicable, the redemption price, and any other terms related to our option to redeem the warrants, will be specified in the applicable pricing supplement.

If we exercise any early redemption at our option, we will notify each holder, or in the case of global warrants, the depositary, as holder of the global warrants, within the redemption notice period specified in the applicable pricing supplement. The procedures for early redemption of warrants issued under the warrant indenture are described in the accompanying prospectus under “Description of Warrants—General Provisions of Warrant Indenture—Redemption.” The procedures for early redemption of warrants issued under a warrant agreement, if any, will be described in the applicable pricing supplement and warrant agreement.

## **Payment Dates**

The applicable pricing supplement will specify the payment date or settlement date on which amounts or property will or may be payable or deliverable, as applicable, with respect to the warrants. We refer to the payment date or settlement date as a “payment date.”

If the final valuation date is postponed, the payment date will be postponed by the same number of business days from but excluding the originally scheduled final valuation date to and including the actual final valuation date.

If the warrants are linked to a basket of multiple assets or to the best or worst performing in a group of reference assets (in either case, other than a basket or a group of reference assets containing only equity securities, exchange-traded funds and/or indices of equity securities), the valuation date or final valuation date, for purposes of the preceding paragraph, will be deemed to have occurred on the earliest date on which the levels, values or prices for the all basket components or reference assets, as applicable, have been determined.

Unless otherwise stated in the applicable pricing supplement, each payment date will be governed by the “following business day” convention (*i.e.*, if the applicable payment date stated in the applicable pricing supplement is not a business day, that payment date will be extended to the next following business day, without interest).

## **Valuation Dates, Review Dates, Determination Dates, Observation Dates and Averaging Dates**

We refer to each date on which the level, value or price of any reference asset is to be referenced in the determination of any payment (whether in cash or property) on the warrants as a “valuation date.” The applicable pricing supplement may also refer to a valuation date as an “observation date,” a “review date,” a “determination date” or an “averaging date.” We refer to the date on which the warrants are initially priced for sale to the public as the “initial valuation date,” and such date will, unless otherwise set forth in the applicable pricing supplement, be the date on which the initial level, initial value or initial price of a reference asset is established. We refer to the valuation date on which the final level, final value or final price of a reference asset is established as the “final valuation date.” For the avoidance of doubt, if the final level, final value or final price of a reference asset is based on the levels, values, or prices of that reference asset on multiple valuation dates (either consecutively near the end of the term of the notes or periodically throughout the term of the notes), the last of those valuation dates will be the “final valuation date.”

Each valuation date will be specified in the applicable pricing supplement, *provided* that the calculation agent may postpone in its sole discretion any valuation date if the calculation agent determines that the originally scheduled valuation date is not a scheduled trading day or that a market disruption event has occurred or is continuing on a scheduled trading day that would otherwise be that valuation date. We describe market disruption events and valuation date postponement for the various reference assets under “Reference Assets” below.

## **Exercise Dates or Exercise Periods**

The applicable pricing supplement may specify any exercise date or exercise period preceding the payment date on which the holder of the warrant may exercise their warrants. Unless otherwise stated in the applicable pricing supplement, exercise date (or, in the case of an exercise period, each relevant date during the exercise period) will be governed by the “following business day” convention (*i.e.*, if an exercise date stated in the applicable pricing supplement is not a business day, that exercise date will be extended to the next following business day).

## **Business Day**

As used in this prospectus supplement, and in the applicable pricing supplement unless otherwise defined therein, “business day” means any day that is a Monday, Tuesday, Wednesday, Thursday or Friday and that is not a day on which banking institutions in New York City generally are authorized or obligated by law, regulation or executive order to be closed.

## **Business Day Convention**

Business day conventions are procedures used to adjust payment dates that are not business days. Unless the applicable pricing supplement states otherwise, payment dates will be governed by the “following business day” convention (*e.g.*, if a payment date is not a business day, that payment date will be the next following business day). As described under “Terms of the Warrants—Payment Dates” above, each payment date will be subject to the “following business day” convention, unless otherwise specified in the applicable pricing supplement.

*Following Business Day.* Any payment of cash or delivery of warrant property on the warrants that would otherwise be due on a day that is not a business day will instead be paid or delivered on the next day that is a business day.

*Modified Following Business Day.* Any payment of cash or delivery of warrant property in respect of the warrants that would otherwise be due on a day that is not a business day will instead be paid or delivered on the next day that is a business day, unless that day falls in the next calendar month, in which case the payment or delivery date will be the first preceding day that is a business day.

*Preceding Business Day.* Any payment of cash or delivery of warrant property in respect of the warrants that would otherwise be due on a day that is not a business day will instead be paid or delivered on the first preceding day that is a business day.

*Nearest Business Day.* Any payment of cash or delivery of warrant property in respect of the warrants that would otherwise be due on a day that is not a business day will instead be paid on the first preceding day that is a business day if the originally scheduled payment date would otherwise fall on a day other than a Sunday or a Monday and will be paid on the next day that is a business day if the originally scheduled payment date would otherwise fall on a Sunday or a Monday.

In each case, if a payment of cash or a delivery of warrant property is made on the following or preceding business day in accordance with the procedures described above with the same effect as if paid or delivered on the original due date and without payment or delivery of any additional cash or warrant property, the business day convention is “unadjusted.”

## **Payment and Paying Agent or Warrant Agent**

### ***Currency of Warrants***

Amounts that become due and payable on your warrants in cash will be payable in a currency, composite currency, basket of currencies or currency unit or units (“specified currencies”) specified in the applicable pricing supplement. The specified currency for your warrants will be U.S. dollars, unless your pricing supplement states otherwise. We will make payments on your warrants in the specified currency, except as described in the applicable pricing supplement. See “Risk Factors—Additional Risks Relating to Securities Payable in a Currency Other Than U.S. Dollars” in this prospectus supplement for more information about the risks of investing in this kind of warrant. The procedures for non-cash settlement of warrants, if applicable, will be described in the applicable pricing supplement.

### ***Payments Due in U.S. Dollars***

We will follow the practices described below when paying amounts due in U.S. dollars.

*Payments on Global Warrants.* We will make payments on a global warrant in accordance with the applicable policies of the depositary as in effect from time to time. Under those policies, we will pay directly to the depositary, or its nominee, and not to any indirect owners who own beneficial interests in the global warrant. An indirect

owner's right to receive those payments will be governed by the rules and practices of the depository and its participants, as described in the section entitled "Description of Warrants—Legal Ownership; Form of Warrants" in the accompanying prospectus.

*Payments on Non-Global Warrants.* We will make payments on a warrant in non-global, registered form as follows. We will make all payments by check at the paying agent or at the office of the warrant agent, as applicable and described below, against surrender of the warrant. All payments by check will be made in next-day funds—i.e., funds that become available on the day after the check is cashed. Alternatively, if a non-global warrant has an original issue price of at least \$1,000,000 and the holder asks us to do so, we will pay any amount that becomes due on the warrant by wire transfer of immediately available funds to an account at a bank in New York City, on the due date. To request wire payment, the holder must give the paying agent or warrant agent, as applicable, appropriate wire transfer instructions at least five business days before the requested wire payment is due. In the case of any other payment, payment will be made only after the warrant is surrendered to the paying agent or warrant agent. Any wire instructions, once properly given, will remain in effect unless and until new instructions are given in the manner described above.

Book-entry and other indirect owners should consult their banks or brokers for information on how they will receive payments due on their warrants.

For a description of the paying agent and warrant agent, see "Description of Warrants—General Provisions of Warrant Indenture—Payment and Paying Agents" and "Description of Warrants—General Provisions of Warrant Agreements—Payments" in the accompanying prospectus.

#### ***Payments Due in Non-U.S. Dollar Currencies***

We will follow the practices described below when paying amounts that are due in a specified currency other than U.S. dollars.

*Payments on Global Warrants.* We will make payments on a global warrant in accordance with the applicable policies of the depository as in effect from time to time. Unless we say otherwise in the applicable pricing supplement, DTC will be the depository for all warrants in global form.

Book-entry and other indirect holders of a global warrant payable in a currency other than U.S. dollars should consult their banks or brokers for information on how to request payment in the specified currency.

*Payments on Non-Global Warrants.* Except where otherwise requested by the holder as described below, we will make payments on warrants in non-global form in the applicable specified currency. We will make these payments by wire transfer of immediately available funds to any account that is maintained in the applicable specified currency at a bank designated by the holder and that is acceptable to us and the trustee or warrant agent, as applicable. To designate an account for wire payment, the holder must give the paying agent or warrant agent, as applicable, appropriate wire instructions at least five business days before the requested wire payment is due. Payment will be made only after the warrant is surrendered to the paying agent or warrant agent. Any instructions, once properly given, will remain in effect unless and until new instructions are properly given in the manner described above.

If a holder fails to give instructions as described above, we will notify the holder at the address in the records of the trustee or warrant agent, as applicable, and will make the payment within five business days after the holder provides appropriate instructions. Any late payment made in these circumstances will be treated under the warrant indenture or warrant agreement, as applicable, as if made on the due date, and no interest will accrue on the late payment from the due date to the date paid.

Although a payment on a warrant in non-global form may be due in a specified currency other than U.S. dollars, we will make the payment in U.S. dollars if the holder asks us to do so. To request U.S. dollar payment, the holder must provide appropriate written notice to the paying agent or warrant agent, as applicable, at least five business days before the due date for which payment in U.S. dollars is requested. Any request, once properly made, will remain in effect unless and until revoked by notice properly given in the manner described above.

Indirect owners of a non-global warrant with a specified currency other than U.S. dollars should contact their banks or brokers for information about how to receive payments in the specified currency or in U.S. dollars.

*Conversion to U.S. Dollars.* When we make payments in U.S. dollars of an amount due in another currency, either on a global warrant or a non-global warrant as described above, we will determine the U.S. dollar amount the holder receives as follows. The exchange rate agent described below will request currency bid quotations expressed in U.S. dollars from three or, if three are not available, then two, recognized foreign exchange dealers in New York City, any of which may be the exchange rate agent, which may be Barclays Capital Inc., an affiliate of Barclays Bank PLC, as of 11:00 a.m., New York City time, on the second business day before the payment date.

Currency bid quotations will be requested on an aggregate basis, for all holders of warrants requesting U.S. dollar payments of amounts due on the same date in the same specified currency. The U.S. dollar amount the holder receives will be based on the highest acceptable currency bid quotation received by the exchange rate agent. If the exchange rate agent determines that fewer than two acceptable currency bid quotations are available on that second business day, the payment will be made in the specified currency.

To be acceptable, a quotation must be given as of 11:00 a.m., New York City time, on the second business day before the due date and the quoting dealer must commit to execute a contract at the quotation in the total amount due in that currency on all series of warrants.

When we make payments to you in U.S. dollars of an amount due in another currency, you will bear all associated currency exchange costs, which will be deducted from the payment.

*When the Specified Currency Is Not Available.* If we are obligated to make any payment in a specified currency other than U.S. dollars, and the specified currency or any successor currency is not available to us or cannot be paid to you due to circumstances beyond our control—such as the imposition of exchange controls or a disruption in the currency markets—we will be entitled to satisfy our obligation to make the payment in that specified currency by making the payment in U.S. dollars, on the basis specified in the applicable pricing supplement.

The foregoing will apply to any cash-settled warrant, whether in global or non-global form, and to any payment, including a payment at the payment or settlement date. Any payment made under the circumstances and in a manner described above will not result in a default under any warrant or the warrant indenture or warrant agreement, as applicable.

*Exchange Rate Agent.* If we issue a warrant in a specified currency other than U.S. dollars, we will appoint a financial institution to act as the exchange rate agent and will name the institution initially appointed when the warrant is originally issued in the applicable pricing supplement. We may select Barclays Capital Inc. or another of our affiliates to perform this role. We may change the exchange rate agent from time to time after the original issue date of the warrant without your consent and without notifying you of the change.

All determinations made by the exchange rate agent will be at its sole discretion unless we state in your pricing supplement that any determination is subject to our approval. In the absence of manifest error, those determinations will be conclusive for all purposes and final and binding on you and us, without any liability on the part of the exchange rate agent.

### **Calculations and Calculation Agent**

Any calculations relating to the warrants will be made by the calculation agent, an institution that we appoint as our agent for this purpose. Unless otherwise specified in the applicable pricing supplement, Barclays Bank PLC will act as calculation agent. We may appoint a different institution, including one of our affiliates, to serve as calculation agent from time to time after the original issue date of the warrant without your consent and without notifying you of the change. We will ensure that there is a financial institution serving as the calculation agent at all relevant times.

The calculation agent will, in its sole discretion, make all determinations regarding any amounts payable or property deliverable in respect of your warrants, the level(s), value(s) or price(s) of the reference asset(s), market disruption events, early redemption events, business days, the default amount (only in the case of an event of default under the warrant indenture), the relevant exercise date or period, optional redemption dates, if any, and any other calculations or determinations to be made by the calculation agent. Absent manifest error, all determinations of the calculation agent will be conclusive for all purposes and final and binding on you and us, without any liability on the part of the calculation agent.

The calculation agent is obligated to carry out its duties and functions as calculation agent in good faith and using reasonable judgment. However, in engaging in these activities the calculation agent will have no obligation to consider your interests as an investor in the warrants, and if the calculation agent is Barclays Bank PLC or one of our affiliates, in making these discretionary judgments, it may have economic interests that are adverse to your interests as an investor in the notes and its determinations may adversely affect the value of and any return on your warrants. You will not be entitled to any compensation from us for any loss suffered as a result of any of the above determinations by the calculation agent.

All percentages resulting from any calculation relating to a warrant will, unless otherwise specified in the applicable pricing supplement, be rounded upward or downward, as appropriate, to the next higher or lower one hundred-thousandth of a percentage point, e.g., 9.876544% (or .09876544) being rounded down to 9.87654% (or .0987654) and 9.876545% (or .09876545) being rounded up to 9.87655% (or .0987655). All amounts used in or resulting from any calculation relating to a warrant will, unless otherwise specified in the applicable pricing supplement, be rounded upward or downward, as appropriate, to the nearest cent, in the case of U.S. dollars, the nearest corresponding hundredth of a unit, in the case of a currency other than U.S. dollars, or to the nearest one hundred-thousandth of a unit, in the case of a currency exchange rate, with one-half cent, one-half of a corresponding hundredth of a unit or one-half of a hundred-thousandth of a unit or more being rounded upward.

In determining the level, value or price of a reference asset that applies to a warrant during a particular period, the calculation agent may obtain quotes from various banks or dealers active in the relevant market, as described under “Reference Assets” below. Those reference banks, dealers, reference asset sponsors or information providers may include the calculation agent itself and its affiliates, as well as any underwriter, dealer or agent participating in the distribution of the relevant warrants and its affiliates, and they may include Barclays Bank PLC or its affiliates.

#### **Default Amount**

If an event of default occurs in respect of warrants issued under the warrant indenture, we may be required to pay a default amount in respect of the warrants.

##### ***Determination of Default Amount***

The default amount for the warrants on any day will be an amount, determined by the calculation agent in its sole discretion, that is equal to the cost of having a qualified financial institution, of the kind and selected as described below, expressly assume all our payment and other obligations, if any, with respect to the warrants as of that day and as if no default had occurred, or to undertake other obligations providing substantially equivalent economic value to you with respect to the warrants. That cost will equal:

- the lowest amount that a qualified financial institution would charge to effect this assumption or undertaking, plus
- the reasonable expenses, including reasonable attorneys’ fees, incurred by the holders of the warrants in preparing any documentation necessary for this assumption or undertaking.

During the default quotation period for the warrants, which we describe below, the holders of the warrants and/or we may request a qualified financial institution to provide a quotation of the amount it would charge to effect this assumption or undertaking. If either party obtains a quotation, it must notify the other party in writing of the quotation. The amount referred to in the first bullet point above will equal the lowest—or, if there is only one, the only—quotation obtained, and as to which notice is so given, during the default quotation period. With respect to any quotation, however, the party not obtaining the quotation may object, on reasonable and significant grounds, to the assumption or undertaking by the qualified financial institution providing the quotation and notify the other party in writing of those grounds within two business days after the last day of the default quotation period, in which case that quotation will be disregarded in determining the default amount.

##### ***Default Quotation Period***

The default quotation period is the period beginning on the day the default amount first becomes due and ending on the third business day after that day, unless:

- no quotation of the kind referred to above is obtained, or



- every quotation of that kind obtained is objected to within five business days after the due date as described above.

If either of these two events occurs, the default quotation period will continue until the third business day after the first business day on which prompt notice of a quotation is given as described above. If that quotation is objected to as described above within five business days after that first business day, however, the default quotation period will continue as described in the prior sentence and this sentence.

In any event, if the default quotation period and the subsequent two business day objection period have not ended before the final valuation date, then the default amount will be equal to the issue price.

### ***Qualified Financial Institutions***

For the purpose of determining the default amount at any time, a qualified financial institution must be a financial institution organized under the laws of any jurisdiction in the United States or Europe, which at that time has outstanding debt obligations with a stated maturity of one year or less from the date of issue and rated either:

- A-1 or higher by S&P Global Ratings, a division of Standard & Poor's Financial Services LLC or any successor, or any other comparable rating then used by that rating agency, or
- P-1 or higher by Moody's Investors Service or any successor, or any other comparable rating then used by that rating agency.

## REFERENCE ASSETS

### Fixed Interest Rate

If the notes have a fixed interest rate, the notes will bear interest from and including the original issue date or any other date specified in the applicable pricing supplement at the annual rate stated in the applicable pricing supplement until the principal is paid or made available for payment, unless otherwise specified in the applicable pricing supplement.

### Floating Interest Rate

If the notes have a floating interest rate, the notes will bear interest at a floating rate determined by reference to an interest rate or interest rate formula, which we refer to as the “reference asset,” *provided* that the interest payment on any interest payment date will not be less than 0.00% per annum. In addition, if so specified in the applicable pricing supplement, the payment at maturity for notes that are linked to a floating interest rate may be based on the level of an interest rate or interest rate formula on one or more interest determination dates. The reference asset may be one or more of the following:

- the ICE Swap rate,
- the CMT rate,
- the commercial paper rate,
- the Consumer Price Index,
- the eleventh district cost of funds rate,
- EURIBOR,
- the federal funds (effective) rate,
- the federal funds (open) rate,
- LIBOR,
- the prime rate,
- the Treasury rate,
- a combination of any of the above, or
- any other rate or interest rate formula specified in the applicable pricing supplement.

We have no current intention to offer warrants linked to the reference assets listed above due to regulatory restrictions, and we may also limit the percentage of those reference assets included in a basket underlying a warrant in order to comply with regulatory restrictions, where applicable. However, if we offer warrants linked to any of the above as a reference asset or within a basket of multiple instruments or measures in a manner that complies with any applicable regulatory restrictions, the applicable pricing supplement will describe the interest rate or inflation-related component and its role in the formula or method of calculation to determine the amount of cash payable upon exercise, as well as the relevant valuation date.

### ***ICE Swap Rate***

The “ICE Swap rate” means, for any interest determination date, the fixed rate of interest payable on a U.S. dollar swap, expressed as a percentage, with a designated maturity for a number of years specified in the applicable pricing supplement, as reported on Reuters page “ICESWAP1” (or such other page as may replace that page on that service or any successor service) as of 11:00 a.m., New York City time, on that interest determination date. An ICE Swap rate is also sometimes referred to as a “constant-maturity swap rate” or a “CMS rate.”

The following procedures will be used if the ICE Swap rate cannot be determined as described above:

- If the above rate is no longer displayed on the relevant page, or if not displayed by approximately 11:00 a.m., New York City time, on the interest determination date, then the ICE Swap rate will be a percentage determined on the basis of the mid-market, semi-annual swap rate quotations provided to the calculation agent by five leading swap dealers in the New York City interbank market at approximately 11:00 a.m., New York City time, on the interest determination date. For this purpose, the semi-annual swap rate means the mean of the bid and offered rates for the semi-annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating U.S. dollar interest rate swap transaction with a term equal to the designated maturity of the applicable ICE Swap rate as specified in the applicable pricing supplement commencing on that interest determination date with an acknowledged dealer of good credit in the swap market, where the floating leg, calculated on an Actual/360 day count basis, is equivalent to Three-month LIBOR (as defined below), or any successor or alternative rate to Three-month LIBOR. The calculation agent will select the five swap dealers after consultation with us and will request the principal New York City office of each of those dealers to provide a quotation of its rate. If at least three quotations are provided, the ICE Swap rate for that interest determination date will be the arithmetic mean of the quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest).
- If fewer than three leading swap dealers selected by the calculation agent provide quotes as described above, the ICE Swap rate will be determined by the calculation agent in its sole discretion, taking into account any successor or alternative rate to Three-month LIBOR, if applicable.

### ***CMT Rate***

CMT rates are yields on U.S. treasury securities at fixed maturities as interpolated by the United States Department of the Treasury from its daily yield curve. That yield curve, which relates to the yield on a U.S. Treasury security to its time to maturity, is based on the closing market bid yields on actively traded U.S. Treasury securities in the over-the-counter market. These market yields are calculated from composites of quotations obtained by the Federal Reserve Bank of New York. The yield values are read from the yield curve at fixed maturities. This method provides yields for a two-year maturity, for example, even if no outstanding U.S. Treasury security has exactly two years remaining to maturity.

The “CMT rate,” for any interest determination date, will be a percentage equal to the yield for United States Treasury securities at “constant maturity” with a designated maturity of a number of years specified in the applicable pricing supplement published by the Federal Reserve System Board of Governors, or its successor, on its website or in another recognized electronic source, in each case as determined by the calculation agent in its sole discretion, under the caption “Treasury constant maturities,” as that rate is displayed on the Designated CMT page (as defined below) on that interest determination date.

“1-year CMT rate” means the USD-CMT-T7051 rate with a designated maturity of one year.

“2-year CMT rate” means the USD-CMT-T7051 rate with a designated maturity of two years.

“3-year CMT rate” means the USD-CMT-T7051 rate with a designated maturity of three years.

“5-year CMT rate” means the USD-CMT-T7051 rate with a designated maturity of five years.

“7-year CMT rate” means the USD-CMT-T7051 rate with a designated maturity of seven years.

“10-year CMT rate” means the USD-CMT-T7051 rate with a designated maturity of ten years.

“20-year CMT rate” means the USD-CMT-T7051 rate with a designated maturity of 20 years.

“30-year CMT rate” means the USD-CMT-T7051 rate with a designated maturity of 30 years.

The following procedures will be followed if the CMT rate cannot be determined as described above:

- If the CMT rate is not displayed on the relevant page by 3:30 p.m., New York City time on the interest determination date, then the CMT rate will be a percentage equal to the yield for U.S. Treasury securities at “constant maturity” for the Designated CMT Maturity Index on the interest determination date published by the Federal Reserve System Board of Governors, or its successor, on its website or in another recognized electronic source, in each case as determined by the calculation agent in its sole discretion, under the caption “Treasury constant maturities.”
- If the applicable rate described above does not so appear on the website of the Federal Reserve System Board of Governors or in another recognized electronic source, in each case determined by the calculation agent in its sole discretion, then the CMT rate on the interest determination date will be the rate for the Designated CMT Maturity Index as may then be published by either the Federal Reserve System Board of Governors or the U.S. Department of the Treasury that the calculation agent determines to be comparable to the rate formerly displayed on the Designated CMT page and published on the website of the Federal Reserve System Board of Governors or in another recognized electronic source, in each case determined by the calculation agent in its sole discretion.
- If on the interest determination date, neither the Federal Reserve System Board of Governors nor the U.S. Department of the Treasury publishes a yield on U.S. Treasury securities at a “constant maturity” for the Designated CMT Maturity Index, the CMT rate on the interest determination date will be calculated by the calculation agent and will be a yield-to-maturity based on the arithmetic mean of the secondary market bid prices at approximately 3:30 p.m., New York City time, on the interest determination date, of three leading primary U.S. government securities dealers in New York City. The calculation agent will select five such securities dealers, and will eliminate the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest), for U.S. Treasury securities with an original maturity equal to the Designated CMT Maturity Index, a remaining term to maturity of no more than one year shorter than that Designated CMT Maturity Index and in a principal amount equal to the Representative Amount. If two bid prices with an original maturity as described above have remaining terms to maturity equally close to the Designated CMT Maturity Index, the quotes for the U.S. Treasury security with the shorter remaining term to maturity will be used. The “Representative Amount” means an amount equal to the outstanding principal amount of the notes.
- If fewer than five but more than two such prices are provided as requested, the CMT rate for the interest determination date will be based on the arithmetic mean of the bid prices obtained and neither the highest nor the lowest of those quotations will be eliminated.
- If fewer than three leading primary U.S. government securities dealers selected by the calculation agent provide quotes as described above, the CMT rate will be determined by the calculation agent in its sole discretion after consulting such sources as it deems comparable to any of the foregoing quotations or display pages, or any such source it deems reasonable from which to estimate the rate for U.S. Treasury securities at constant maturity or any of the foregoing bid rates.

“Designated CMT page” means the display on the Reuters service, or any successor service, on the page designated in the applicable pricing supplement or any other page as may replace that page on that service for the purpose of displaying Treasury Constant Maturities as reported on the website of the Federal Reserve System Board of Governors or in another recognized electronic source, in each case determined by the calculation agent in its sole discretion. If no page is specified in the applicable pricing supplement the Designated CMT page will be the Reuters screen “FRBCMT” page (or such other page as may replace that page on that service or any successor service) on the relevant interest determination date.

“Designated CMT Maturity Index” means the original period to maturity of the U.S. Treasury securities, which is either one, two, three, five, seven, ten, 20 or 30 years, specified in the applicable pricing supplement for which the

CMT rate will be calculated. If no maturity is specified in the applicable pricing supplement the Designated CMT Maturity Index will be two years.

### ***Commercial Paper Rate***

The “commercial paper rate” means, for any interest determination date, the money market yield, calculated as described below, of the rate on that interest determination date for commercial paper having the index maturity specified in the applicable pricing supplement, as that rate is published on the website of the Federal Reserve System Board of Governors or in another recognized electronic source, in each case determined by the calculation agent in its sole discretion, under the heading “Commercial Paper—Nonfinancial.”

The following procedures will be followed if the commercial paper rate cannot be determined as described above:

- If by 3:00 p.m., New York City time, on that interest determination date the rate is not yet published on the website of the Federal Reserve System Board of Governors or in another recognized electronic source, in each case determined by the calculation agent in its sole discretion, then the calculation agent will determine the commercial paper rate to be the money market yield of the arithmetic mean of the offered rates as of 11:00 a.m., New York City time, on that interest determination date of three leading dealers of U.S. dollar commercial paper in New York City, which may include the agents and their affiliates, selected by the calculation agent, after consultation with us, for commercial paper of the index maturity specified in the applicable pricing supplement, placed for an industrial issuer whose bond rating is “AA,” or the equivalent, from a nationally recognized statistical rating agency.
- If fewer than three leading dealers of U.S. dollar commercial paper in New York City selected by the calculation agent are quoting as set forth above, the commercial paper rate will be the money market yield of the rate for commercial paper (having the index maturity specified in the applicable pricing supplement) for the first day immediately preceding the relevant interest determination date for which that rate was published on the website of the Federal Reserve System Board of Governors or in another recognized electronic source, in each case determined by the calculation agent in its sole discretion, under the heading “Commercial Paper—Nonfinancial.”

The “money market yield” will be a yield calculated in accordance with the following formula:

$$\text{money market yield} = \frac{(D \times 360)}{360 - (D \times M)} \times 100$$

where “D” refers to the applicable per-year rate for commercial paper quoted on a bank discount basis and expressed as a decimal and “M” refers to the actual number of days in the interest reset period for which interest is being calculated.

### ***Consumer Price Index***

The “Consumer Price Index” or “CPI” means the non-seasonally adjusted U.S. City Average All Items Consumer Price Index for All Urban Consumers, published monthly by the Bureau of Labor Statistics of the U.S. Department of Labor (the “Bureau of Labor Statistics”) and reported on Bloomberg ticker “CPURNSA” (or any successor ticker) or any successor service (“Bloomberg CPURNSA”). The Bureau of Labor Statistics makes the majority of its consumer price index data and press releases publicly available immediately at the time of release. The Consumer Price Index for a particular month is published during the following month. The Consumer Price Index is a measure of the average change over time in the prices of all goods and services purchased for consumption by urban households. User fees (such as water and sewer service) and sales and excise taxes paid by the consumer are also included. Income taxes and investment items (like stocks, bonds, and life insurance) are not included. The Consumer Price Index includes expenditures by urban wage earners and clerical workers, professional, managerial and technical workers, the self-employed, short-term workers, the unemployed, retirees and others not in the labor force. In calculating the Consumer Price Index, price changes for the various items are averaged together with weights that represent their importance in the spending of urban households in the United States. The contents of the market basket of goods and services measured by the Consumer Price Index and the weights assigned to the various items are updated periodically by the Bureau of Labor Statistics to take into account

changes in consumer expenditure patterns. The Bureau of Labor Statistics has frequently made other technical and methodological changes to the Consumer Price Index, and is likely to continue to do so. Such changes in the future could affect the level of the Consumer Price Index and could have an adverse effect on payments on, and the value of, the securities.

The Consumer Price Index is expressed in relative terms in relation to a time base reference period for which the level is set at 100.0. The time base reference period is the 1982-1984 average. Because the Consumer Price Index for the period from 1982-1984 is 100, an increase in the price of the fixed market basket of goods and services of 16.5% from that period would be shown as 116.5. If the Bureau of Labor Statistics rebases the Consumer Price Index when the notes are outstanding, the calculation agent will continue to calculate inflation using 1982-1984 as the base reference period for so long as the current Consumer Price Index continues to be published. Any conversion by the Bureau of Labor Statistics to a new reference base will not affect the measurement of the percent changes in a given index series from one time period to another, except for rounding differences. Rebasing might affect the published “headline” number often quoted in the financial press, but the inflation calculation for the notes should not be adversely affected by any rebasing because the Consumer Price Index based on 1982-1984 will be calculated using the percentage changes of the rebased Consumer Price Index.

For each interest payment date, “CPI Performance” is equal to the annual percentage change in the CPI (as calculated by the Bureau of Labor Statistics) for the period up to and including the stated calendar month prior to the month of the relevant interest payment date (the “reference month”).

For example, if the reference month is specified as the third calendar month prior to the month of the relevant interest payment date, then for an interest payment date in June of any year, the reference month would be March, and the amount of interest paid on the interest payment date in June would be calculated using a CPI Performance that reflects the annual percentage change in the CPI from March of the prior year to March of the year in which the interest payment date occurs.

The performance of the Consumer Price Index will be calculated as follows:

$$\text{Interest Rate} = \frac{\text{CPI}_F - \text{CPI}_I}{\text{CPI}_I}$$

where,

$\text{CPI}_F$  = CPI for the applicable reference month, as published on Bloomberg CPURNSA; and

$\text{CPI}_I$  = CPI for the twelfth month, or otherwise as specified in the applicable pricing supplement, prior to the applicable reference month, as published on Bloomberg CPURNSA.

Using the example above, if CPI Performance for the second calendar month prior to the relevant interest payment date was used, then the interest rate payable on September 30, 2019 will reflect the percentage change in the Consumer Price Index from July 2018 to July 2019 plus the applicable spread, if any.

If the Consumer Price Index for the reference month is subsequently revised by the Bureau of Labor Statistics, the calculation agent will continue to use the Consumer Price Index initially published by the Bureau of Labor Statistics on or before the relevant date of determination.

The following procedures will be followed if the Consumer Price Index cannot be determined as described above:

- If the Consumer Price Index is not reported on Bloomberg CPURNSA for a particular month by 3:00 p.m., New York City time, on the relevant date of determination, but has otherwise been published by the Bureau of Labor Statistics, the calculation agent will determine the Consumer Price Index as published by the Bureau of Labor Statistics for that month using any other source as the calculation agent deems appropriate.
- If the Consumer Price Index is discontinued or substantially altered, as determined by the calculation agent, the applicable substitute index for the notes will be that chosen by the Secretary of the Treasury for the Department of Treasury’s Inflation-Linked Treasuries as described at 62 Federal Register 846-874 (January

6, 1997). If none of Treasury's Inflation-Linked Treasuries are outstanding, the calculation agent will determine a substitute index for the notes in accordance with general market practice at the time.

### ***Eleventh District Cost of Funds***

The "eleventh district cost of funds rate" or "COFI" means, for any interest determination date, the rate on the applicable interest determination date equal to the monthly weighted average cost of funds for the calendar month preceding the interest determination date as displayed under the caption "Eleventh District" or "11th Dist COFI" on the Reuters screen "COFI/ARMS" page (or such other page as may replace that page on that service or any successor service).

The following procedures will be followed if the eleventh district cost of funds rate cannot be determined as described above:

- If the above rate is not displayed by 3:00 p.m., New York City time, on the applicable interest determination date, the eleventh district cost of funds rate for the applicable interest determination date will be the eleventh district cost of funds rate index on the applicable interest determination date.
- If the Federal Home Loan Bank of San Francisco fails to announce the rate for the calendar month preceding the applicable interest determination date, then the eleventh district cost of funds rate for the applicable interest determination date will be the rate displayed under "Eleventh District" or "11th Dist COFI" on the Reuters screen "COFI/ARMS" page (or such other page as may replace that page on that service or any successor service) equal to the monthly weighted average cost of funds for the calendar month preceding the last day on which that rate was displayed under "Eleventh District" or "11th Dist COFI" on the Reuters screen "COFI/ARMS" page (or such other page as may replace that page on that service or any successor service).

The "eleventh district cost of funds rate index" means the monthly weighted average cost of funds paid by member institutions of the Eleventh Federal Home Loan Bank District that the Federal Home Loan Bank of San Francisco most recently announced as the cost of funds for the calendar month preceding the date of the announcement.

### ***EURIBOR***

The Euro Interbank Offered Rate ("EURIBOR") means, for any interest determination date, the rate for interbank term deposits in euros as sponsored, calculated and published jointly by the European Banking Federation and ACI—The Financial Market Association, or any company established by the joint sponsors for purposes of compiling and publishing those rates, for the index maturity specified in the applicable pricing supplement as that rate appears on the display on the Reuters screen "EURIBOR01" page (or such other page as may replace that page on that service or any successor service) as of 11:00 a.m., Central European Time on that determination date.

The following procedures will be followed if the rate cannot be determined as described above:

- If the above rate does not appear, the calculation agent will request the principal Euro-zone office of each of four major banks in the Euro-zone interbank market, as selected by the calculation agent, after consultation with us, to provide the calculation agent with its offered rate for interbank term deposits in euros, at approximately 11:00 a.m., Central European Time, on the interest determination date, to prime banks in the Euro-zone interbank market for the index maturity specified in the applicable pricing supplement commencing on the applicable interest reset date, and in a principal amount not less than the equivalent of US\$1 million in euros that is representative of a single transaction in euros, in that market at that time. If at least two quotations are provided, EURIBOR will be the arithmetic mean of those quotations.
- If fewer than two quotations are provided, EURIBOR will be the arithmetic mean of the rates quoted by four major banks in the Euro-zone interbank market, as selected by the calculation agent, after consultation with us, at approximately 11:00 a.m., Central European Time, on the applicable interest reset date for loans in euros to leading European banks for a period of time equivalent to the index maturity specified in the applicable pricing supplement commencing on that interest reset date in a principal amount not less than

the equivalent of US\$1 million in euros that is representative of a single transaction in euros, in that market at that time.

- If fewer than four major banks in the Euro-zone interbank market selected by the calculation agent provide quotes as set forth above, EURIBOR for that interest determination date will be the interbank term rate (with the applicable index maturity) for deposits in euros as sponsored, calculated and published jointly by the European Banking Federation and ACI—The Financial Market Association, or any company established by the joint sponsors for purposes of compiling and publishing those rates, in effect for the first day immediately preceding the relevant interest determination date for which that rate (with the applicable index maturity) appeared on the Reuters screen “EURIBOR01” page (or such other page as may replace that page on that service or any successor service).

“Euro-zone” means the region comprising member states of the European Union that have adopted the single currency in accordance with the relevant treaty of the European Union, as amended.

### ***Federal Funds (Effective) Rate***

The “federal funds (effective) rate” means, for any interest determination date, the rate on that date for federal funds as published on the website of the Federal Reserve System Board of Governors or in another recognized electronic source, in each case determined by the calculation agent in its sole discretion, under the heading “Federal Funds (effective)” as displayed on the Reuters screen “FEDFUNDS1” page (or such other page as may replace that page on that service or any successor service).

The following procedures will be followed if the federal funds (effective) rate cannot be determined as described above:

- If the above rate is not published by 3:00 p.m., New York City time, on the interest determination date, the federal funds (effective) rate will be the rate on that interest determination date as published on the website of the Federal Reserve System Board of Governors or in another recognized electronic source, in each case determined by the calculation agent in its sole discretion, under the heading “Federal Funds/Effective Rate.”
- If the above rate is not yet published on the website of the Federal Reserve System Board of Governors or in another recognized electronic source, in each case determined by the calculation agent in its sole discretion, by 3:00 p.m., New York City time, on the interest determination date, the calculation agent will determine the federal funds (effective) rate to be the arithmetic mean of the rates for the last transaction in overnight U.S. dollar federal funds by each of three leading brokers of U.S. dollar federal funds transactions in New York City, which may include the agents and their affiliates, selected by the calculation agent, after consultation with us, prior to 9:00 a.m., New York City time, on that interest determination date.
- If fewer than three leading brokers of U.S. dollar federal funds transactions in New York City selected by the calculation agent are quoting as set forth above, the federal funds rate for the interest determination date will be the federal funds (effective) rate for the first day immediately preceding that interest determination date for which that rate is published on the website of the Federal Reserve System Board of Governors or in another recognized electronic source, in each case determined by the calculation agent in its sole discretion, under the heading “Federal funds (effective).”

### ***Federal Funds (Open) Rate***

The “federal funds (open) rate” means, for any interest determination date, the rate on that date for federal funds as published on the website of the Federal Reserve System Board of Governors or in another recognized electronic source, in each case determined by the calculation agent in its sole discretion, under the section “Federal Funds” next to the caption “OPEN,” as displayed on the Reuters screen “5” page (or such other page as may replace that page on that service or any successor service).

The following procedures will be followed if the federal funds (open) rate cannot be determined as described above:



- If the above rate is not published by 3:00 p.m., New York City time, on the interest determination date, the federal funds (open) rate will be the rate on that interest determination date as published on Bloomberg, or another recognized electronic source used for the purpose of displaying the applicable rate, on the “FEDSPREB Index” page.
- If the above rate is not yet published on either the Reuters screen “5” page or the Bloomberg screen “FEDSPREB Index” page by 3:00 p.m., New York City time, on the interest determination date, the calculation agent will determine the federal funds (open) rate to be the arithmetic mean of the rates for the last transaction in overnight U.S. dollar federal funds by each of three leading brokers of U.S. dollar federal funds transactions in New York City, which may include the agents and their affiliates, selected by the calculation agent, after consultation with us, prior to 9:00 a.m., New York City time, on that interest determination date.
- If fewer than three leading brokers of U.S. dollar federal funds transactions in New York City selected by the calculation agent provide quotes as set forth above, the federal funds rate for the interest determination date will be the federal funds (open) rate for the first day immediately preceding the relevant interest determination date for which that rate is published on the website of the Federal Reserve System Board of Governors or in another recognized electronic source, in each case determined by the calculation agent in its sole discretion, under the heading “Federal funds (open),” or, if later, the first day immediately preceding the relevant interest determination date for which that rate was published on Bloomberg, or another recognized source used for the purpose of displaying the applicable rate, on FEDSPREB Index.

## ***LIBOR***

Notes having a coupon based on the London Interbank Offered Rate (“LIBOR”) will bear interest at the interest rates specified in the applicable pricing supplement. The calculation agent will determine LIBOR for each interest determination date as follows:

- As of the interest determination date, LIBOR will be the arithmetic mean of the offered rates for deposits in the index currency having the index maturity designated in the applicable pricing supplement, commencing on that interest determination date, that appear on the Designated Screen Page, as defined below, as of 11:00 a.m., London time, on that interest determination date, if at least two offered rates appear on the Designated Screen Page; except that if the Designated Screen Page, by its terms provides only for a single rate, that single rate will be used.
- If (i) fewer than two offered rates appear on the Designated Screen Page and the Designated Screen Page does not by its terms provide only for a single rate or (ii) no rate appears on the Designated Screen Page and the Designated Screen Page by its terms provides only for a single rate, then the calculation agent will request the principal London offices of each of four major reference banks in the London interbank market, as selected by the calculation agent after consultation with us, to provide the calculation agent with its offered quotation for the rate of interest on deposits in the index currency for the period of the index maturity specified in the applicable pricing supplement commencing on that interest determination date or, if pounds sterling is the index currency, commencing on that interest determination date, to prime banks in the London interbank market at approximately 11:00 a.m., London time, on that interest determination date and in a principal amount that is representative of a single transaction in that index currency in that market at that time.
- If at least two quotations are provided, LIBOR determined on that interest determination date will be the arithmetic mean of those quotations. If fewer than two quotations are provided, LIBOR will be determined for the applicable interest reset date as the arithmetic mean of the rates quoted at approximately 11:00 a.m., London time, or some other time specified in the applicable pricing supplement, in the applicable principal financial center for the country of the index currency on that interest reset date, by three major banks in that principal financial center selected by the calculation agent, after consultation with us, for loans in the index currency to leading European banks, having the index maturity specified in the applicable pricing supplement and in a principal amount that is representative of a single transaction in that index currency in that market at that time.

- If fewer than three major banks in that principal financial center selected by the calculation agent provide quotes as set forth above, then the calculation agent, after consulting such sources as it deems comparable to the Designated Screen Page, or any such source it deems reasonable from which to estimate the LIBOR, will determine LIBOR for that interest determination date in its sole discretion.

Notwithstanding the foregoing:

If the calculation agent determines in its sole discretion that a Benchmark Event has occurred, the calculation agent will apply the following provisions as applicable:

- The calculation agent will determine a Successor Rate or, if the calculation agent determines that there is no Successor Rate, an Alternative Reference Rate. The calculation agent will also determine, in its sole discretion, the effective date for such Successor Rate or Alternative Reference Rate (as applicable);
- If a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) is determined in accordance with the preceding provisions, such Successor Rate or, failing which, an Alternative Reference Rate (as applicable) will be LIBOR for each interest determination date after the effective date (subject to the subsequent operation of, and to adjustment as described herein);
- If the calculation agent determines that an Adjustment Spread should be applied to the relevant Successor Rate or the relevant Alternative Reference Rate (as applicable) and determines the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread will be applied to such Successor Rate or Alternative Reference Rate (as applicable). If the calculation agent is unable to determine, prior to the relevant interest determination date, the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Successor Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread;
- If the calculation agent determines a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) and, in each case, any Adjustment Spread in accordance with the above provisions, the calculation agent may also specify changes to the terms of the notes, including but not limited to the relevant spread, day count convention and screen page, definitions of business day, interest determination date and/or the definition of LIBOR, and the method for determining the fallback rate in relation to the Successor Rate or Alternative Reference Rate, in order to follow market practice in relation to the Successor Rate, the Alternative Reference Rate (as applicable) and/or the Adjustment Spread. For the avoidance of doubt, consent of the holders of the notes will not be required in connection with implementing the Successor Rate, Alternative Reference Rate (as applicable) and/or any Adjustment Spread or such other changes, including for the execution of any documents, amendments or other steps by us, the trustee or the calculation agent (if required); and
- We will promptly, following the determination of any Successor Rate, Alternative Reference Rate (as applicable) and/or any Adjustment Spread, give notice thereof to the trustee and the holders of the notes, which will specify the effective date(s) for such Successor Rate, Alternative Reference Rate (as applicable) and/or any Adjustment Spread and any consequential changes made to the terms of the notes.

For the purposes of this section:

“Benchmark Event” means:

- LIBOR has ceased to be published on the Designated Screen Page as a result of such benchmark ceasing to be calculated or administered; or
- a public statement or publication of information by or on behalf of the administrator of LIBOR that it has ceased, or will cease, publishing such rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of such rate); or
- a public statement or publication of information by the regulatory supervisor of the administrator of LIBOR that such rate has been or will be permanently or indefinitely discontinued; or

- a public statement or publication of information by the regulatory supervisor of the administrator of LIBOR as a consequence of which such rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences either generally, or in respect of the notes; or
- a public statement or publication of information by the regulatory supervisor of the administrator of LIBOR that, in the view of such supervisor, such rate is no longer representative of an underlying market or the methodology to calculate such rate has materially changed.

“Successor Rate” means the rate (and related alternative screen page or source, if applicable) that the calculation agent determines is a successor to or replacement of LIBOR which is formally recommended by any Relevant Nominating Body.

“Alternative Reference Rate” means the rate that the calculation agent determines has replaced LIBOR in customary market usage in the international debt capital markets for the purposes of determining rates of interest in respect of bonds denominated in U.S. dollars and of a comparable duration to the relevant interest period, or, if the calculation agent determines that there is no such rate, such other rate as the calculation agent determines in its discretion is most comparable to LIBOR.

“Adjustment Spread” means a spread (which may be positive or negative) or formula or methodology for calculating a spread, which the calculation agent determines is required to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to holders of the notes as a result of the replacement of LIBOR with the Successor Rate or the Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

- in the case of a Successor Rate, is recommended in relation to the replacement of LIBOR with the Successor Rate by any Relevant Nominating Body; or
- in the case of a Successor Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the calculation agent determines is recognized or acknowledged as being in customary market usage in international debt capital markets transactions which reference LIBOR, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as applicable); or
- if no such customary market usage is recognized or acknowledged, the calculation agent in its discretion (as applicable), determines to be appropriate.

“Relevant Nominating Body” means, in respect of LIBOR:

- the central bank for the U.S. dollar, or any central bank or other supervisory authority which is responsible for supervising the administrator of LIBOR; or
- any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the U.S. dollar, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of LIBOR, (c) a group of the aforementioned central banks or other supervisory authorities, (d) the International Swaps and Derivatives Association, Inc. or any part thereof or (e) the Financial Stability Board or any part thereof.

The “index currency” means the currency specified in the applicable pricing supplement as the currency for which LIBOR will be calculated, or, if the euro is substituted for that currency, the index currency will be the euro. If the index currency is not specified in the applicable pricing supplement, the index currency will be U.S. dollars.

“Designated Screen Page” means the screen page displayed by Reuters, Bloomberg or any other service that is specified in the applicable pricing supplement, or any other page as may replace that page on that service, for the purpose of displaying the London interbank rates of major banks for the applicable index currency published by the administrator of LIBOR. If no Designated Screen Page is specified in the applicable pricing supplement, and, if the U.S. dollar is the index currency, LIBOR will be determined as if Reuters screen LIBOR01 had been specified.

“One-month LIBOR” or “1-Month LIBOR” means the rate displayed on the Designated Screen Page with a designated maturity of one month commencing on the interest reset date.

“Three-month LIBOR” or “3-Month LIBOR” means the rate displayed on the Designated Screen Page with a designated maturity of three months commencing on the interest reset date.

“Six-month LIBOR” or “6-Month LIBOR” means the rate displayed on the Designated Screen Page with a designated maturity of six months commencing on the interest reset date.

“One-year LIBOR” or “1-Year LIBOR” means the rate displayed on the Designated Screen Page with a designated maturity of one year commencing on the interest reset date.

### ***Prime Rate***

The “prime rate” means, for any interest determination date, the rate on that date as published on the website of the Federal Reserve System Board of Governors or in another recognized electronic source, in each case determined by the calculation agent in its sole discretion, under the heading “Bank Prime Loan” on that interest determination date.

The following procedures will be followed if the prime rate cannot be determined as described above:

- If the rate is not so published on the website of the Federal Reserve System Board of Governors or in another recognized electronic source, in each case determined by the calculation agent in its sole discretion, New York City time, on the interest determination date, then the calculation agent will determine the prime rate to be the arithmetic mean of the rates of interest publicly announced by each bank that appears on the Reuters screen “USPRIME 1” page, as defined below, as that bank’s prime rate or base lending rate as in effect for that interest determination date.
- If fewer than four rates appear on the Reuters screen “USPRIME 1” page by 3:00 p.m., New York City time, for that interest determination date, the calculation agent will determine the prime rate to be the arithmetic mean of the prime rates quoted on the basis of the actual number of days in the year divided by 360 as of the close of business on that interest determination date by at least three major banks in New York City, which may include affiliates of the agent, selected by the calculation agent, after consultation with us.
- If fewer than three major banks in New York City selected by the calculation agent provide quotes as set forth above, the prime rate for that interest determination date will be the rate for the first day immediately preceding that interest determination date for which that rate is published on the website of the Federal Reserve System Board of Governors or in another recognized electronic source, in each case determined by the calculation agent in its sole discretion, under the heading “Bank Prime Loan.”

“Reuters screen USPRIME 1 page” means the display designated as page “USPRIME 1” on the Reuters Monitor Money Rates Service, or any successor service, or any other page as may replace the “USPRIME 1” page on that service for the purpose of displaying prime rates or base lending rates of major U.S. banks.

### ***Treasury Rate***

The “Treasury rate” for any interest determination date means:

- the rate from the auction held on the applicable interest determination date, which we refer to as the “auction,” of direct obligations of the United States, which are commonly referred to as “Treasury Bills,” having the index maturity specified in the applicable pricing supplement as that rate appears under the caption “INVEST RATE” on the Reuters screen “USAUCTION 10/11” page; or
- if the rate described in the first bullet point is not so published by 3:00 p.m., New York City time, on the related interest determination date, the bond equivalent yield of the auction rate of the applicable Treasury Bills, announced by the U.S. Department of the Treasury; or
- if the rate referred to in the second bullet point is not so announced by the U.S. Department of the Treasury, or if the auction is not held, the bond equivalent yield of the rate on the applicable interest determination date of Treasury Bills having the index maturity specified in the applicable pricing supplement published on the website of the Federal Reserve System Board of Governors or in another recognized electronic

source, in each case determined by the calculation agent in its sole discretion, under the caption “U.S. Government Securities/Treasury Bills (Secondary Market)”;

- if the rate referred to in the third bullet point is not so published by 3:00 p.m., New York City time, on the related interest determination date, the rate on the applicable interest determination date calculated by the calculation agent as the bond equivalent yield of the arithmetic mean of the secondary market bid rates, as of approximately 3:30 p.m., New York City time, on the applicable interest determination date, of three primary U.S. government securities dealers, which may include the agents and their affiliates, selected by the calculation agent, for the issue of Treasury Bills with a remaining maturity closest to the index maturity specified in the applicable pricing supplement; or
- if the dealers selected by the calculation agent are not quoting as set forth above, the Treasury rate for that interest determination date will be determined by the calculation agent in its sole discretion.

The “bond equivalent yield” means a yield calculated in accordance with the following formula and expressed as a percentage:

$$\text{bond equivalent yield} = \frac{(D \times M)}{360 - (D \times M)} \times 100$$

where “D” refers to the applicable per annum rate for Treasury Bills quoted on a bank discount basis, “N” refers to the number of days in the applicable year, as the case may be, and “M” refers to the actual number of days in the interest reset period for which interest is being calculated.

## **Equity Securities**

The principal, interest or any other amounts payable on or any other property deliverable in respect of the notes, and the amount of cash or warrant property payable or deliverable in respect of the warrants, may be based on the performance of the shares of one or more equity securities, including price movements in or other events relating to those equity securities. The shares of equity securities may consist of American depositary shares. Any reference asset in the form of an American depositary share is issued pursuant to a deposit agreement, as amended from time to time (the “deposit agreement”). “ADS underlying shares” means with respect to a reference asset that is an American depositary share, the securities of the issuer underlying that reference asset. Unless the context requires otherwise, references in this prospectus supplement to the issuer of an equity security that is an American depositary share refer to the issuer of the corresponding ADS underlying shares (as described below). Under no circumstances will we offer or issue warrants pursuant to this prospectus supplement for the purchase or sale of our ordinary shares or the ordinary shares of Barclays PLC.

### ***Reference Asset Issuer and Reference Asset Information***

The securities are not issued, endorsed, sponsored or promoted by and are not financial or legal obligations of the issuer of the underlying equity securities, nor does the issuer of the underlying equity securities opine on the legality or suitability of the securities. The trademarks, service marks or registered trademarks of the issuer of the equity securities are the property of their owner. This prospectus supplement relates only to the securities offered by the applicable pricing supplement and does not relate to any security of an underlying issuer.

If the reference asset is an equity security that is registered under the Securities Exchange Act of 1934, as amended, which is commonly referred to as the “Exchange Act,” issuers of those equity securities are required to file periodically financial and other information specified by the SEC. Information provided to or filed with the SEC electronically can be accessed through a website maintained by the SEC. The address of the SEC’s website is <http://www.sec.gov>. Information provided to or filed with the SEC pursuant to the Exchange Act by a company issuing the equity securities can be located by reference to the SEC file number provided in the applicable pricing supplement. We make no representation or warranty as to the accuracy or completeness of the information referred to above relating to equity securities or any other publicly available information regarding the issuer of the reference asset. We and our affiliates have not participated in the preparation of the above-described documents or made any due diligence inquiry with respect to the issuer of the reference asset. Furthermore, we cannot give any assurance that all events occurring prior to the date of the applicable pricing supplement (including events that would affect the accuracy or completeness of the publicly available documents described in this prospectus supplement) that would

affect the closing prices of the reference asset (and therefore the closing price of that reference asset at the time we price the securities) have been publicly disclosed. Subsequent disclosure of, or the failure of the issuer to disclose, any of those events or the disclosure of or failure to disclose material future events concerning the issuer of the reference asset could adversely affect any amounts payable or property deliverable on the securities and the price of the securities in the secondary market, if any.

### ***Special Calculation Provisions***

Unless otherwise specified in the applicable pricing supplement, with respect to a reference asset that is an equity security, the closing price on any day will equal the closing sale price or last reported sale price, regular way, for that equity security, on a per-share or other unit basis:

- on the principal U.S. national securities exchange on which that equity security is listed for trading on that day, or
- if that equity security is not listed on any U.S. national securities exchange, on any other U.S. national market system that is the primary market for the trading of that equity security.

With respect to the closing sale price or last reported sale price for the Nasdaq, the closing price will be the Nasdaq Official Closing Price (NOCP), unless otherwise specified in the applicable pricing supplement.

If that equity security is not listed or traded as described above, then the closing price for that equity security on any day will be determined by the calculation agent. In determining the closing price for that equity security on any day, the calculation agent may consider any relevant information, including, without limitation, information consisting of relevant market data in the relevant market supplied by one or more third parties or internal sources including, without limitation, relevant rates, prices, yields, yield curves, volatiles, spreads, correlations or other relevant market data in the relevant market.

### ***Market Disruption Events for Securities with an Equity Security as a Reference Asset***

For purposes of this “Market Disruption Events for Securities with an Equity Security as a Reference Asset” subsection, all references to “shares” of equity securities include any corresponding ADS underlying shares unless otherwise specified. Any of the following will be a market disruption event with respect to shares of a reference asset that is an equity security, in each case as determined by the calculation agent in its sole discretion:

- a suspension, absence or material limitation of trading in (1) the shares on the relevant exchange (as defined below) or (2) futures or options contracts relating to the shares in the primary market for those contracts, in either case for more than two hours of trading or at any time during the one-half hour period preceding the close of the regular trading session in that exchange or market or, if the applicable pricing supplement provides for a valuation time that is not the close of the regular trading session in that exchange or market, the relevant valuation time;
- any event that materially disrupts or impairs the ability of market participants in general to (1) effect transactions in, or obtain market values for, the shares on the relevant exchange, or (2) effect transactions in, or obtain market values for, futures or options contracts relating to the shares in the primary market for those contracts, in either case for more than two hours of trading or at any time during the one-half hour period preceding the close of the regular trading session in that exchange or market or, if the applicable pricing supplement provides for a valuation time that is not the close of the regular trading session in that exchange or market, the relevant valuation time;
- the closure on any scheduled trading day of the relevant exchange for the shares prior to the scheduled weekday closing time of the relevant exchange (without regard to after hours or any other trading outside of the regular trading session hours) unless the earlier closing time is announced by the relevant exchange at least one hour prior to the earlier of (1) the actual closing time for the regular trading session on the relevant exchange on that scheduled trading day for the relevant exchange and (2) the submission deadline for orders to be entered into the applicable exchange system for execution at the close of trading on that scheduled trading day for the relevant exchange; or

- any scheduled trading day on which (1) the relevant exchange for the shares or (2) the exchanges or quotation systems, if any, on which futures or options contracts relating to the shares are traded, fail to open for trading during their regular trading session.

For the purposes of this prospectus supplement and unless otherwise specified in the applicable pricing supplement, “scheduled trading day” with respect to an equity security means any day on which the relevant exchange for the shares is scheduled to be open for trading for its regular trading session, as determined by the calculation agent in its sole discretion.

“Relevant exchange” with respect to an equity security means the principal U.S. national securities exchange on which that equity security is listed for trading or, if that equity security is not listed on any U.S. national securities exchange, the U.S. national market system that is the primary market for the trading of that equity security, as determined by the calculation agent in its sole discretion, *provided* that relevant exchange with respect to any equity security that is not listed or traded as described above will be determined by the calculation agent in its sole discretion.

The following events will not be market disruption events:

- a limitation on the hours or number of days of trading, but only if the limitation results from an announced change in the regular business hours of the relevant exchange or market; or
- a decision to permanently discontinue trading in the shares or the futures or options contracts relating to the shares.

For this purpose, an “absence of trading” in the relevant exchange on which the shares are traded, or the primary market on which futures or options contracts related to the shares are traded, will not include any time when that exchange or market is itself closed for trading under ordinary circumstances.

In contrast, a suspension or limitation of trading in shares, or in futures or options contracts related to the shares, on the relevant exchange, by reason of any of:

- a price change exceeding limits set by that market,
- an imbalance of orders, or
- a disparity in bid and ask quotes,

will constitute a suspension or material limitation of trading in the shares or those futures and options contracts in the relevant exchange or market.

The calculation agent may in its sole discretion postpone any valuation date if the calculation agent determines that the originally scheduled valuation date is not a scheduled trading day or that a market disruption event has occurred or is continuing on a scheduled trading day that would otherwise be that valuation date. Under these circumstances, that valuation date will be the first following scheduled trading day on which the calculation agent determines that no market disruption event occurs or is continuing.

In no event, however, will any valuation date be postponed by more than five scheduled trading days. If the calculation agent determines that a market disruption event occurs or is continuing on the fifth scheduled trading day, the calculation agent will determine the closing price for the share on that fifth scheduled trading day as the mean of the bid prices for one share for that date obtained from as many recognized dealers in that share, but not exceeding three, as will make those bid prices available to the calculation agent. Bids of Barclays Capital Inc. or any of its affiliates may be included in the calculation of that mean, but only to the extent that any such bid is the highest of the bids obtained (in the case of securities that provide long exposure to the share) or the lowest of the bids obtained (in the case of securities that provide short exposure to the share). If no bid prices are provided from any third party dealers, the calculation agent will determine the closing price for the share on that fifth scheduled trading day in good faith and in a commercially reasonable manner. In making such determination, the calculation agent may take into account any information that it deems relevant.

For securities linked to a basket or to the reference asset with the lowest or highest return in a group of two or more reference assets, if any valuation date is not a scheduled trading day or if the calculation agent determines that a market disruption event occurs or is continuing on any valuation date, that valuation date may be postponed as described under “Reference Assets—Baskets” or “Reference Assets—Least or Best Performing Reference Asset,” as applicable.

#### ***Share Adjustments Relating to Securities with an Equity Security as a Reference Asset***

*Anti-dilution Adjustments.* For purposes of this “Anti-dilution Adjustments” subsection, all references to “shares” of equity securities include any corresponding ADS underlying shares unless otherwise specified.

The calculation agent may in its sole discretion adjust any variable described in the applicable pricing supplement, including but not limited to, if applicable, any price (including but not limited to the initial price, any price derived from the initial price, the final price and the closing price or any other relevant price on any valuation date) or physical delivery amount or any combination thereof or any other variable described in the applicable pricing supplement, if an event described below occurs on or before the final valuation date and the calculation agent determines that the event has a diluting or concentrative effect on the theoretical value of the shares. The calculation agent will make any such adjustment with a view to offsetting, to the extent practicable, any change in your economic position relative to the securities, that results solely from that event, and the calculation agent may make any adjustments as necessary to ensure an equitable result. The calculation agent will also determine the effective date of any adjustment.

In the case of American depositary shares, an event that has a diluting or concentrative effect on the corresponding ADS underlying shares may affect the theoretical value of those American depositary shares, unless (and to the extent that) the issuer of the ADS underlying shares or the depositary for the American depositary shares, pursuant to their authority (if any) under the deposit agreement, elects to adjust the number of ADS underlying shares that are represented by each American depositary share such that the price and other terms of the American depositary share will not be affected by any such event. If the issuer of the ADS underlying shares or the depositary for the American depositary share does not adjust the number of ADS underlying shares that are represented by each American depositary share, or makes an adjustment that the calculation agent deems inappropriate to account for such an event, then the calculation agent may make any adjustments that the calculation agent determines to be appropriate to account for that event or that adjustment that the calculation agent deems inappropriate. The depositary of the American depositary shares may also have the ability pursuant to the deposit agreement to make adjustments in respect of the American depositary shares for share distributions, rights distributions, cash distributions and distributions other than shares, rights and cash. Upon any such adjustment by the depositary, the calculation agent may adjust such terms and conditions of the securities as the calculation agent determines appropriate to account for that event.

If more than one event that may require an adjustment occurs, to the extent practicable, the calculation agent will make any adjustment for each event in the order in which the events occur, and on a cumulative basis. Thus, to the extent practicable, having adjusted the values for the appropriate variables for the first event, the calculation agent will adjust the appropriate values for the second event, applying any adjustments cumulatively.

For any dilution event described below, the calculation agent does not currently expect to adjust any variable unless the adjustment would result in a change of at least 0.1% of the unadjusted amount.

The calculation agent will make all determinations with respect to anti-dilution adjustments, including any determination as to whether an event that may require an adjustment has occurred, as to the nature of the adjustment and how it will be made.

The following events are those that may require an anti-dilution adjustment, in each case, if that event becomes effective after the initial valuation date for the original securities and on or before the applicable final valuation date:

- a stock split or reverse stock split;
- a reclassification of the shares of equity securities or a free distribution or dividend of any of these shares to existing holders of the shares by way of bonus, capitalization or similar issue;
- a distribution or dividend to existing holders of the shares of equity securities of:



- shares;
- other share capital or securities granting the right to payment of dividends and/or proceeds of a liquidation of the issuer of the shares equally or proportionately with those payments to holders of the shares;
- share capital or other securities of another issuer acquired or owned or owned (directly or indirectly) by the issuer of shares as a result of a spin-off or other similar type transaction; or
- any other type of securities, rights or warrants or other assets in any case for payment (in cash or otherwise) at less than the prevailing market price as determined by the calculation agent;
- a dividend or other distribution by the issuer of the shares of equity securities of an extraordinary or special dividend whether in cash or shares or other assets;
- a call by the issuer of shares of equity securities in respect of shares that are not fully paid;
- in respect of an issuer of shares of equity securities, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of capital stock of the issuer of shares of equity securities pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, as determined by the calculation agent, provided that any adjustment effected as a result of such an event will be readjusted upon any redemption of those rights;
- a reorganization event (as defined below), if the securities are not accelerated as described under “—Adjustments for Reorganization Events” below;
- an additional adjustment event (as defined below), if the securities are not accelerated as described under “—Adjustments for Nationalization, Expropriation, Liquidation, Bankruptcy, Insolvency or De-listing” below;
- a repurchase by the issuer of shares of equity securities of its common stock whether out of profits or capital and whether the consideration for that repurchase is cash, securities or otherwise; or
- any other similar event that may have a diluting or concentrative effect on the theoretical value of the shares of equity securities.

A dividend or other distribution with respect to the shares of equity securities will be deemed to be an “extraordinary or special dividend” if, as determined by the calculation agent, it is (1) a payment by the issuer of the shares of equity securities to holders of the shares that such issuer announces will be an extraordinary dividend; (2) a payment by the issuer of the shares of equity securities to holders of these shares out of that issuer’s capital and surplus; or (3) any other “special” cash or non-cash dividend on, or distribution with respect to, the shares which is, by its terms or declared intent, declared and paid outside the normal operations or normal dividend procedures of the relevant issuer. The ex-dividend date for any dividend or other distribution is the first day on which the shares trade without the right to receive that dividend or distribution. To the extent an extraordinary dividend is not paid in cash, the value of the non-cash component will be determined by the calculation agent.

*Adjustments for Reorganization Events.* For purposes of this “Adjustments for Reorganization Events” subsection, references to “shares” of equity securities do not include the corresponding ADS underlying shares.

Each of the following is a “reorganization event” in respect of the shares of equity securities, *provided* that, in each case, the closing date of the event occurs on or before the final valuation date:

- any reclassification or change of the shares that results in the transfer of or an irrevocable commitment to transfer all of the outstanding shares to another person or entity;
- the shares have been subject to a merger, consolidation, amalgamation or binding share exchange which is not a merger, consolidation, amalgamation or binding share exchange in which the issuer of the shares is

the surviving entity and which does not result in the reclassification or change of all of the outstanding shares;

- any takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in that entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, not less than 100% of the outstanding voting shares (other than shares of the equity securities owned or controlled by that other entity or person) as determined by the calculation agent, based upon the making of filings with governmental or self-regulatory agencies or any other information as the calculation agent deems relevant; or
- any consolidation, amalgamation, merger or binding share exchange of the issuer of the shares or its subsidiaries with or into another entity in which the issuer of the shares is the continuing entity and which does not result in a reclassification or change of all such outstanding shares but results in the outstanding shares (other than shares of the equity securities owned or controlled by that other entity) immediately prior to that event collectively representing less than 50% of the outstanding shares immediately following that event.

If a reorganization event occurs with respect to the shares of equity securities or any corresponding ADS underlying shares and the consideration for the shares consists solely of new shares (exclusive of fractional share cash amounts) that are publicly quoted, traded or listed on any of the New York Stock Exchange, NYSE American, NYSE Arca or the Nasdaq (or their respective successors), then the shares of the equity securities will be adjusted to comprise the new number of shares to which a holder of one share of the equity securities immediately prior to the occurrence of the reorganization event, as the case may be, would be entitled upon consummation of that reorganization event, and the calculation agent will adjust any variable that the calculation agent determines appropriate to account for the reorganization event as described under “—Anti-dilution Adjustments” above.

If a reorganization event occurs with respect to the shares of equity securities or any corresponding ADS underlying shares and the consideration for the shares does not consist solely of new shares (exclusive of fractional share cash amounts) that are publicly quoted, traded or listed on any of the New York Stock Exchange, NYSE American, NYSE Arca or the Nasdaq (or their respective successors), then the calculation agent may in its sole discretion accelerate the maturity date (in the case of notes) or the payment or settlement date (in the case of warrants) to the fourth business day after the date on which the value of the securities is determined by the calculation agent as described below. In the event of such an acceleration, the amount payable in respect of the securities on the maturity date or the payment or settlement date so accelerated will be the value of the securities as of the approval date (or, if the calculation agent determines in its sole discretion that another day is more appropriate, such other day), as determined by the calculation agent in its sole discretion by reference to, among other things, the value of any embedded options or other derivatives. In the case of an acceleration of the maturity date on the notes, any accrued but unpaid interest payable under the notes will be paid through and excluding the related date of the accelerated payment.

The “approval date” means the closing date with respect to each of the first, second and fourth reorganization events described above or the date on which the person or entity making the offer, solicitation or proposal acquires the right to obtain the relevant percentage of shares of equity securities with respect to the third reorganization event described above, as the case may be.

To the extent applicable in the cases described above, if a holder of a share of equity security or any corresponding ADS underlying shares is able to elect to receive different types or combinations of property in the reorganization event, that property will nevertheless consist of the types and amounts of each type distributed to a holder that makes no election, as determined by the calculation agent.

In the case where a reorganization event occurs with respect to the shares of equity securities or any corresponding ADS underlying shares and the consideration for the shares does not consist solely of new shares (exclusive of fractional share cash amounts) that are publicly quoted, traded or listed on any of the New York Stock Exchange, NYSE American, NYSE Arca or the Nasdaq (or their respective successors) and the calculation agent determines in its sole discretion not to accelerate the maturity date or relevant exercise date or period, as applicable, the calculation agent may adjust any variable the calculation agent determines appropriate to account for that reorganization event as described under “—Anti-dilution Adjustments” above.

*Adjustments for Nationalization, Expropriation, Liquidation, Bankruptcy, Insolvency or De-listing.* For purposes of this “Adjustments for Nationalization, Expropriation, Liquidation, Bankruptcy, Insolvency or De-listing” subsection, references to “shares” of equity securities do not include the corresponding ADS underlying shares.

Each of the following is an “additional adjustment event” in respect of the shares of equity securities, or any corresponding ADS underlying shares, *provided* that, in each case, the event occurs on or before the final valuation date:

- All the assets or substantially all the assets of the issuer of the shares of equity securities or any corresponding ADS underlying shares are nationalized, expropriated or are otherwise required to be transferred to any governmental agency, authority or entity.
- By reason of the voluntary or involuntary liquidation, bankruptcy or insolvency of, or any analogous proceeding involving the issuer of the shares of equity securities, or any corresponding ADS underlying shares, (1) all of the shares of the issuer of the shares of equity securities or the issuer of any corresponding ADS underlying shares are required to be transferred to a trustee, liquidator or other similar official or (2) holders of the shares of equity securities or any corresponding ADS underlying shares become legally prohibited from transferring those shares.
- The exchange on which the shares of equity securities are traded announces that pursuant to the rules of that exchange, the shares cease (or will cease) to be listed, traded or publicly quoted on that exchange for any reason (other than a reorganization event as described above) and those shares are not immediately re-listed, re-traded or re-quoted on any of the New York Stock Exchange, NYSE American, NYSE Arca or the Nasdaq (or their respective successors).

If an additional adjustment event relating to the shares of equity securities or any corresponding ADS underlying shares occurs on or before the final valuation date, then the calculation agent may in its sole discretion accelerate the maturity date (in the case of notes) or the payment or settlement date (in the case of warrants) to the fourth business day after the date on which the value of the securities is determined by the calculation agent as described below. In the event of such an acceleration, the amount payable in respect of the securities on the maturity date or the payment or settlement date so accelerated will be the value of the securities as of the announcement date (or, if the calculation agent determines in its sole discretion that another day is more appropriate, such other day), as determined by the calculation agent in its sole discretion by reference to, among other things, the value of any embedded options or other derivatives. In the case of an acceleration of the maturity date on the notes, any accrued but unpaid interest payable under the notes will be paid through and excluding the related date of the accelerated payment.

The “announcement date” means (1) in the case of the additional adjustment event first described above, the day of the first public announcement by the relevant government authority that all or substantially all of the assets of the issuer of the shares of equity securities or the issuer of any corresponding ADS underlying shares are to be nationalized, expropriated or otherwise transferred to any governmental agency, authority or entity, (2) in the case of the second additional adjustment event described above, the day of the first public announcement of the issuer of a proceeding or presentation of a petition or passing of a resolution (or other analogous procedure in any jurisdiction) that leads to an insolvency with respect to the issuer of the shares of equity securities or any corresponding ADS underlying shares, or (3) in the case of the third additional adjustment event described above, the day of the first public announcement by the relevant exchange that the shares of the equity securities will cease to trade or be publicly quoted on that exchange.

In the case where an additional adjustment event relating to the shares of equity securities or any corresponding ADS underlying shares occurs on or before the final valuation date and the calculation agent determines in its sole discretion not to accelerate the maturity date or relevant exercise date or period, as applicable, the calculation agent may adjust any variable the calculation agent determines appropriate to account for that additional adjustment event as described under “—Anti-dilution Adjustments” above.

*Adjustments Affecting Securities Linked to More than One Reference Asset, at Least One of Which Is an Equity Security.* If the securities are linked to more than one reference asset, at least one of which is an equity security, and an event occurs with respect to any such equity security that would allow the calculation agent to adjust any variable

of the securities as described above under “—Anti-dilution Adjustments” above, then the calculation agent may adjust any variable in the manner described under “—Anti-dilution Adjustments” above, taking into account the relative exposure provided by the securities to any such equity security and any other reference assets.

If the calculation agent elects not to make an adjustment as described in the immediately preceding paragraph or determines that no adjustment that it could make will produce a commercially reasonable result, then the calculation agent may in its sole discretion accelerate the maturity date (in the case of notes) or the payment or settlement date (in the case of warrants) to the fourth business day after the date on which the value of the securities is determined by the calculation agent as described below. In the event of such an acceleration, the amount payable in respect of the securities on the maturity date or the payment or settlement date so accelerated will be the value of the securities as of the date of that determination, as determined by the calculation agent in its sole discretion by reference to, among other things, the value of any embedded options or other derivatives. In the case of an acceleration of the maturity date on the notes, any accrued but unpaid interest payable under the notes will be paid through and excluding the related date of the accelerated payment.

### **Exchange-Traded Funds**

The principal, interest or any other amounts payable on or any other property deliverable in respect of the notes, and the amount of cash or warrant property payable or deliverable in respect of the warrants, may be based on the performance of the shares or other interests in one or more exchange-traded funds, including price movements in or other events relating to those shares or interests.

### ***Reference Asset Investment Company and Reference Asset Information***

Exchange-traded funds are generally designed to track the performance of a portfolio of one or more categories of assets, including, among others, securities, commodities, commodity futures contracts and exchange rate contracts. A registered investment company holds all of the portfolio assets in trust and each share of the exchange-traded fund represents an undivided ownership interest in that trust. Exchange-traded funds may also have a sponsor or investment adviser. The securities are not issued, endorsed, sponsored or promoted by and are not financial or legal obligations of the issuer, sponsor or investment adviser of the exchange-traded funds or the sponsor of any underlying indices, nor does the issuer, sponsor or investment adviser of the exchange-traded funds or the sponsor of any underlying indices opine on the legality or suitability of the securities. The trademarks, service marks or registered trademarks of the issuer of the exchange-traded funds or the sponsor of any underlying indices are the property of their owner. This prospectus supplement relates only to the securities offered by the applicable pricing supplement and does not relate to the exchange-traded fund or the underlying index.

If the reference asset is the shares or other interests in an exchange-traded fund that is registered under the Securities Exchange Act of 1933, as amended, and/or the Investment Company Act of 1940, as amended, the issuer of those shares or other interests is required to file periodically financial and other information specified by the SEC. Information provided to or filed with the SEC electronically can be accessed through a website maintained by the SEC. The address of the SEC’s website is <http://www.sec.gov>. Information provided to or filed with the SEC by an investment company issuing shares or other interests in an exchange-traded fund can be located by reference to the SEC file numbers provided in the applicable pricing supplement. We make no representation or warranty as to the accuracy or completeness of the information referred to above relating to exchange-traded funds. We and our affiliates have not participated in the preparation of the above-described documents or made any due diligence inquiry with respect to the issuer of the reference asset. Furthermore, we cannot give any assurance that all events occurring prior to the date of the applicable pricing supplement (including events that would affect the accuracy or completeness of the publicly available documents described in this prospectus supplement) that would affect the closing prices of the reference asset (and therefore the closing price of that reference asset at the time we price the securities) have been publicly disclosed. Subsequent disclosure of, or the failure to disclose, any of those events or the disclosure of or failure to disclose material future events concerning the issuer of the reference asset could adversely affect any amounts payable or property deliverable on the securities and the price of the securities in the secondary market, if any.

### ***Special Calculation Provisions***

Unless otherwise specified in the applicable pricing supplement, with respect to a reference asset that is shares or other interests in exchange-traded funds, the closing price on any day will equal the closing sale price or last reported sale price, regular way, for those shares or other interests, on a per-share or other unit basis:

- on the principal U.S. national securities exchange on which those shares or other interests are listed for trading on that day, or
- if those shares or other interests are not listed on any U.S. national securities exchange, on any other U.S. national market system that is the primary market for the trading of those shares or other interests.

With respect to the closing sale price or last reported sale price for the Nasdaq, the closing price will be the Nasdaq Official Closing Price (NOCP), unless otherwise specified in the applicable pricing supplement.

If those shares or other interests are not listed or traded as described above, then the closing price for those shares or other interests on any day will be determined by the calculation agent. In determining the closing price for those shares or other interests on any day, the calculation agent may consider any relevant information, including, without limitation, information consisting of relevant market data in the relevant market supplied by one or more third parties or internal sources including, without limitation, relevant rates, prices, yields, yield curves, volatiles, spreads, correlations or other relevant market data in the relevant market.

### ***Scheduled Trading Days and Relevant Exchange***

For the purposes of this prospectus supplement and unless otherwise specified in the applicable pricing supplement, “scheduled trading day” with respect to an exchange-traded fund means any day on which the relevant exchange is scheduled to be open for trading for its regular trading session, as determined by the calculation agent in its sole discretion.

“Relevant exchange” with respect to the shares or other interests in an exchange-traded fund means the principal U.S. national securities exchange on which those shares or other interests are listed for trading or, if those shares or other interests are not listed on any U.S. national securities exchange, the U.S. national market system that is the primary market for the trading of those shares or other interests, as determined by the calculation agent in its sole discretion, *provided* that relevant exchange with respect to any shares or other interests in an exchange-traded fund that are not listed or traded as described above will be determined by the calculation agent in its sole discretion.

### ***Market Disruption Events for Securities with an Exchange-Traded Fund That Holds Equity Securities as a Reference Asset***

Any of the following will be a market disruption event with respect to an exchange-traded fund holding equity securities, in each case as determined by the calculation agent in its sole discretion:

- a suspension, absence or material limitation of trading in (1) the shares of, or other interests in, the exchange-traded fund on the relevant exchange, (2) the securities constituting 20% or more, by weight, of the underlying index for the exchange-traded fund, on their respective primary markets, (3) futures or options contracts relating to the shares of, or other interests in, the exchange-traded fund in the primary market for those contracts, (4) futures or options contracts relating to the underlying index for the exchange-traded fund in the primary market for those contracts, or (5) futures or options contracts relating to the securities constituting 20% or more, by weight, of the underlying index for the exchange-traded fund in the respective primary markets for those contracts, in each case for more than two hours of trading or at any time during the one-half hour period preceding the close of the regular trading session in that exchange or market or, if the applicable pricing supplement provides for a valuation time that is not the close of the regular trading session in that exchange or market, the relevant valuation time;
- any event that materially disrupts or impairs the ability of market participants in general to (1) effect transactions in, or obtain market values for, the shares of, or other interests in, the exchange-traded fund on the relevant exchange, (2) effect transactions in, or obtain market values for, securities constituting 20% or more, by weight, of the underlying index for the exchange-traded fund on their respective primary markets, (3) effect transactions in, or obtain market values for, futures or options contracts relating to the exchange-

traded fund in their primary market, (4) effect transactions in, or obtain market values for, futures or options contracts relating to the underlying index for the exchange-traded fund in the primary market for those contracts, or (5) effect transactions in, or obtain market values for, futures or options contracts relating to the securities constituting 20% or more, by weight, of the underlying index for the exchange-traded fund in the respective primary markets for those contracts, in each case at any time during the one-half hour period preceding the close of the regular trading session in that exchange or market or, if the applicable pricing supplement provides for a valuation time that is not the close of the regular trading session in that exchange or market, the relevant valuation time;

- the closure on any scheduled trading day of the relevant exchange prior to the scheduled weekday closing time of the relevant exchange (without regard to after hours or any other trading outside of the regular trading session hours) unless the earlier closing time is announced by the relevant exchange at least one hour prior to the earlier of (1) the actual closing time for the regular trading session on the relevant exchange on that scheduled trading day for the relevant exchange and (2) the submission deadline for orders to be entered into the applicable exchange system for execution at the close of trading on that scheduled trading day for the relevant exchange; or
- any scheduled trading day on which (1) the relevant exchange or (2) the exchanges or quotation systems, if any, on which futures or options contracts relating to the shares of, or other interests in, the exchange-traded fund, fail to open for trading during their regular trading session.

The following events will not be market disruption events:

- a limitation on the hours or number of days of trading, but only if the limitation results from an announced change in the regular business hours of the relevant exchange or market; and
- a decision to permanently discontinue trading in the exchange-traded fund or the futures or options contracts relating to the exchange-traded fund or the underlying index for the exchange-traded fund.

For this purpose, an “absence of trading” on the relevant exchange on which the shares of, or other interests in, the exchange-traded fund are traded or in the primary market on which any security included in the underlying index for the exchange-traded fund are traded or on which futures or options contracts relating to the exchange-traded fund, the underlying index for the exchange-traded fund or any security included in that underlying index are traded will not include any time when that exchange or market is itself closed for trading under ordinary circumstances.

In contrast, a suspension or limitation of trading in the shares of, or other interests in, the exchange-traded fund or any security included in the underlying index for the exchange-traded fund, on or in futures or options contracts relating to the exchange-traded fund, the underlying index for the exchange-traded fund or any security included in that underlying index, by reason of any of:

- a price change exceeding limits set by the relevant exchange or market,
- an imbalance of orders, or
- a disparity in bid and ask quotes

will constitute a suspension or material limitation of trading in the shares of, or other interests in, the exchange-traded fund or any security included in the underlying index for the exchange-traded fund, or in futures or options contracts relating to the exchange-traded fund, the underlying index for the exchange-traded fund or any security included in that underlying index, as the case may be, in the relevant market.

For the purpose of determining whether a market disruption event with respect to the exchange-traded fund exists at any time, if trading in a security included in the underlying index for the exchange-traded fund is materially suspended or limited at that time, then the relevant percentage contribution of that security to the level of that underlying index will be based on a comparison of (x) the portion of the level of that underlying index attributable to that security relative to (y) the overall level of that underlying index, in each case immediately before that suspension or limitation.

The calculation agent may in its sole discretion postpone any valuation date if the calculation agent determines that the originally scheduled valuation date is not a scheduled trading day or that a market disruption event has occurred or is continuing on a scheduled trading day that would otherwise be that valuation date. Under these circumstances, that valuation date will be the first following scheduled trading day on which the calculation agent determines that no market disruption event occurs or is continuing.

In no event, however, will any valuation date be postponed by more than five scheduled trading days. If the calculation agent determines that a market disruption event occurs or is continuing on the fifth scheduled trading day, the calculation agent will determine the closing price for the exchange-traded fund on that fifth scheduled trading day in good faith and in a commercially reasonable manner. In making such determination, the calculation agent may take into account any information that it deems relevant.

For securities linked to a basket or to the reference asset with the lowest or highest return in a group of two or more reference assets, if any valuation date is not a scheduled trading day or if the calculation agent determines that a market disruption event occurs or is continuing on any valuation date, that valuation date may be postponed as described under “Reference Assets—Baskets” or “Reference Assets—Least or Best Performing Reference Asset,” as applicable.

***Market Disruption Events for Securities with an Exchange-Traded Fund That Does Not Hold Equity Securities as a Reference Asset***

Any of the following will be a market disruption event with respect to an exchange-traded fund not holding equity securities, in each case as determined by the calculation agent in its sole discretion:

- a suspension, absence or material limitation of trading in the shares of, or other interests in, the exchange-traded fund on the relevant exchange;
- any event that materially disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market values for, the shares of, or other interests in, the exchange-traded fund on the relevant exchange;
- the closure on any scheduled trading day of the relevant exchange prior to the scheduled weekday closing time of the relevant exchange (without regard to after hours or any other trading outside of the regular trading session hours) unless the earlier closing time is announced by the relevant exchange at least one hour prior to the earlier of (1) the actual closing time for the regular trading session on the relevant exchange on that scheduled trading day for the relevant exchange and (2) the submission deadline for orders to be entered into the applicable exchange system for execution at the close of trading on that scheduled trading day for the relevant exchange; or
- any scheduled trading day on which the relevant exchange fails to open for trading during its regular trading session.

A limitation on the hours or number of days of trading, but only if the limitation results from an announced change in the regular business hours of the relevant exchange, will be deemed not to be a market disruption event.

In contrast, a suspension or limitation of trading in the shares or other interests in the exchange-traded fund on the relevant exchange, by reason of any of:

- a price change exceeding limits set by the relevant exchange,
- an imbalance of orders, or
- a disparity in bid and ask quotes

will constitute a suspension or material limitation of trading.

The calculation agent may in its sole discretion postpone any valuation date if the calculation agent determines that the originally scheduled valuation date is not a scheduled trading day or that a market disruption event has occurred or is continuing on a scheduled trading day that would otherwise be that valuation date. Under these

circumstances, that valuation date will be the first following scheduled trading day on which the calculation agent determines that no market disruption event occurs or is continuing.

In no event, however, will any valuation date be postponed by more than five scheduled trading days. If the calculation agent determines that a market disruption event occurs or is continuing on the fifth scheduled trading day, the calculation agent will determine the closing price for the exchange-traded fund on that fifth scheduled trading day in good faith and in a commercially reasonable manner. In making such determination, the calculation agent may take into account any information that it deems relevant.

For securities linked to a basket or to the reference asset with the lowest or highest return in a group of two or more reference assets, if any valuation date is not a scheduled trading day or if the calculation agent determines that a market disruption event occurs or is continuing on any valuation date, that valuation date may be postponed as described under “Reference Assets—Baskets” or “Reference Assets—Least or Best Performing Reference Asset,” as applicable.

#### ***Adjustments Relating to Securities with an Exchange-Traded Fund as a Reference Asset***

*Discontinuance of an Exchange-Traded Fund.* If the shares or other interests of the exchange-traded fund are de-listed from the relevant exchange or if the fund is liquidated or otherwise terminated, the calculation agent will substitute shares or other interests of an exchange-traded fund (such substituted exchange-traded fund being referred to herein as a “successor fund”) that the calculation agent determines, in its sole discretion, is comparable to the discontinued exchange-traded fund (or discontinued successor fund). If a successor fund is selected, that successor fund will be substituted for the discontinued exchange-traded fund (or discontinued successor fund) for all purposes of the securities. Upon any selection by the calculation agent of a successor fund, the calculation agent may adjust any variable described in the applicable pricing supplement, including but not limited to, if applicable, any price (including but not limited to the initial price, any price derived from the initial price, the final price and the closing price or any other relevant price on any valuation date) or any combination thereof or any other variable described in the applicable pricing supplement. The calculation agent will make any such adjustment with a view to offsetting, to the extent practicable, any difference in the relative price of the original exchange-traded fund and the successor fund at the time the original exchange-traded fund is replaced by the successor fund.

If the shares or other interests of a successor fund are selected by the calculation agent, those shares or other interests will be used as a substitute for the reference asset for all purposes, including for purposes of determining whether a market disruption event exists with respect to those shares or other interests.

If the shares or other interests of an exchange-traded fund (or any successor fund) are de-listed or the exchange-traded fund (or any successor fund) is liquidated or otherwise terminated and the calculation agent determines that no successor fund is available, then the calculation agent may in its sole discretion accelerate the maturity date (in the case of notes) or the payment or settlement date (in the case of warrants) to the fourth business day after the date on which the value of the securities is determined by the calculation agent as described below. In the event of such an acceleration, the amount payable in respect of the securities on the maturity date or the payment or settlement date so accelerated will be the value of the securities as of the termination date (or, if the calculation agent determines in its sole discretion that another day is more appropriate, such other day), as determined by the calculation agent in its sole discretion by reference to, among other things, the value of any embedded options or other derivatives. In the case of an acceleration of the maturity date on the notes, any accrued but unpaid interest payable under the notes will be paid through and excluding the related date of the accelerated payment.

The “termination date” means the date of the de-listing, liquidation or termination, as applicable, of the relevant exchange-traded fund (or, if that date is not a scheduled trading day, the immediately preceding scheduled trading day).

*Anti-dilution Adjustments.* If an event occurs (other than a distribution of ordinary dividends) that, in the sole discretion of the calculation agent, has a diluting or concentrative effect on the theoretical value of the shares of, or other interests in, the exchange-traded fund, the calculation agent may adjust any variable described in the applicable pricing supplement, and will make such adjustments as it deems necessary to negate that diluting or concentrative effect. All such adjustments will occur in the manner described under “Reference Assets—Equity Securities—Share Adjustments Relating to Securities with an Equity Security as a Reference Asset—Anti-dilution Adjustments” in this prospectus supplement.



*Adjustments Affecting Securities Linked to More than One Reference Asset, at Least One of Which Is an Exchange-Traded Fund.* If the securities are linked to more than one reference asset, at least one of which is an exchange-traded fund, and an event occurs with respect to any such exchange-traded fund that would allow the calculation agent to adjust any variable of the securities as described above under “—Discontinuance of an Exchange-Traded Fund” or “—Anti-dilution Adjustments” above, then the calculation agent may adjust any variable in the manner described under such subsections, taking into account the relative exposure provided by the securities to any such exchange-traded fund and any other reference assets.

If the calculation agent elects not to make an adjustment as described in the immediately preceding paragraph or determines that no adjustment that it could make will produce a commercially reasonable result, then the calculation agent may in its sole discretion accelerate the maturity date (in the case of notes) or the payment or settlement date (in the case of warrants) to the fourth business day after the date on which the value of the securities is determined by the calculation agent as described below. In the event of such an acceleration, the amount payable in respect of the securities on the maturity date or the payment or settlement date so accelerated will be the value of the securities as of the date of that determination, as determined by the calculation agent in its sole discretion by reference to, among other things, the value of any embedded options or other derivatives. In the case of an acceleration of the maturity date on the notes, any accrued but unpaid interest payable under the notes will be paid through and excluding the related date of the accelerated payment.

## **Indices**

The principal, interest or any other amounts payable on or any other property deliverable in respect of the notes, and the amount of cash or warrant property payable or deliverable in respect of the warrants, may be based on one or more indices, including movements in the levels of the indices or other events relating to the indices.

### ***Reference Asset Sponsor and Reference Asset Information***

The securities have not been passed on by the sponsor of the reference asset as to their legality or suitability. The securities are not issued, endorsed, sponsored or promoted by and are not financial or legal obligations of the sponsor of the reference asset. The trademarks, service marks or registered trademarks of the sponsor of the reference asset are the property of their owner. The sponsor of the reference asset makes no warranties and bears no liabilities with respect to the securities or to the administration or operation of the securities.

Information regarding a reference asset that is an index or the sponsor of the reference asset may be obtained from various public sources including, but not limited to, press releases, newspaper articles, the sponsor website and other publicly disseminated documents. We make no representation or warranty as to the accuracy or completeness of the information referred to above relating to the reference asset or any other publicly available information regarding the sponsor of the reference asset. In connection with any issuance of securities under this prospectus supplement, neither we nor the agents have participated in the preparation of the above-described documents or made any due diligence inquiry with respect to the sponsor of the reference asset. Furthermore, we cannot give any assurance that all events occurring prior to the date of the applicable pricing supplement (including events that would affect the accuracy or completeness of the publicly available documents described in this prospectus supplement) that would affect the levels of the reference asset (and therefore the levels of the reference asset at the time we price the securities) have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning the sponsor of the reference asset could adversely affect any amounts payable or property deliverable on the securities and the market value of the securities in the secondary market, if any.

### ***Special Calculation Provisions***

Unless otherwise specified in the applicable pricing supplement, with respect to a reference asset that is an index, the closing level for any such index on any scheduled trading day will equal the closing level of that index as published at the regular weekday close of trading on that scheduled trading day displayed on the Bloomberg Professional® service page for that index or any successor page on Bloomberg Professional® service (“Bloomberg”) or any successor service, as applicable.

The applicable pricing supplement will specify the manner in which any intraday level of a reference asset that is an index will be determined, if applicable. Each of the closing level of an index and the intraday level of an index is referred to herein as an “index level.”

An index level of an index as published by Bloomberg or any successor service may be published to greater or fewer decimal places than the official closing level or intraday level of that index as published by its sponsor. Accordingly, the index level of an Index as published by Bloomberg may vary to a small degree from the official closing level or intraday level of that index as published by its sponsor.

***Market Disruption Events for Securities with an Index of Equity Securities as a Reference Asset***

Any equity security that is a constituent of an index is referred to as an “index component” for purposes of this subsection.

Unless otherwise specified in the applicable pricing supplement, any of the following will be a market disruption event with respect to an index of equity securities, in each case as determined by the calculation agent in its sole discretion:

- a suspension, absence or material limitation of trading in index components constituting 20% or more, by weight, of that index in their respective primary markets, in each case for more than two hours of trading or at any time during the one-half hour period preceding the close of the regular trading session in that market or, if the applicable pricing supplement provides for a valuation time that is not the close of the regular trading session in that market, the relevant valuation time;
- a suspension, absence or material limitation of trading in futures or options contracts relating to that index on their respective markets or in futures or options contracts relating to any index components constituting 20% or more, by weight, of that index in the respective primary markets for those contracts, in each case for more than two hours of trading or at any time during the one-half hour period preceding the close of the regular trading session in that market or, if the applicable pricing supplement provides for a valuation time that is not the close of the regular trading session in that market, the relevant valuation time;
- any event that materially disrupts or impairs the ability of market participants in general to (1) effect transactions in, or obtain market values for, index components constituting 20% or more, by weight, of that index in their respective primary markets, or (2) effect transactions in, or obtain market values for, futures or options contracts relating to that index or futures or options contracts relating to any index components constituting 20% or more, by weight, of that index in the respective primary markets for those contracts, in either case for more than two hours of trading or at any time during the one-half hour period preceding the close of the regular trading session in that market or, if the applicable pricing supplement provides for a valuation time that is not the close of the regular trading session in that market, the relevant valuation time;
- the closure on any day of the primary market for futures or options contracts relating to that index or index components constituting 20% or more, by weight, of that index on a scheduled trading day prior to the scheduled weekday closing time of that market (without regard to after hours or any other trading outside of the regular trading session hours) unless that earlier closing time is announced by the primary market at least one hour prior to the earlier of (1) the actual closing time for the regular trading session on that primary market on that scheduled trading day for that primary market and (2) the submission deadline for orders to be entered into the relevant exchange system for execution at the close of trading on that scheduled trading day for that primary market; or
- any scheduled trading day on which (1) the primary markets for index components constituting 20% or more, by weight, of that index or (2) the exchanges or quotation systems, if any, on which futures or options contracts on that index are traded, fail to open for trading during their regular trading session.

For the purpose of this prospectus supplement and unless otherwise specified in the applicable pricing supplement, “scheduled trading day” with respect to an index of equity securities means any day on which (a) the index sponsor for that index is scheduled to publish the level of that index and (b) each exchange or quotation system, if any, on which futures or options contracts on (i) that index or (ii) index components constituting 80% or more, by weight, of that index are traded are scheduled to be open for trading for their regular trading session, in each case as determined by the calculation agent in its sole discretion.

The following events will not be market disruption events:

- a limitation on the hours or number of days of trading in the relevant market, but only if the limitation results from an announced change in the regular business hours of the relevant market; or
- a decision to permanently discontinue trading in futures or options contracts relating to an index.

For this purpose, an “absence of trading” on an exchange or market will not include any time when the relevant exchange or market is itself closed for trading under ordinary circumstances.

In contrast, a suspension or limitation of trading in an index component in its primary market, or in futures or options contracts relating to the index or any index component, if available, in the primary market for those contracts, by reason of any of:

- a price change exceeding limits set by that market,
- an imbalance of orders relating to the index component or those contracts, as applicable, or
- a disparity in bid and ask quotes relating to the index component or those contracts, as applicable,

will constitute a suspension or material limitation of trading in that index component in its primary market or in futures or options contracts relating to the index or that index component in the primary market for those contracts.

For the purpose of determining whether a market disruption event with respect to an index exists at any time, if trading in an index component is materially suspended or limited at that time, then the relevant percentage contribution of that index component to the level of that index will be based on a comparison of (x) the portion of the level of that index attributable to that index component relative to (y) the overall level of that index, in each case immediately before that suspension or limitation.

The calculation agent may in its sole discretion postpone any valuation date if the calculation agent determines that the originally scheduled valuation date is not a scheduled trading day or that a market disruption event has occurred or is continuing on a scheduled trading day that would otherwise be that valuation date. Under these circumstances, that valuation date will be the first following scheduled trading day on which the calculation agent determines that no market disruption event occurs or is continuing.

In no event, however, will any valuation date be postponed by more than five scheduled trading days. If the calculation agent determines that a market disruption event occurs or is continuing on the fifth scheduled trading day, the calculation agent will determine the closing level for the reference asset on that fifth scheduled trading day in good faith and in a commercially reasonable manner. In making such determination, the calculation agent may take into account any information that it deems relevant.

For securities linked to a basket or to the reference asset with the lowest or highest return in a group of two or more reference assets, if any valuation date is not a scheduled trading day or if the calculation agent determines that a market disruption event occurs or is continuing on any valuation date, that valuation date may be postponed as described under “Reference Assets—Baskets” or “Reference Assets—Least or Best Performing Reference Asset,” as applicable.

#### ***Market Disruption Events for Securities with an Index Composed of Commodities as a Reference Asset***

Any commodity or commodity futures contract constituting part of an index (including a constituent index of an index comprising multiple indices) is referred to as an “index component” for purposes of this subsection.

Unless otherwise specified in the applicable pricing supplement, any of the following will be a market disruption event with respect to an index of commodities and any affected index component, in each case as determined by the calculation agent in its sole discretion:

- a material limitation, suspension or disruption of the trading in any index component included directly or indirectly in the index;
- the settlement price for any index component included directly or indirectly in the index is a “limit price,” which means that the settlement price for that contract has increased or decreased from the previous day’s

settlement price by the maximum amount permitted under the applicable rules or procedures of the relevant trading facility; or

- failure by the index sponsor to announce or publish the closing level of the index or of the applicable trading facility or other price source to announce or publish the settlement price or closing level for one or more index components.

The following event will not be a market disruption event:

- a decision by a trading facility to permanently discontinue trading in any index component.

If the calculation agent determines that any valuation date (excluding the initial valuation date) is not a scheduled trading day for any index component or on any valuation date (excluding the initial valuation date) a market disruption event occurs or is continuing with respect to any index component, the calculation agent may in its sole discretion postpone that valuation date to the earlier of (i) the fifth scheduled trading day after the originally scheduled valuation date and (ii) the earliest date that the level, value or price of each index component that is affected by a market disruption event or by the non-scheduled trading day can be determined. If such a postponement occurs, the level, value or price of the index components unaffected by the market disruption event or non-scheduled trading day will be determined on the originally scheduled valuation date and the level, value or price of any affected index component will be determined using the settlement level, value or price of that affected index component on the first scheduled trading day following the originally scheduled valuation date on which no market disruption event occurs or is continuing for that affected index component. In no event, however, will a valuation date be postponed by more than five scheduled trading days. If the calculation agent determines that a market disruption event occurs or is continuing with respect to any index component on the fifth scheduled trading day after the originally scheduled valuation date, the calculation agent will determine the level, value or price for the affected index component in good faith and in a commercially reasonable manner.

If the calculation agent determines that on the initial valuation date a market disruption event occurs or is continuing with respect to any index component or that such day is not a scheduled trading day for any index component, the calculation agent may in its sole discretion postpone the initial valuation date to the earlier of (i) the second scheduled trading day after the originally scheduled initial valuation date and (ii) the earliest date that the level, value or price of each index component that is affected by a market disruption event or by the non-scheduled trading day can be determined. If such a postponement occurs, the level, value or price of the index components unaffected by the market disruption event or occurrence of a non-scheduled trading day will be determined on the originally scheduled initial valuation date and the level, value or price of any affected index component will be determined using the settlement level, value or price of that affected index component on the first scheduled trading day following the originally scheduled initial valuation date on which no market disruption event occurs or is continuing for that affected index component. In no event, however, will the initial valuation date be postponed by more than two scheduled trading days. If the calculation agent determines that a market disruption event occurs or is continuing with respect to any index component on the second scheduled trading day after the originally scheduled initial valuation date, the calculation agent will determine the level, value or price for the affected index component in a commercially reasonable manner.

For the purpose of this prospectus supplement and unless otherwise specified in the applicable pricing supplement, “scheduled trading day” with respect to an index composed of commodities means any day on which (1) the calculation agent is scheduled to be open for business in London and New York, and (2) the exchanges on which all index components trade are scheduled to be open for trading, in each case as determined by the calculation agent in its sole discretion.

For securities linked to a basket or to the reference asset with the lowest or highest return in a group of two or more reference assets, if any valuation date is not a scheduled trading day or if the calculation agent determines that a market disruption event occurs or is continuing on any valuation date, that valuation date may be postponed as described under “Reference Assets—Baskets” or “Reference Assets—Least or Best Performing Reference Asset,” as applicable.

***Market Disruption Events for Securities with an Index Composed of Interest Rates, Currency Exchange Rates or Other Assets or Variables (Other than Equity Securities or Commodities) as a Reference Asset***

The applicable pricing supplement will set forth the definition of market disruption event with respect to any index of interest rates, currency exchange rates or other assets or variables (other than equity securities or commodities).

***Adjustments Relating to Securities with an Index as a Reference Asset***

If any sponsor discontinues publication of or otherwise fails to publish any index that is a reference asset and that sponsor or another entity publishes a successor or substitute index that the calculation agent determines to be comparable to the discontinued index (that index being referred to herein as a “successor index”), then the index level of that index will be determined by reference to the index level of that successor index on any subsequent date as of which that index level is to be determined. If a successor index is selected by the calculation agent, the successor index will be used as a substitute for that index for all purposes, and the calculation agent may in its sole discretion adjust any variable described in the applicable pricing supplement, including but not limited to, if applicable, any level (including but not limited to the initial level, any level derived from the initial level, the final level and the closing level or any other relevant level on any valuation date) or any combination thereof or any other variable described in the applicable pricing supplement. The calculation agent will make any such adjustment with a view to offsetting, to the extent practicable, any difference in the relative levels of the original index and the successor index at the time the original index is replaced by the successor index.

If (1) any index that is a reference asset is discontinued or (2) a sponsor fails to publish any index that is a reference asset, in either case, prior to (and that discontinuance is continuing on) a valuation date and the calculation agent determines that no successor index is available at that time, then the calculation agent will determine the value to be used for the index level of that index. The value to be used for the index level will be computed by the calculation agent in the same general manner previously used by the related sponsor and will reflect the performance of that index through the scheduled trading day on which that index was last in effect preceding the date of discontinuance. In that case, the calculation agent will treat any scheduled trading day on which the primary exchange for futures or options contracts relating to that index is open for trading as a scheduled trading day for that index for purposes of the determination of any index level.

Notwithstanding these alternative arrangements, discontinuance of the publication of any index that is a reference asset may adversely affect the value of, and trading in, the securities.

If at any time, there is:

- a material change in the formula for or the method of calculating the level of any index that is a reference asset or any successor index;
- a material change in the content, composition or constitution of any index that is a reference asset or any successor index; or
- a change or modification to any index that is a reference asset or any successor index such that that index or successor index does not, in the opinion of the calculation agent, fairly represent the value of that index or successor index had those changes or modifications not been made,

then, for purposes of calculating the closing level of that index or that successor index, any payments on the securities or making any other determinations as of or after that time, the calculation agent may in its sole discretion make such calculations and adjustments as the calculation agent determines may be necessary in order to arrive at a closing level for that index or that successor index comparable to that index or that successor index, as the case may be, as if those changes or modifications had not been made, and calculate any payments on the securities with reference to that index or that successor index, as adjusted.

The calculation agent will make all determinations with respect to adjustments, including any determination as to whether an event that may require an adjustment has occurred, as to the nature of the adjustment and how it will be made.

## **Commodities and Commodity Futures Contracts**

The principal, interest or any other amounts payable on or any other property deliverable in respect of the notes, and the amount of cash or warrant property payable or deliverable in respect of the warrants, may be based on a commodity or futures contracts on a commodity, including level, value or price movements in or other events relating to those commodities. We have no current intention to offer warrants linked to commodities due to regulatory restrictions, and we may also limit the percentage of commodities included in a basket underlying a warrant in order to comply with regulatory restrictions, where applicable.

### ***Commodity Futures Markets***

Futures contracts on physical commodities are traded on regulated futures exchanges, and physical commodities and other derivatives on physical commodities and commodity indices are traded in the over-the-counter market and on various types of physical and electronic trading facilities and markets. A futures contract provides for the purchase and sale of a specified type and quantity of a commodity or financial instrument during a stated delivery month for a fixed price. A futures contract provides for a specified settlement month in which the cash settlement is made or in which the commodity or financial instrument is to be delivered by the seller (whose position is therefore described as “short”) and acquired by the purchaser (whose position is therefore described as “long”).

There is no purchase price paid or received on the purchase or sale of a futures contract. Instead, an amount of cash or cash equivalents must be deposited with the broker as “initial margin.” The amount of initial margin may vary depending on the requirements imposed by the exchange clearing houses. The initial margin provides collateral for the obligations of the parties to the futures contract.

By depositing the initial margin, which may vary in form depending on the exchange, with the clearing house or the broker involved, a market participant may be able to earn interest on the amount of funds deposited, thereby increasing the total return that it may realize from an investment in futures contracts. The market participant normally makes to, and receives from, the exchange subsequent daily payments as the price of the futures contract fluctuates. These payments are called “variation margin” and are made as the existing positions in the futures contract become more or less valuable, a process known as “marking to the market.”

Futures contracts are traded on organized exchanges, known as “contract markets” in the United States. At any time prior to the expiration of a futures contract, subject to the availability of a liquid secondary market, a trader may elect to close out its position by taking an opposite position on the exchange on which the trader obtained the position. This operates to terminate the position and fix the trader’s profit or loss. Futures contracts are cleared through the facilities of a centralized clearing house and a brokerage firm, referred to as a “futures commission merchant,” which is a member of the clearing house. The clearing house guarantees the performance of each clearing member that is a party to a futures contract by, in effect, taking the opposite side of the transaction. Clearing houses do not guarantee the performance by clearing members of their obligations to their customers.

Unlike equity securities, futures contracts, by their terms, have stated expirations and, at a specified point in time prior to expiration, trading in a futures contract for the current delivery month will cease. As a result, a market participant wishing to maintain its exposure to a futures contract on a particular commodity with the nearest expiration must close out its position in the expiring contract and establish a new position in the contract for the next delivery month, a process referred to as “rolling.” For example, a market participant with a long position in November crude oil futures that wishes to maintain a position in the nearest delivery month will, as the November contract nears expiration, sell November futures, which serves to close out the existing long position, and buy December futures. This will “roll” the November position into a December position, and, when the November contract expires, the market participant will still have a long position in the nearest delivery month.

Roll yield is generated as a result of holding futures contracts. When longer-dated contracts are priced lower than the nearer contract and spot prices, the market is in “backwardation,” and positive roll yield may be generated when higher-priced near-term futures contracts are “sold” to “buy” and hold lower priced longer-dated contracts. When the opposite is true and longer-dated contracts are priced higher than the nearer contracts and spot prices, the market is in “contango,” and negative roll yields may result from the “sale” of lower priced near-term futures contracts to “buy” and hold higher priced longer-dated contracts.

Futures exchanges and clearing houses in the United States are subject to regulation by the CFTC. Exchanges may adopt rules and take other actions that affect trading, including imposing speculative position limits, maximum

price fluctuations and trading halts and suspensions and requiring liquidation of contracts in some circumstances. Futures markets outside the United States are generally subject to regulation by comparable regulatory authorities. The structure and nature of trading on non-U.S. exchanges, however, may differ from this description.

### ***Settlement Price***

The official cash buyer settlement price for each commodity will be determined as described in the applicable pricing supplement.

### ***Market Disruption Events for Securities with a Commodity or Commodity Futures Contract as a Reference Asset***

Any of the following will be a market disruption event with respect to a commodity or a commodity futures contract, in each case as determined by the calculation agent in its sole discretion:

- a material suspension of, or material limitation imposed on trading in (1) that commodity that is customarily traded in order to hedge any relevant futures or options contract in its primary market, (2) futures or options contracts relating to that commodity in the primary market for those contracts, or (3) that commodity futures contract in the primary market for that contract;
- the failure by the exchange or price source to announce or publish market values for the commodity, futures or options contracts relating to that commodity or the commodity futures contract or the temporary or permanent discontinuance or unavailability of the price source;
- any event that materially disrupts or impairs, as determined by the calculation agent, the ability of market participants to (1) effect transactions in, or obtain market values for, the commodity in its primary market, (2) effect transactions in, or obtain market values for, futures or options contracts relating to the commodity in its primary market, or (3) effect transactions in, or obtain market values for, the commodity futures contract in its primary market; or
- any scheduled trading day on which (1) the primary market for that commodity, (2) the exchanges or quotation systems, if any, on which futures or options contracts on that commodity are traded, or (3) the exchange or quotation system, if any, on which that commodity futures contract is traded, fail to open for trading during their regular trading session.

For the purpose of this prospectus supplement and unless otherwise specified in the applicable pricing supplement, “scheduled trading day” with respect to a commodity or a commodity futures contract means any day on which (1) the calculation agent is scheduled to be open for business in London and New York, and (2) in the case of a reference asset that is a commodity, each relevant primary market on which the commodity and futures or options contracts related to the commodity are traded or, in the case of a reference asset that is a commodity futures contract, the relevant primary market on which the commodity futures contract is traded, is scheduled to be open for trading for its regular trading session, in each case as determined by the calculation agent in its sole discretion.

A decision to permanently discontinue trading in the futures or options contracts relating to a commodity will not be a market disruption event with respect to a commodity.

For this purpose, a “suspension of trading” in a commodity, or futures or options contracts related to the commodity, if available, in their primary markets, will be deemed to have occurred where:

- all trading is suspended for the entire scheduled trading day, or
- all trading is suspended and does not recommence with an announcement at least one hour prior to that commencement.

A “limitation of trading” in a commodity, or futures or options contracts related to the commodity, if available, in their primary markets will be deemed to have occurred where the relevant primary market establishes limits on the range within which the price of the futures or options contract or the relevant commodity may fluctuate and the closing or settlement price of the futures or options contract or the relevant commodity on that day is at the upper or lower limit of that range.

The calculation agent may in its sole discretion postpone any valuation date if the calculation agent determines that the originally scheduled valuation date is not a scheduled trading day or that a market disruption event has occurred or is continuing on a scheduled trading day that would otherwise be that valuation date. Under these circumstances, that valuation date will be the first following scheduled trading day on which the calculation agent determines that no market disruption event occurs or is continuing.

In no event, however, will the initial valuation date be postponed by more than two scheduled trading days nor will any other valuation date be postponed by more than five scheduled trading days. If the calculation agent determines that a market disruption event occurs or is continuing on the second scheduled trading day (in the case of the initial valuation date) or the fifth scheduled trading day (in the case of any other valuation date), the calculation agent will determine the value for the affected commodity in good faith and in a commercially reasonable manner.

For securities linked to a basket or to the reference asset with the lowest or highest return in a group of two or more reference assets, if any valuation date is not a scheduled trading day or if the calculation agent determines that a market disruption event occurs or is continuing on any valuation date, that valuation date may be postponed as described under “Reference Assets—Baskets” or “Reference Assets—Least or Best Performing Reference Asset,” as applicable.

#### ***Discontinuation of Trading; Alteration of Method of Calculation***

If the relevant price source discontinues price discovery of, or the relevant market or exchange discontinues trading in, or physical delivery of, any commodity, the calculation agent may replace the commodity with another commodity, whose settlement price is quoted on that price source, market or exchange or any other price source, market or exchange, that the calculation agent determines to be comparable to the discontinued commodity (a “successor commodity”).

If the relevant price source discontinues price discovery of, or the relevant market or exchange discontinues trading in, or physical delivery of, the commodity composing the reference asset prior to, and the discontinuance is continuing on, any valuation date and the calculation agent determines that no successor commodity is available at that time, then the calculation agent will determine the settlement price for that date.

Notwithstanding these alternative arrangements, discontinuance of trading, physical delivery or price discovery on the applicable exchange in any commodity may adversely affect the market value of the securities.

If at any time (1) the method of calculating the official cash buyer settlement price of a commodity is changed in a material respect by the applicable exchange or any other relevant exchange, (2) there is a material change in the composition or constitution of a commodity or (3) the reporting thereof is in any other way modified so that the settlement price does not, in the opinion of the calculation agent, fairly represent the settlement price of the commodity, the calculation agent may, in its sole discretion, at the close of business in New York City on each scheduled trading day on which the settlement price is to be determined, make those calculations and adjustments as, in the judgment of the calculation agent, may be necessary in order to arrive at a settlement price for the commodity comparable to that commodity or that successor commodity, as the case may be, as if those changes or modifications had not been made, and calculate any amounts payable on the note (including the individual inputs thereof), and the amount of cash or warrant property payable or deliverable in respect of the warrant, with reference to that commodity or that successor commodity, as adjusted.

#### **Currency Exchange Rates**

The principal, interest or any other amounts payable on or any other property deliverable in respect of the notes, and the amount of cash or warrant property payable or deliverable in respect of the warrants, may be based on a currency exchange rate or rates, including movements in currency exchange rate levels or other events relating to the currency exchange rates.

To the extent that amounts payable on the notes or amounts of cash or warrant property payable or deliverable in respect of the warrants are based on a reference asset composed of one or more of the currency exchange rates, the level with respect to that exchange rate on any day will equal the currency exchange rate as determined by the calculation agent by reference to the mechanics, the Bloomberg page, the Reuters screen or other pricing source and the time specified in the applicable pricing supplement. The screen or time of observation indicated therein in



relation to any currency exchange rate will be deemed to refer to that screen or time of observation as modified or amended from time to time, or to any substitute screen thereto.

#### ***Market Disruption Events for Securities with a Currency Exchange Rate as a Reference Asset***

Any of the following will be a market disruption event where the reference asset is composed of a currency exchange rate or exchange rates, in each case as determined by the calculation agent in its sole discretion:

- any event or any condition (including without limitation any event or condition that occurs as a result of the enactment, promulgation, execution, ratification, interpretation or application of, or any change in or amendment to, any law, rule or regulation by any applicable governmental authority) that results in an illiquid market for currency transactions or that generally makes it impossible, illegal or impracticable for market participants, or hinders their abilities, (1) to convert from one relevant currency to another through customary commercial channels, (2) to deliver, or effect transactions in, the relevant currencies or (3) to obtain the currency exchange rate by reference to the applicable price source;
- (1) the declaration of a banking moratorium, (2) the suspension of payments by banks, (3) introduction of a currency peg regime or other intervention, in any case (1), (2) or (3), in the country of any currency used to determine the applicable currency exchange rate or (3) the declaration of capital and/or currency controls (including without limitation any restriction placed on assets in or transactions through any account through which a non-resident of the country of any currency used to determine the applicable currency exchange rate may hold assets or transfer monies outside the country of that currency, and any restriction on the transfer of funds, securities or other assets of market participants from within or outside of the country of any currency used to determine the applicable currency exchange rate),

and, in any of these events, the calculation agent determines that the event was material.

The calculation agent may in its sole discretion postpone any valuation date if the calculation agent determines that the originally scheduled valuation date is not a scheduled trading day or that a market disruption event has occurred or is continuing on a scheduled trading day that would otherwise be that valuation date. Under these circumstances, that valuation date will be the first following scheduled trading day (as defined below) on which the calculation agent determines that no market disruption event occurs or is continuing.

In no event, however, will any valuation date be postponed by more than five scheduled trading days. If the calculation agent determines that a market disruption event occurs or is continuing on the fifth scheduled trading day, the calculation agent will determine the currency exchange rate on that fifth scheduled trading day in good faith and in a commercially reasonable manner.

For the purpose of this prospectus supplement and unless otherwise specified in the applicable pricing supplement, “scheduled trading day” with respect to a currency exchange rate means any day on which (1) the applicable currency exchange rate is scheduled to be reported on the relevant Bloomberg page, Reuters screen or other pricing source specified in the applicable pricing supplement, and (2) the commercial banks and foreign exchange markets are scheduled to be open for general business (including dealings in foreign exchange and non-U.S. currency deposits), in each case as determined by the calculation agent in its sole discretion.

For securities linked to a basket or to the reference asset with the lowest or highest return in a group of two or more reference assets, if any valuation date is not a scheduled trading day or if the calculation agent determines that a market disruption event occurs or is continuing on any valuation date, that valuation date may be postponed as described under “Reference Assets—Baskets” or “Reference Assets—Least or Best Performing Reference Asset,” as applicable.

#### ***Adjustments Relating to Securities with a Currency Exchange Rate as a Reference Asset***

If the calculation agent determines that (1) any currency underlying a currency exchange rate to which the securities are linked has been removed from circulation or otherwise discontinued and (2) banks dealing in foreign exchange and non-U.S. currency deposits in the underlying currency commence trading a successor or substitute currency or basket of currencies that the calculation agent in its sole discretion (taking into account any applicable treaty provisions, laws or regulations in effect at that time) determines is comparable to the discontinued currency (that currency or basket of currencies being referred to herein as a “successor currency”), then the level for the

currency will be determined by reference to the value of the successor currency at the time determined by the calculation agent on the markets for the successor currency on the relevant valuation date.

If the calculation agent determines that any successor currency will be utilized for purposes of calculating the currency exchange rate, or making any other determinations as of or after that time, the calculation agent will make those calculations and adjustments as, in the judgment of the calculation agent, may be necessary in order to arrive at a value of a currency exchange rate for a currency comparable to the underlying currency, as if those changes or modifications had not been made, and will calculate the payment at maturity (including the individual inputs thereof) or the payment or delivery of money or warrant property at the payment or settlement date, and the final level with reference to that currency or the successor currency, as adjusted.

Notwithstanding these alternative arrangements, discontinuance of the publication of the level of any currency underlying the currency exchange rate may adversely affect the value of, and trading in, the securities.

If at any time the price source used to determine the level of a currency or a successor currency is changed or modified in a material respect, then, for purposes of calculating any level, the payment at maturity or on any payment date or making any other determinations as of or after the time of that change, the calculation agent will make those calculations and adjustments as the calculation agent determines may be necessary in order to arrive at a value for that currency comparable to the currency underlying the currency exchange rate or the successor currency, as the case may be, as if those changes or modifications have not been made, and calculate the amount of interest, payment at maturity and other amounts payable on the note (including the individual inputs thereof), or the amount of cash or warrant property payable or deliverable in respect of the warrant, with reference to the currency or the successor currency, as adjusted.

## **Baskets**

The principal, interest or any other amounts payable on or any other property deliverable in respect of the notes, and the amount of cash or warrant property payable or deliverable in respect of the warrants, may be based on a basket of multiple instruments or measures, including but not limited to equity securities, commodities, currency exchange rates, interest rates, indices of any of the foregoing and/or any combination thereof. Each of those instruments or measures that are included in a basket are referred to as a “basket component.”

To the extent that a basket component is composed of an asset type described in this prospectus supplement, see the applicable section under the heading “Reference Assets” for further information that may affect that basket component. Without limiting the generality of the previous sentence, a scheduled trading day and a market disruption event with respect to each basket component are described in the section of this prospectus supplement applicable to that basket component. For example, the “Reference Assets—Equity Securities” section defines “scheduled trading day” with respect to a basket component that consists of an equity security and describes the circumstances under which the calculation agent may determine that there is a market disruption event with respect to a basket component that consists of an equity security.

### ***Scheduled Trading Days and Market Disruption Events for Securities Linked to a Basket of Equity Securities, Exchange-Traded Funds and/or Indices of Equity Securities***

Unless otherwise set forth in the applicable pricing supplement, the following provisions will apply to any security linked to a basket of multiple equity securities, exchange-traded funds, indices of equity securities or any combination of equity securities, exchange-traded funds and/or indices of equity securities.

If any valuation date specified in the applicable pricing supplement is not a scheduled trading day with respect to any basket component, the scheduled valuation date will be the next following day that is a scheduled trading day with respect to all of the basket components. If a market disruption event occurs or is continuing with respect to any basket component on any scheduled valuation date, the calculation agent may in its sole discretion postpone the valuation date to the earliest day on which the level, value or price of each basket component has been determined, where (i) the level, value or price of any basket component not affected by a market disruption event will be the level, value or price of that basket component on the scheduled valuation date and (ii) the level, value or price of any affected basket component will be the level, value or price of that affected basket component on the first scheduled trading day for that affected basket component following the scheduled valuation date on which no market disruption event occurs or is continuing for that affected basket component, subject to the immediately following paragraph.

In no event, however, will a scheduled valuation date be postponed by more than five scheduled trading days with respect to any basket component. If a market disruption event occurs or is continuing with respect to any affected basket component on the fifth scheduled trading day for that affected basket component after the scheduled valuation date (for such affected basket component, the “latest valuation date”), the calculation agent will determine the level, value or price for the affected basket component in the manner described in the section of this prospectus supplement applicable to that basket component that would apply when a market disruption event occurs or is continuing with respect to the affected basket component on the latest valuation date.

***Scheduled Trading Days and Market Disruption Events for Securities Linked to a Basket of Any Combination of Assets (Excluding Equity Securities, Exchange-Traded Funds and Indices of Equity Securities)***

Unless otherwise set forth in the applicable pricing supplement, the following provisions will apply to any security linked to a basket of multiple indices, commodities, currencies, interest rates, any other assets or any combination of such assets, excluding equity securities, exchange-traded funds and indices of equity securities.

If (i) any valuation date is not a scheduled trading day for any basket component or (ii) a market disruption event occurs or is continuing with respect to any basket component on any valuation date (in either case, a “non-calculation event”), the calculation agent may in its sole discretion postpone the valuation date to the earliest day on which the level, value or price of each basket component has been determined, where (i) the level, value or price of any basket component not affected by a non-calculation event will be the level, value or price of that basket component on the scheduled valuation date and (ii) the level, value or price of any affected basket component will be the level, value or price of that affected basket component on the first scheduled trading day for that affected basket component following the scheduled valuation date on which no market disruption event occurs or is continuing for that affected basket component, subject to the immediately following paragraph.

In no event, however, will a valuation date be postponed by more than five scheduled trading days with respect to any basket component. If a market disruption event occurs or is continuing with respect to any affected basket component on the fifth scheduled trading day for that affected basket component after the scheduled valuation date (for such affected basket component, the “latest valuation date”), the calculation agent will determine the level, value or price for the affected basket component in the manner described in the section of this prospectus supplement applicable to that basket component that would apply when a market disruption event occurs or is continuing with respect to the affected basket component on the latest valuation date. Notwithstanding the foregoing, for any basket component that is a commodity, commodity futures contract or an index of commodities, the “latest valuation date” with respect to the initial valuation date will be two scheduled trading days after the scheduled initial valuation date.

***Scheduled Trading Days and Market Disruption Events for Securities Linked to a Basket of One or More Equity Securities, Exchange-Traded Funds, Indices of Equity Securities and One or More Other Assets (Excluding Equity Securities, Exchange-Traded Funds and Indices of Equity Securities)***

The applicable pricing supplement will set forth the postponement provisions that will apply to any security linked to a basket that includes one or more equity securities, exchange-traded funds or indices of equity securities and one or more other assets that are not equity securities, exchange-traded funds or indices of equity securities.

***Adjustments Relating to Securities Linked to a Basket***

If the calculation agent substitutes a successor index, successor currency or successor commodity, as the case may be, or otherwise affects or modifies a basket or basket component, the calculation agent will make those calculations and adjustments as, in the judgment of the calculation agent, may be necessary in order to arrive at a basket comparable to the original basket (including without limitation changing the percentage weights of the basket components), as if those changes or modifications had not been made, and will calculate the amount of interest, payment at maturity and other amounts payable or property deliverable on the note (including the individual inputs thereof), or the amount of cash or warrant property payable or deliverable in respect of the warrant, with reference to that basket or the successor basket (as described below), as adjusted.

In the event of the adjustment described above, the newly composed basket is referred to herein as the “successor basket” and will be used as a substitute for the original basket for all purposes.

If the calculation agent determines that the available successors as described above do not fairly represent the value of the original basket component or basket, as the case may be, then the calculation agent will determine the level, value or price of the basket component or the basket level for any valuation date as described under “Reference Assets—Indices—Adjustments Relating to Securities with an Index as a Reference Asset” with respect to indices composing the basket component, “Reference Assets—Commodities—Discontinuation of Trading; Alteration of Method of Calculation” with respect to commodities composing the basket component and “Reference Assets—Currency Exchange Rates—Adjustments Relating to Securities with a Currency Exchange Rate as a Reference Asset” with respect to currency exchange rates composing the basket component.

Notwithstanding these alternative arrangements, discontinuance of trading on the applicable exchanges or markets in any basket component may adversely affect the market value of the securities.

If the securities are linked to a basket composed of one or more equity securities, see also “Reference Assets—Equity Securities—Share Adjustments Relating to Securities with an Equity Security as a Reference Asset—Adjustments Affecting Securities Linked to More than One Reference Asset, at Least One of Which Is an Equity Security” above. If the securities are linked to a basket composed of one or more exchange-traded funds, see also “Reference Assets—Exchange-Traded Funds—Adjustments Relating to Securities with an Exchange-Traded Fund as a Reference Asset—Adjustments Affecting Securities Linked to More than One Reference Asset, at Least One of Which Is an Exchange-Traded Fund” above.

#### **Least or Best Performing Reference Asset**

The principal, interest or any other amounts payable on or any other property deliverable in respect of the notes, and the amount of cash or warrant property payable or deliverable in respect of the warrants, may be based on the reference asset with the lowest or highest return in a group of two or more reference assets.

To the extent that one of the assets is an asset type herein described, see the applicable section under the heading “Reference Assets” for further information that may affect that reference asset, and therefore the reference asset for your securities. Without limiting the generality of the previous sentence, a scheduled trading day and a market disruption event with respect to each reference asset will be described in the section of this prospectus supplement applicable to that reference asset. For example, the “Reference Assets—Exchange-Traded Funds” section defines scheduled trading day with respect to an exchange-traded fund and describes the circumstances under which the calculation agent may determine that there is a market disruption event with respect to an exchange-traded fund.

#### ***Scheduled Trading Days and Market Disruption Events for Securities Linked to the Reference Asset with the Lowest or Highest Return in a Group of Two or More Equity Securities, Exchange-Traded Funds and/or Indices of Equity Securities***

Unless otherwise set forth in the applicable pricing supplement, the following provisions will apply to any security linked to the reference asset with the lowest or highest return in any combination of equity securities, exchange-traded funds and/or indices of equity securities.

If any valuation date specified in the applicable pricing supplement is not a scheduled trading day with respect to any reference asset, the scheduled valuation date will be the next following day that is a scheduled trading day with respect to all of the reference assets. If a market disruption event occurs or is continuing with respect to any reference asset on any scheduled valuation date, the calculation agent may in its sole discretion postpone the valuation date to the earliest day on which the level, value or price of each reference asset has been determined, where (i) the level, value or price of any reference asset not affected by a market disruption event will be the level, value or price of that reference asset on the scheduled valuation date and (ii) the level, value or price of any affected reference asset will be the level, value or price of that affected reference asset on the first scheduled trading day for that affected reference asset following the scheduled valuation date on which no market disruption event occurs or is continuing for that affected reference asset, subject to the immediately following paragraph.

In no event, however, will a scheduled valuation date be postponed by more than five scheduled trading days with respect to any reference asset. If a market disruption event occurs or is continuing with respect to any affected reference asset on the fifth scheduled trading day for that affected reference asset after the scheduled valuation date (for such affected reference asset, the “latest valuation date”), the calculation agent will determine the level, value or price for the affected reference asset in the manner described in the section of this prospectus supplement applicable

to that reference asset that would apply when a market disruption event occurs or is continuing with respect to the affected reference asset on the latest valuation date.

***Scheduled Trading Days and Market Disruption Events for Securities Linked to the Reference Asset with the Lowest or Highest Return in a Group of Two or More Reference Assets (Excluding Equity Securities, Exchange-Traded Funds and Indices of Equity Securities)***

Unless otherwise set forth in the applicable pricing supplement, the following provisions will apply to any security linked to the reference asset with the lowest or highest return in any combination of indices, commodities, currencies, interest rates or any other, excluding equity securities, exchange-traded funds and indices of equity securities.

If (i) any valuation date is not a scheduled trading day for any reference asset or (ii) a market disruption event occurs or is continuing with respect to any reference asset on any valuation date (in either case, a “non-calculation event”), the calculation agent may in its sole discretion postpone the valuation date to the earliest day on which the level, value or price of each reference asset has been determined, where (i) the level, value or price of any reference asset not affected by a non-calculation event will be the level, value or price of that reference asset on the scheduled valuation date and (ii) the level, value or price of any affected reference asset will be the level, value or price of that affected reference asset on the first scheduled trading day for that affected reference asset following the scheduled valuation date on which no market disruption event occurs or is continuing for that affected reference asset, subject to the immediately following paragraph.

In no event, however, will a valuation date be postponed by more than five scheduled trading days with respect to any reference asset. If a market disruption event occurs or is continuing with respect to any affected reference asset on the fifth scheduled trading day for that affected reference asset after the scheduled valuation date (for such affected reference asset, the “latest valuation date”), the calculation agent will determine the level, value or price for the affected reference asset in the manner described in the section of this prospectus supplement applicable to that reference asset that would apply when a market disruption event occurs or is continuing with respect to the affected reference asset on the latest valuation date. Notwithstanding the foregoing, for any reference asset that is a commodity, commodity futures contract or an index of commodities, the “latest valuation date” with respect to the initial valuation date will be two scheduled trading days after the scheduled initial valuation date.

***Scheduled Trading Days and Market Disruption Events for Securities Linked to the Reference Asset with the Lowest or Highest Return in a Group of One or More Equity Securities, Exchange-Traded Funds, Indices of Equity Securities and One or More Other Assets (Excluding Equity Securities, Exchange-Traded Funds and Indices of Equity Securities)***

The applicable pricing supplement will set forth the postponement provisions that will apply to any security linked to the reference asset with the lowest or highest return in a group that includes one or more equity securities, exchange-traded funds or indices of equity securities and one or more other assets that are not equity securities, exchange-traded funds or indices of equity securities.

**Reference Asset Information Provider**

The securities have not been passed on by the information provider of the reference asset as to their legality or suitability. The securities are not issued, endorsed, sponsored or promoted by and are not financial or legal obligations of the information provider of the reference asset. The trademarks, service marks or registered trademarks of the information provider of the reference asset are the property of their respective owners. The information provider of the reference asset makes no warranties and bears no liabilities with respect to the administration or operation of the securities.

Applicable historical data on the reference asset will be provided in the applicable pricing supplement.

The possible “information providers” of the reference assets are Bloomberg screen, Reuters screen or any other information provider as specified in the applicable pricing supplement, or any successor information provider.

*Bloomberg screen*

“Bloomberg screen” means, when used in connection with any designated pages, the display page so designated on the Bloomberg Professional<sup>®</sup> service (or any other page as may replace that page on that service, or any other service as may be nominated as the information vendor).

*Reuters screen*

“Reuters screen” means, when used in connection with any designated page, the display page so designated on the Thomson Reuters Eikon service (or any other page as may replace that page on that service or successor service for the purpose of displaying rates or prices).

## **BENEFIT PLAN INVESTOR CONSIDERATIONS**

A fiduciary of a pension, profit-sharing or other employee benefit plan subject to Title I of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), including entities such as collective investment funds, partnerships and separate accounts whose underlying assets include the assets of those plans (collectively, “ERISA Plans”) should consider the fiduciary standards of ERISA in the context of the ERISA Plan’s particular circumstances before authorizing an investment in the securities. Among other factors, the fiduciary should consider whether the investment would satisfy the prudence and diversification requirements of ERISA and would be consistent with the documents and instruments governing the ERISA Plan.

Section 406 of ERISA and Section 4975 of the Internal Revenue Code of 1986, as amended, (the “Code”) prohibit ERISA Plans, as well as plans (including individual retirement accounts and Keogh plans) subject to Section 4975 of the Code (together with ERISA Plans, “Plans”), from engaging in certain transactions involving the “plan assets” with persons who are “parties in interest” under ERISA or “disqualified persons” under Section 4975 of the Code (in either case, “Parties in Interest”) with respect to those Plans. As a result of our business, we, and our current and future affiliates, may be Parties in Interest with respect to many Plans. Where we (or our affiliate) are a Party in Interest with respect to a Plan (either directly or by reason of our ownership interests in our directly or indirectly owned subsidiaries), the purchase and holding of the securities by or on behalf of the Plan could be a prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless statutory or administrative exemptive relief were available.

In this regard, certain prohibited transaction class exemptions (“PTCEs”) issued by the U.S. Department of Labor may provide exemptive relief for direct or indirect prohibited transactions resulting from the purchase or holding of the securities. Those class exemptions are PTCE 96-23 (for certain transactions determined by in-house asset managers), PTCE 95-60 (for certain transactions involving insurance company general accounts), PTCE 91-38 (for certain transactions involving bank collective investment funds), PTCE 90-1 (for certain transactions involving insurance company separate accounts) and PTCE 84-14 (for certain transactions determined by independent qualified asset managers). In addition, ERISA Section 408(b)(17) and Section 4975(d)(20) of the Code may provide a limited exemption for the purchase and sale of the securities and related lending transactions, provided that neither the issuer of the securities nor any of its affiliates have or exercise any discretionary authority or control or render any investment advice with respect to the assets of the Plan involved in the transaction and provided further that the Plan pays no more, and receives no less, than adequate consideration in connection with the transaction (the so-called “service provider exemption”). There can be no assurance that any of these statutory or class exemptions will be available with respect to transactions involving the securities.

Accordingly, the securities may not be purchased or held by any Plan, any entity whose underlying assets include “plan assets” by reason of any Plan’s investment in the entity (a “Plan Asset Entity”) or any person investing “plan assets” of any Plan or Plan Asset Entity, unless that purchaser or holder is eligible for the exemptive relief available under PTCE 96-23, 95-60, 91-38, 90-1 or 84-14 or the service-provider exemption or there is some other basis on which the purchase and holding of the securities will not constitute a non-exempt prohibited transaction under ERISA or Section 4975 of the Code. Each purchaser or holder of the securities or any interest therein will be deemed to have represented by its purchase or holding of the securities that (a) it is not a Plan or a Plan Asset Entity and its purchase and holding of the securities is not made on behalf of or with “plan assets” of any Plan or a Plan Asset Entity or (b) its purchase, holding and disposition of the securities (including through redemption) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code.

In this regard, certain governmental plans (as defined in Section 3(32) of ERISA), church plans (as defined in Section 3(33) of ERISA) and non-U.S. plans (as described in Section 4(b)(4) of ERISA) (“Non-ERISA Arrangements”) are not subject to these “prohibited transaction” rules of ERISA or Section 4975 of the Code, but may be subject to similar rules under other applicable laws or regulations (“Similar Laws”). Accordingly, each such purchaser or holder of the securities will be required to represent (and deemed to have represented by its purchase or holding of the securities) that its purchase, holding and disposition of the securities (including through redemption) will not constitute or result in a violation of any applicable Similar Laws.

Due to the complexity of these rules, it is particularly important that fiduciaries or other persons considering purchasing the securities on behalf of or with “plan assets” of any Plan, Plan Asset Entity or Non-ERISA Arrangement consult with their counsel regarding the relevant provisions of ERISA, the Code or applicable Similar Laws and the availability of exemptive relief under PTCE 96-23, 95-60, 91-38, 90-1, 84-14, the service provider exemption or some other basis on which the acquisition, holding and disposition of the securities (including through redemption) will not constitute or result in a non-exempt prohibited transaction under ERISA or Section 4975 of the Code or a violation of any applicable Similar Laws.

The securities are contractual financial instruments. The financial exposure provided by the securities is not a substitute or proxy for, and is not intended as a substitute or proxy for, individualized investment management or advice for the benefit of any purchaser or holder of the securities. The securities have not been designed and will not be administered in a manner intended to reflect the individualized needs and objectives of any purchaser or holder of the securities.

Each purchaser or holder of any securities acknowledges and agrees that:

- (i) the purchaser or holder or its fiduciary has made and will make all investment decisions for the purchaser or holder and the purchaser or holder has not relied and will not rely in any way upon us or our affiliates to act as a fiduciary or adviser of the purchaser or holder with respect to (A) the design and terms of the securities, (B) the purchaser or holder’s investment in the securities, or (C) the exercise of or failure to exercise any rights we have under or with respect to the securities;
- (ii) we and our affiliates have acted and will act solely for our own accounts in connection with (A) all transactions relating to the securities and (B) all hedging transactions in connection with our obligations under the securities;
- (iii) any and all assets and positions relating to hedging transactions by us or our affiliates are assets and positions of those entities and are not assets and positions held for the benefit of the purchaser or holder;
- (iv) our interests are adverse to the interests of the purchaser or holder; and
- (v) neither we nor any of our affiliates is a fiduciary or adviser of the purchaser or holder in connection with any such assets, positions or transactions, and any information that we or any of our affiliates may provide is not intended to be impartial investment advice.

Each purchaser and holder of the securities has exclusive responsibility for ensuring that its purchase, holding and subsequent disposition of the securities does not violate the fiduciary or prohibited transaction rules of ERISA, the Code or any applicable Similar Laws. The sale of any securities to any Plan, Plan Asset Entity or Non-ERISA Arrangement is in no respect a representation by us or any of our affiliates or representatives that such an investment is appropriate for, or meets all relevant legal requirements with respect to investments by, Plans, Plan Asset Entities or Non-ERISA Arrangements generally or any particular Plan, Plan Asset Entity or Non-ERISA Arrangement.



## **PLAN OF DISTRIBUTION (CONFLICTS OF INTEREST)**

### **Initial Offering and Sale of Securities**

We plan to distribute all or part of the securities under the terms of the Amended and Restated Distribution Agreement between us and Barclays Capital Inc., dated February 10, 2009 (the “Amended and Restated Distribution Agreement”), as amended by Amendment No. 1 to the Amended and Restated Distribution Agreement, dated September 14, 2009, and, with respect to the notes only, under the terms of the Accession Agreement between us and Merrill Lynch, Pierce, Fenner & Smith Incorporated (“Merrill Lynch”), dated April 25, 2008 (the “Accession Agreement”). Merrill Lynch has assigned its rights and obligations under the Accession Agreement to BofAML Securities, Inc. (“BofAMLS”). We filed the Amended and Restated Distribution Agreement with the SEC as an exhibit to Form F-3 (File No. 333-145845) on February 10, 2009, Amendment No. 1 to the Amended and Restated Distribution Agreement with the SEC under cover of Form 6-K (File No. 001-10257) on September 14, 2009, and the Accession Agreement with the SEC under cover of Form 6-K (File No. 001-10257) on August 27, 2008.

Pursuant to the distribution arrangements with Barclays Capital Inc. and unless otherwise specified in the applicable pricing supplement, we will issue the securities to Barclays Capital Inc. as principal for its own account in a firm commitment underwriting. In its capacity as principal, Barclays Capital Inc. will subscribe for the securities at a price equal to the issue price specified in the relevant terms sheet or pricing supplement, less any applicable discount, for resale to one or more purchasers at varying prices related to prevailing market prices or at a fixed public offering price.

If specified in the applicable pricing supplement, we may also issue securities to Barclays Capital Inc. as agent, in which case Barclays Capital Inc. will agree or has agreed to use its reasonable efforts to solicit and receive offers to subscribe for the relevant securities from us upon the terms and conditions set forth in the applicable term sheet or pricing supplement. We have the right to accept offers to subscribe for securities and may reject any proposed subscription of the securities. The agent also has the right to reject any offer to subscribe for securities. We will pay Barclays Capital Inc. a commission on any securities distributed through it, which commission will equal the applicable discount on a sale of securities with the same stated term to Barclays Capital Inc. as principal, as described above.

Pursuant to the distribution arrangements with BofAMLS, BofAMLS, as our agent, has agreed to use its reasonable efforts to solicit and receive offers to subscribe for the relevant securities from us upon the terms and conditions set forth in the applicable term sheet or pricing supplement. We have the right to accept offers to subscribe for securities and may reject any proposed subscription of the securities. The agent may also reject any offer to subscribe for securities. We will pay BofAMLS a commission on any securities distributed through it.

We may also issue securities to BofAMLS as principal for its own account in a firm commitment underwriting. In that case, BofAMLS will subscribe for the securities at a price equal to the issue price specified in the applicable term sheet or pricing supplement, less a discount. The discount will equal the applicable commission on an agency sale of securities with the same stated term.

Barclays Capital Inc. and BofAMLS may distribute any securities they purchase as principal to other brokers or dealers at a discount, which may include all or part of the discount the agents received from us. If all the securities are not distributed at the initial issue price, the agents may change the offering price and other subscription terms.

We may appoint distributors under the distribution agreement other than or in addition to Barclays Capital Inc. and BofAMLS. Any of these distributors will be acting as our agent and have entered or will enter into a distribution agreement substantially in the form referred to above, and the applicable term sheet or pricing supplement will name any of these agents involved in the offering and issue of the securities and any commission that we will pay to them. Agents through whom we distribute securities may enter into arrangements with other institutions with respect to the distribution of the securities, and those institutions may share in the commissions, discounts or other compensation received by our agents, may be compensated separately and may also receive commissions from purchasers for whom they may act as agents. The other agents may be our affiliates or customers and may engage in transactions with and perform services for us in the ordinary course of business. Barclays Capital Inc. may resell securities to or through another of our affiliates, as selling agent.

We may also issue securities to the relevant agent as principal for its own account in a firm commitment underwriting. In that case, the agent will subscribe for the securities at a price equal to the issue price specified in the applicable term sheet or pricing supplement, less a discount. The discount will equal the applicable commission on an agency sale of securities with the same stated term.

The agents may distribute any securities they purchase as principal to other brokers or dealers at a discount, which may include all or part of the discount the agents received from us. If all the securities are not distributed at the initial issue price, the agents may change the offering price and other subscription terms.

*Variable Price Offers and Variable Price Reopenings.* Securities may be issued at a fixed price (such as par in the case of notes) or as part of a “variable price offer” in which the securities are sold in one or more negotiated transactions (at prices that may be different than par in the case of notes). Sales pursuant to a variable price offer may occur at market prices prevailing at the time of sale, at prices related to those prevailing market prices or at negotiated prices. Notes may be sold at a discount and the redemption price may equal 100% or some other percentage of par. The applicable pricing supplement will specify the issue price or the maximum issue price. Also, from time to time in “variable price reopenings,” Barclays Capital Inc. or a third party distributor may purchase and hold some of the securities for subsequent resale at the relevant variable price after the original issue date of the securities.

In addition, in certain variable price offers or variable price reopenings, securities may be offered and sold at variable prices set within a price range as may be specified in the applicable pricing supplement. In situations where Barclays Capital Inc. and one or more third party distributors are distributing the relevant securities at variable prices within such a price range, there may be circumstances where investors may be offered to purchase those securities from one distributor (including Barclays Capital Inc.) at a more favorable price within the price range than from the other distributor(s). Furthermore, from time to time, Barclays Capital Inc. may offer and sell securities to purchasers of a large number of securities at a more favorable price within the price range than a purchaser acquiring a lesser number of securities.

*Over-Allotment Option.* Unless otherwise specified in the applicable pricing supplement, we may grant agents up to a 30-day over-allotment option from the date of the applicable pricing supplement to purchase or arrange for purchase from us an additional principal amount of notes or an additional number of warrants, as applicable, at the public offering price to cover any over-allotments. The principal amount of notes or number of warrants, as applicable, covered by that option will be specified in the applicable pricing supplement.

*Other Arrangements.* In addition to subscriptions under the distribution agreement referred to above, we may also distribute all or part of the securities from time to time, on terms determined at that time, through underwriters, dealers and/or agents, directly to purchasers or through a combination of any of these methods of distribution. We describe these other arrangements in “Plan of Distribution” in the accompanying prospectus. We enter into negotiated selected dealer agreements from time to time with certain dealers in connection with these arrangements. We may also engage other firms to provide marketing or promotional services in connection with the distribution of the securities. We will describe any of these arrangements in the applicable pricing supplement.

*Settlement.* We expect that delivery of the securities will be made against payment for the securities on the settlement date specified in the applicable pricing supplement, which may be more than two business days following the trade date specified in the applicable pricing supplement. Under Rule 15c6-1 of the Securities Exchange Act of 1934, as amended, trades in the secondary market generally are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, if the initial settlement of the securities occurs more than two business days after the trade date, purchasers who wish to trade the securities on any date prior to two business days before delivery will be required to specify alternative settlement arrangements to prevent a failed settlement.

## **Market-Making Resales**

This prospectus supplement may be used by Barclays Capital Inc. in connection with offers and sales of the securities in market-making transactions. In a market-making transaction, Barclays Capital Inc. may resell a security it acquires from other holders, after the original offering and distribution of the security. Resales of this kind may occur in the open market or may be privately negotiated, at prevailing market prices at the time of resale or at related or negotiated prices. In these transactions Barclays Capital Inc. may act as principal, or agent, including as agent for

the counterparty in a transaction in which Barclays Capital Inc. acts as principal, or as agent for both counterparties in a transaction in which Barclays Capital Inc. does not act as principal. Barclays Capital Inc. may receive compensation in the form of discounts and commissions, including from both counterparties in some cases. Other affiliates of Barclays Bank PLC may also engage in transactions of this kind and may use this prospectus supplement for this purpose.

The aggregate initial issue price specified on the cover of the applicable pricing supplement relates to the initial offering of the securities described in such pricing supplement. This amount does not include securities sold in market-making transactions. The latter includes securities to be issued after the date of this prospectus supplement, as well as securities previously issued.

Barclays Bank PLC may receive, directly or indirectly, all or a portion of the proceeds of any market-making transactions by Barclays Capital Inc. and its other affiliates. Fees in connection with possible related swaps and other agreements may need to be described in the applicable pricing supplement depending on the circumstances.

Information about the trade and settlement dates, as well as the purchase price, for a market-making transaction will be provided to the purchaser in a separate confirmation of sale.

Unless we or an agent informs you in your confirmation of sale that your security is being subscribed for in its original offering and issue, you may assume that you are purchasing your security in a market-making transaction.

### **Conflicts of Interest**

Barclays Capital Inc. is an affiliate of Barclays Bank PLC, and, as such, may be deemed to have a “conflict of interest” in any offering in which it participates, as either principal or agent, within the meaning of Rule 5121 of the consolidated rulebook of the Financial Industry Regulatory Authority (“FINRA”) (or any successor rule thereto) (“Rule 5121”). Rule 5121 imposes certain requirements when a FINRA member, such as Barclays Capital Inc., distributes an affiliated company’s securities, such as our securities. Barclays Capital Inc. has advised us that each particular offering of securities in which it participates will be conducted in compliance with the provisions of Rule 5121. Barclays Capital Inc. is not permitted to sell securities in any such offering to an account over which it exercises discretionary authority without the prior specific written approval of the account holder.

### **Matters Relating to Initial Offering and Market-Making Resales**

Each issue of securities will be a new issue, and there will be no established trading market for any security prior to its original issue date. We do not intend to list any particular issue of securities unless specified in the applicable pricing supplement. We have been advised by Barclays Capital Inc. that it may make a market in the securities, and any underwriters to whom we sell securities for public offering or broker-dealers may also make a market in those securities. However, neither Barclays Capital Inc. nor any underwriter or broker-dealer that makes a market is obligated to do so, and any of them may stop doing so at any time without notice. We cannot give any assurance as to the liquidity of the trading market for the securities.

Unless otherwise indicated in the applicable pricing supplement or confirmation of sale, the subscription price of the securities will be required to be paid in immediately available funds in New York City.

In this prospectus supplement, the accompanying prospectus, and the applicable pricing supplement, the term “this offering” means the initial offering of securities made in connection with their original issuance. This term does not refer to any subsequent resales of securities in market-making transactions.

### **Non-U.S. Selling Restrictions**

*General.* No action has been or will be taken by Barclays Bank PLC, its affiliates, including but not limited to Barclays Capital Inc., any underwriter, dealer or agent that would permit a public offering of the securities or possession or distribution of this prospectus supplement, the prospectus, any product supplement, any underlying supplement, any free writing prospectus or the pricing supplement (collectively, the “prospectus” for purposes of this section “Non-U.S. Selling Restrictions”) in any jurisdiction, other than the United States, where action for that purpose is required. No offers, sales or deliveries of the securities, or distribution of the prospectus or any other offering material relating to the securities may be made in or from any jurisdiction outside the United States, except

in circumstances that will result in compliance with any applicable laws and regulations and will not impose any obligations on Barclays Bank PLC, its affiliates, any underwriter, dealer or agent.

Each underwriter, dealer or agent through which we may offer the securities outside the United States has represented and agreed, or will represent and agree, that it (1) will comply with all applicable laws and regulations in force in each non-U.S. jurisdiction in which it purchases, offers, sells or delivers the securities or possesses or distributes the prospectus and (2) will obtain any consent, approval or permission required by it for the purchase, offer or sale by it of the securities under the laws and regulations in force in each non-U.S. jurisdiction to which it is subject or in which it makes purchases, offers, sales or deliveries of the securities. Barclays Bank PLC will not have responsibility for any compliance by the relevant underwriter, dealer or agent with the applicable laws and regulations or obtaining any required consent, approval or permission.

*Argentina.* The offering of the securities has not been registered with the Argentine Securities and Exchange Commission (Comisión Nacional de Valores, or the “CNV”). The CNV has neither approved nor disapproved the securities, nor has the CNV passed upon or endorsed the merits of any offering or the accuracy or adequacy of the prospectus. As a result, the securities may not be publicly offered or sold within Argentina, and, accordingly, any transaction involving the securities within Argentina must be done in a manner that does not constitute a public offering or a public distribution of the securities under Argentine laws. The prospectus does not constitute an offer to sell any of the securities referred to therein to any prospective purchaser of the securities in Argentina, nor do they constitute a solicitation of any prospective purchaser of the securities in Argentina of an offer to buy any of the securities referred to therein, under circumstances in which such offer or solicitation (as applicable) would be unlawful.

*Aruba.* BARCLAYS BANK PLC HAS NOT APPLIED FOR DISPENSATION AS REFERRED TO IN ARTICLE 48 (3) OF THE STATE ORDINANCE ON THE SUPERVISION OF THE CREDIT SYSTEM (*LANDSVERORDENING TOEZICHT KREDIETWEZEN*, OR THE “STATE ORDINANCE”) IN RELATION TO THE SECURITIES OFFERED OR TO BE OFFERED UNDER THIS PROSPECTUS. HENCE, THE SECURITIES DESCRIBED HEREIN MAY NOT, DIRECTLY OR INDIRECTLY, BE OFFERED, SOLD, TRANSFERRED OR DELIVERED AS PART OF THEIR INITIAL DISTRIBUTION, OR AT ANY TIME THEREAFTER, IN ARUBA, OTHER THAN TO INDIVIDUALS OR ENTITIES THAT DO NOT QUALIFY AS ‘THE PUBLIC’ WITHIN THE MEANING OF THE STATE ORDINANCE (I.E. TO (I) THE COUNTRY OF ARUBA, (II) THE CENTRAL BANK OF ARUBA, (III) INSTITUTIONS UNDER INTERNATIONAL PUBLIC LAW IN WHICH THE KINGDOM OF THE NETHERLANDS PARTICIPATES, (IV) ENTERPRISES AND INSTITUTIONS WHICH HAVE BEEN REGISTERED UNDER THE STATE ORDINANCE). HOWEVER, THE SECURITIES DESCRIBED HEREIN MAY WITHOUT REGISTRATION OR AUTHORIZATION OF BARCLAYS BANK PLC UNDER THE STATE ORDINANCE BE OFFERED, SOLD, TRANSFERRED OR DELIVERED TO INDIVIDUALS OR ENTITIES THAT DO QUALIFY AS ‘THE PUBLIC’ IF THESE SECURITIES ARE OFFERED, SOLD, TRANSFERRED OR DELIVERED TO AN INDIVIDUAL OR ENTITY FOR A TOTAL CONSIDERATION PER OFFER, SALE, TRANSFER OR DELIVERY TO SUCH INDIVIDUAL OR ENTITY OF AT LEAST AFL. 1,000,000 (ONE MILLION ARUBA FLORIN).

*Bahamas.* The securities may not be offered or sold in or from within The Bahamas unless the offer or sale is made by a person appropriately licensed or registered to conduct securities business in or from within The Bahamas.

The securities may not be offered or sold to persons or entities deemed resident in The Bahamas pursuant to the Exchange Control Regulations, 1956 of The Bahamas unless the prior approval of the Central Bank of The Bahamas is obtained.

No offer or sale of the securities may be made in The Bahamas unless a preliminary prospectus and a prospectus have been filed with the Securities Commission of The Bahamas and the Securities Commission of The Bahamas has issued a receipt for each document, unless such offering is exempted pursuant to the Securities Industry Act, 2011 and the Securities Industry Regulations, 2012. This prospectus has not been registered with the Securities Commission of The Bahamas, nor have any applications been made to exempt such offer from the filing of a prospectus with the Securities Commission of The Bahamas under the Securities Industries Act, 2011. No offer or sale of any securities of the issuer can be made in The Bahamas unless the offer of the securities is made by or through a firm which is registered with the Securities Commission of The Bahamas to engage in the business of dealing in securities in The Bahamas and in compliance with Bahamian Exchange Control Regulations.

*Belize.* The prospectus has not been registered in Belize and the securities may not be offered to the general public in Belize.

*Bermuda.* THE SECURITIES MAY BE OFFERED OR SOLD IN BERMUDA ONLY IN COMPLIANCE WITH THE PROVISIONS OF THE INVESTMENT BUSINESS ACT 2003 AND THE EXCHANGE CONTROL ACT 1972 (AND REGULATIONS MADE THEREUNDER) (THE “EXCHANGE CONTROL ACT”) AND THE REQUIREMENTS OF THE RELATED REGULATIONS OF BERMUDA WHICH REGULATE THE SALE OF SECURITIES IN BERMUDA.

*Bolivia.* This prospectus is intended for informative purposes only. It should not be construed as a contract to engage in any type of transaction with regards to the securities and financial products. This prospectus has been distributed to specific potential clients and should not be construed in any way as a public offering of the securities.

*Brazil.* The securities have not been, and will not be, registered with the Brazilian Securities and Exchange Commission (Comissão de Valores Mobiliários, or the “CVM”). The securities may not be offered or sold in Brazil, except in circumstances that do not constitute a public offering or unauthorized distribution of securities in Brazil or an undue solicitation of investors under Brazilian laws and regulations. Any documents or other materials relating to any offering of the securities, as well as the information contained herein, may not be supplied in Brazil as part of any public offering, unauthorized distribution or undue solicitation of investors, and may not be used in connection with any offer for subscription, sale, unauthorized distribution of the securities or undue solicitation of investors in Brazil.

*British Virgin Islands.* The distribution of the prospectus does not constitute a public offer within the meaning of the Securities and Investment Business Act 2010 of the British Virgin Islands, and the prospectus has not been registered with or approved by the Financial Services Commission or any other governmental or regulatory authority in the British Virgin Islands. Notwithstanding that Part II of the Securities and Investment Business Act, 2010 (“SIBA”) is not, as at the date of this prospectus, in force, this prospectus shall *not* be distributed to or received by any person in the Virgin Islands if the distribution of this prospectus to or receipt of this prospectus by that person shall constitute an offer of the securities to the public for the purposes of SIBA.

*Cayman Islands.* No invitation whether directly or indirectly may be made to the public in the Cayman Islands to subscribe for the securities.

*Chile.* Neither Barclays Bank PLC nor the securities will be registered in the *Registro de Valores Extranjeros* (Foreign Securities Registry) maintained by the *Comisión para el Mercado Financiero de Chile* (Chilean Financial Market Commission or “CMF”) and will not be subject to the supervision of the CMF. If such securities are offered within Chile, they will be offered and sold only pursuant to General Rule 336 of the CMF, an exemption to the registration requirements, or in circumstances which do not constitute a public offer of securities in Chile within the meaning of Article 4 of the Chilean Securities Market Law 18,045. The commencement date of this offering is the one contained in the cover pages of the prospectus. The issuer has no obligation to deliver public information in Chile. These securities shall not be subject to public offering in Chile unless registered in the Foreign Securities Registry.

**Barclays Bank PLC y los Valores no serán registrados en el Registro de Valores Extranjeros de la Comisión para el Mercado Financiero de Chile o “CMF” y no están sujetos a la fiscalización de la CMF. Si dichos Valores son ofrecidos dentro de Chile, serán ofrecidos y colocados sólo de acuerdo a la Norma de Carácter General 336 de la CMF, una excepción a la obligación de registro, o en circunstancias que no constituyan una oferta pública de valores en Chile según lo definido por el Artículo 4 de la Ley 18.045 de Mercado de Valores de Chile. La fecha de inicio de la presente oferta es la indicada en la portada de el prospecto. El emisor no está obligado a entregar información pública en Chile. Los Valores no podrán ser objeto de oferta pública mientras no sean inscritos en el Registro de Valores Extranjeros de la CMF.**

*Colombia.* The securities have not been, and will not be, registered in the National Securities and Issuers Registry (*Registro Nacional de Valores y Emisores*) of Colombia or traded on the Colombian Stock Exchange (*Bolsa de Valores de Colombia*). Therefore, the securities may not be publicly offered in Colombia or traded on the Colombian Stock Exchange.

The prospectus is for the sole and exclusive use of the addressee as an offeree in Colombia, and the prospectus shall not be interpreted as being addressed to any third party in Colombia or for the use of any third party in Colombia, including any shareholders, administrators or employees of the addressee.

The recipient of the securities acknowledges that certain Colombian laws and regulations (specifically foreign exchange and tax regulations) are applicable to any transaction or investment made in connection with the securities being offered and represents that it is the sole party liable for full compliance with any such laws and regulations.

*Costa Rica.* The securities are not intended for the Costa Rican public or the Costa Rican market and are not registered, and will not be registered, with the General Superintendence of Securities (the “SUGEVAL”) as part of any public offering of securities in Costa Rica. The prospectus relates to an individual, private offering that is made in Costa Rica in reliance upon an exemption from registration with the SUGEVAL pursuant to articles 7 and 8 of the Regulations on the Public Offering of Securities (*Reglamento de Oferta Pública de Valores*). The information contained in the prospectus is confidential, and the prospectus is not to be reproduced or distributed to third parties in Costa Rica.

*Curacao.* BARCLAYS BANK PLC HAS NOT APPLIED FOR DISPENSATION AS REFERRED TO IN ARTICLE 45(4) OF THE STATE ORDINANCE ON THE SUPERVISION OF BANKING AND CREDIT INSTITUTIONS (*LANDSVERORDENING TOEZICHT BANK - EN KREDIETWEZEN*, OR THE “STATE ORDINANCE”) IN RELATION TO THE SECURITIES OFFERED OR TO BE OFFERED UNDER THIS PROSPECTUS. HENCE, THE SECURITIES DESCRIBED HEREIN MAY NOT, DIRECTLY OR INDIRECTLY, BE OFFERED, SOLD, TRANSFERRED OR DELIVERED AS PART OF THEIR INITIAL DISTRIBUTION, OR AT ANY TIME THEREAFTER, IN CURACAO, OTHER THAN TO INDIVIDUALS OR ENTITIES THAT DO NOT QUALIFY AS ‘THE PUBLIC’ WITHIN THE MEANING OF THE STATE ORDINANCE (I.E. TO INDIVIDUALS OR ENTITIES THAT QUALIFY AS A CREDIT INSTITUTION WITHIN THE MEANING OF ARTICLE 1 OF THE STATE ORDINANCE).

*Dominican Republic.* The prospectus does not constitute a qualifying public offer of securities under Stock Market Law 249-17 and under the regulations and directives approved by the Superintendence of Securities (SIV) and the National Securities Council and is an unregistered security in the territory of the Dominican Republic. The issuer is not an economic agent under the definitions of Law 249-17. Therefore, the issuer is neither subject to the registration procedures nor is bound by the disclosure of relevant information requirements established in the aforementioned regulation.

*El Salvador.* The recipient of the prospectus acknowledges that the prospectus has been provided by Barclays Bank PLC upon the recipient’s request and under a private placement of securities.

*European Economic Area.* In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each a “**Relevant Member State**”), each underwriter, dealer or agent in connection with an offering of securities has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of securities which are the subject of the offering contemplated by this prospectus to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such securities to the public in that Relevant Member State:

- (a) if the issuer expressly specifies that an offer of those securities may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “**Public Offer**”), following the date of publication of a prospectus in relation to such securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Public Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the issuer has consented in writing to its use for the purpose of that Public Offer;
- (b) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

- (c) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant underwriters, dealers or agents for any such offer; or
- (d) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of securities referred to in (b) to (d) above shall require the issuer or any underwriter, dealer or agent to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or to supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this section “European Economic Area”, the expression “an offer of securities to the public” in relation to any securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe for the securities, as the same may be varied in that Relevant Member State, and by any measure implementing the Prospectus Directive in that Relevant Member State, and the expression “**Prospectus Directive**” means Directive 2003/71/EC, as amended or superseded, and includes any relevant implementing measure in the Relevant Member State.

Each underwriter, dealer or agent in connection with an offering of securities has represented and agreed that in relation to any offering of securities for which Directive 2014/65/EU and Regulation (EU) No 600/2014 (together, as may be amended from time to time, “**MiFID II/MiFIR**”) applies, any commission or fee received from the issuer complies with the applicable rules set out in MiFID II/MiFIR.

*Guatemala.* This communication and any accompanying information (the “Materials”) are intended solely for informational purposes and do not constitute (and should not be interpreted to constitute) the offering, selling, or conducting of business with respect to such securities, products or services in the jurisdiction of the addressee (this “Jurisdiction”), or the conducting of any brokerage, banking or other similarly regulated activities (“Financial Activities”) in this Jurisdiction. Neither Barclays Bank PLC nor the securities, products and services described herein are registered (or intended to be registered) in this Jurisdiction. Furthermore, neither Barclays Bank PLC nor the securities, products, services or activities described herein are regulated or supervised by any governmental or similar authority in this Jurisdiction. The Materials are private, confidential and are provided by Barclays Bank PLC only for the exclusive use of the addressee. The Materials must not be publicly distributed and any use of the Materials by anyone other than the addressee is not authorized. The addressee is required to comply with all applicable laws in this Jurisdiction, including, without limitation, tax laws and exchange control regulations, if any.

*Honduras.* This communication and accompanying materials are intended solely for informational purposes and do not constitute (and should not be interpreted to constitute) the offering, selling, or conducting of business with respect to such securities, products or services in the jurisdiction of the addressee, or the conducting of any banking, brokerage, investment advisory or other similarly regulated activities in this jurisdiction. Neither Barclays Bank PLC nor the products, services or securities described herein are registered (or intended to be registered) in this jurisdiction. Furthermore, neither Barclays Bank PLC nor the products, services, securities or activities described herein are regulated or supervised by any governmental or similar authority in this jurisdiction. The information provided is private, confidential and is provided by Barclays Bank PLC only for the exclusive use of the addressee. The materials must not be publicly distributed and any use of them by anyone other than the addressee is not authorized. The addressee is required to comply with all applicable laws in this jurisdiction, including, without limitation, tax laws and exchange control regulations, if any.

*Mexico.* The securities have not been, and will not be, registered with the National Securities Registry maintained by the Mexican National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*) and, therefore, the securities may not be publicly offered or sold nor be the subject of intermediation in Mexico, publicly or otherwise, except that the securities may be offered in Mexico to investors that qualify as institutional or accredited investors pursuant to the private placement exception set forth in Article 8 of the Mexican Securities Market Law.

*Nicaragua.* The securities offered in this document are only available to determined customers known by the distributor, and which have suitable financial situation, risk tolerance, and sophistication as determined at the sole discretion of the distributor. The securities offered in this document may not be offered or sold publicly in Nicaragua.

*Panama.* The securities have not been, and will not be, registered with the Superintendence of Capital Markets (the “SCM”) under Decree Law No. 1 of 8 July 1999 and Law 67 of 1 September 2011 and its regulations (the “Panamanian Securities Act”) and may not be publicly offered or sold within Panama, except in certain limited transactions exempted from the registration requirements of the Panamanian Securities Act. The securities do not benefit from the tax incentives accorded to registered securities by the Panamanian Securities Act and are not subject to regulation or supervision by the SCM.

*Paraguay.* This does not constitute a public offering of securities or other financial products and services in Paraguay. You acknowledge that the securities and financial products offered herein were issued outside of Paraguay. You acknowledge that any legal matter arising from any offering of the securities shall not be submitted to any Paraguayan government authority. You acknowledge that the Paraguayan Deposit Insurance legislation does not insure investments in the offered securities. The Paraguayan Central Bank (Banco Central del Paraguay), the Paraguayan National Stock Exchange Commission (*Comisión Nacional de Valores del Paraguay*) and the Paraguayan Banking Superintendence (Superintendencia de Bancos del Banco Central del Paraguay) do not regulate any offering of the securities or any obligations that may arise from such offering. You should make your own decision whether any offering meets your investment objectives and risk tolerance level.

*Esta oferta no constituye el ofrecimiento público de valores u otros productos y servicios financieros en Paraguay. Ud. reconoce que los valores y los productos financieros ofrecidos por este medio fueron emitidos fuera del Paraguay. Ud. acepta que cualquier disputa o conflicto legal que surja en virtud de esta oferta no será sometida a autoridad pública Paraguaya alguna. Asimismo, Ud. reconoce que la Ley de Garantía de Depósitos de su país de residencia no cubre los productos ofrecidos por este medio, ni los activos y fondos transferidos a estos efectos. El Banco Central del Paraguay, la Comisión Nacional de Valores del Paraguay, y la Superintendencia de Bancos del Banco Central del Paraguay no regulan ni son responsables de la oferta de estos productos o su aceptación. Ud. debe evaluar si la presente oferta cumple con sus objetivos de inversión y niveles de tolerancia de riesgos.*

*Peru.* General Notice for Private Offer: The securities and the information contained in this prospectus have not been, and will not be, registered with or approved by the Peruvian Capital Markets Superintendency (*Superintendencia del Mercado de Valores* or “SMV”) or the Lima Stock Exchange (*Bolsa de Valores de Lima* or “BVL”). Accordingly, the securities cannot be offered or sold in Peru, except if such offering is considered a private offering under the securities laws and regulations of Peru. The Peruvian securities market law establishes, among other things, that any particular offer may qualify as private if it is directed exclusively to institutional investors.

Notice to Private Pension Funds and Insurance Companies in Peru: Private Pension Funds (*Administradoras Privadas de Fondos de Pensiones*) and Insurance Companies (*Compañías de Seguros*) in Peru should seek their own legal advice as to the eligibility of the securities and legal, financial and technical advice as to their capacity to acquire the securities in compliance with the limits set out by applicable Peruvian law. In particular, to acquire securities that incorporate derivatives or alternative instruments in their structure or alternative instruments offered by alternative funds, Peruvian Private Pension Funds should obtain previous authorization from the Peruvian Banking, Insurance and Private Pension Fund Administrators Superintendency (*Superintendencia de Banca, Seguros y Administradoras Privadas de Fondos de Pensiones* or “SBS”), in order to make the securities eligible for investment by such entities, as required by Peruvian law.

Other institutional investors, as defined by Peruvian legislation, must rely on their own examination of the terms of the offering of the securities to determine their ability to invest in them.

*Sint Maarten.* BARCLAYS BANK PLC HAS NOT APPLIED FOR DISPENSATION AS REFERRED TO IN ARTICLE 45 (2) OF THE STATE ORDINANCE ON THE SUPERVISION OF BANKING AND CREDIT INSTITUTIONS (*LANDSVERORDENING TOEZICHT BANK- EN KREDIETWEZEN*, OR THE “STATE ORDINANCE”) IN RELATION TO THE SECURITIES OFFERED OR TO BE OFFERED UNDER THIS PROSPECTUS. HENCE, THE SECURITIES DESCRIBED HEREIN MAY NOT, DIRECTLY OR INDIRECTLY, BE OFFERED, SOLD, TRANSFERRED OR DELIVERED AS PART OF THEIR INITIAL DISTRIBUTION OR AT ANY TIME THEREAFTER, IN SINT MAARTEN, OTHER THAN TO INDIVIDUALS OR ENTITIES THAT DO NOT QUALIFY AS ‘THE PUBLIC’ WITHIN THE MEANING OF THE STATE ORDINANCE (I.E. TO INDIVIDUALS OR ENTITIES THAT QUALIFY AS A CREDIT INSTITUTION WITHIN THE MEANING OF ARTICLE 1 OF THE STATE ORDINANCE).



*United Kingdom.* Any offeror of the securities will be required to represent and agree that:

- (a) *Financial Promotion:* it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any securities in circumstances in which section 21(1) of the FSMA would not, if it was not an authorized person, apply to the issuer; and
- (b) *General Compliance:* it has complied and will comply with all applicable provisions of the FSMA and the Financial Conduct Authority Handbook with respect to anything done by it in relation to any securities in, from or otherwise involving the United Kingdom.

*Uruguay.* The sale of the securities qualifies as a private placement pursuant to section 2 of Uruguayan law 18.627. Each distributor of the securities represents and agrees that it has not offered or sold, and will not offer or sell, any securities to the public in Uruguay, except in circumstances which do not constitute a public offering or distribution under Uruguayan laws and regulations. The securities are not and will not be registered with the Central Bank of Uruguay to be publicly offered in Uruguay.

In the case of funds: The securities correspond to investment funds that are not investment funds regulated by Uruguayan law 16,774 dated 27 September 1996, as amended.

*Venezuela.* Pursuant to the Venezuelan Securities Market Act, no public offering of securities can be made in the country without the prior authorization from, and registration with, the National Securities Superintendency (*Superintendencia Nacional de Valores*). There is no such authorization or registration with regards to this document and there is no intention to make a public offering of securities in Venezuela.

## USE OF PROCEEDS AND HEDGING

We will use the net proceeds we receive from the issue and subscription of the securities for general corporate purposes. We or our affiliates may also use those proceeds in transactions intended to hedge our obligations under the securities as described below.

On or prior to the issue and subscription of the securities, we or our affiliates expect to enter into hedging transactions to hedge some or all of our anticipated exposure by, for example, taking or modifying positions in the reference assets and listed or over-the-counter options on the reference assets. From time to time, we or our affiliates may enter into additional hedging transactions or unwind those we have entered into.

In this regard, we or our affiliates may, throughout the life of the securities:

- acquire or dispose of long or short positions in listed or over-the-counter options, futures or other instruments linked to the reference asset,
- acquire or dispose of long or short positions in the reference assets or components of the reference assets,
- acquire or dispose of long or short positions in listed or over-the-counter options, futures or other instruments designed to track the performance of the reference assets or their components, or
- any other transaction or arrangement.

We or our affiliates may acquire a long or short position in securities similar to the securities from time to time and may, in our or their sole discretion, hold or resell those securities.

We or our affiliates may close out our or their hedge on or before a valuation date. That step may involve sales or purchases of some or all of the components of the reference asset, or listed or over-the-counter options, futures or other instruments linked to the reference assets or their components.

***The hedging activity discussed above may adversely affect the market value of the securities from time to time. This hedging activity may result in a profit that is more or less than expected, or it may result in a loss. It is possible that these hedging or trading activities could result in substantial returns for us or our affiliates while the value of the securities declines. We have no obligation to engage in any manner of hedging activity and will do so solely at our discretion and for our own account. See “Risk Factors” in this prospectus supplement for a discussion of these adverse effects.***

## MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES

The following discussion supersedes the discussion set forth in “Tax Considerations—U.S. Taxation” in the accompanying prospectus. The following is a general discussion of material U.S. federal income tax consequences of the ownership and disposition of notes. It applies to you if you hold notes as capital assets within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the “Code”). This discussion does not address all aspects of U.S. federal income taxation that may be relevant to you in light of your particular circumstances, including alternative minimum tax consequences and the application of the “Medicare contribution tax” on investment income, the special tax accounting rules under Code Section 451(b), as well as the different consequences that may apply if you are subject to special treatment under the U.S. federal income tax laws, such as:

- a financial institution;
- an insurance company;
- a “regulated investment company” as defined in Code Section 851;
- a “real estate investment trust” as defined in Code Section 856;
- a tax-exempt entity, including an “individual retirement account” or “Roth IRA” as defined in Code Section 408 or 408A, respectively;
- a dealer in securities;
- a person holding a note as part of a hedging transaction, “straddle,” conversion transaction or integrated transaction, or who has entered into a “constructive sale” with respect to a note;
- a U.S. Holder (as defined below) whose functional currency is not the U.S. dollar;
- a former citizen or resident of the United States;
- a trader in securities who elects to apply a mark-to-market method of tax accounting; or
- a partnership or other entity classified as a partnership for U.S. federal income tax purposes.

If you are a partnership for U.S. federal income tax purposes, the U.S. federal income tax treatment of your partners will generally depend on the status of the partners and your activities.

We will not attempt to ascertain whether any entity the stock of which either is or is included in a reference asset would be treated as a “passive foreign investment company” (a “PFIC”) within the meaning of Code Section 1297 or as a “United States real property holding corporation” (a “USRPHC”) within the meaning of Code Section 897. If any such entity were so treated, certain adverse U.S. federal income tax consequences might apply, to a U.S. Holder (as defined below) in the case of a PFIC, or to a Non-U.S. Holder (as defined below) in the case of a USRPHC, upon the sale, exchange or retirement of the notes. You should refer to information filed by such entities with the Securities and Exchange Commission or an equivalent governmental authority and consult your tax advisor regarding the possible consequences to you if any such entity is or becomes a PFIC or a USRPHC.

This discussion is based on the Code, administrative pronouncements, judicial decisions and final, temporary and proposed Treasury regulations as of the date of this prospectus supplement, all of which are subject to change, possibly with retroactive effect. The effects of any applicable state, local, or foreign tax laws are not discussed. **You should consult your tax advisor concerning the application of U.S. federal income and estate tax laws to your particular situation (including the possibility of alternative treatments of your notes), as well as any tax consequences arising under the laws of any state, local or foreign jurisdiction.**

This discussion does not address the U.S. federal income tax consequences of the ownership or disposition of any reference asset or other property that you may receive at maturity or otherwise pursuant to the terms of your notes. You should consult your tax advisor regarding the potential U.S. federal income tax consequences of the ownership and disposition of any reference asset. This discussion also does not address notes linked to one or more foreign currencies (other than certain notes denominated in a foreign currency), the tax treatment of which will be specified in the applicable pricing supplement. In addition, the discussion does not address the tax consequences of the purchase, beneficial ownership and disposition of warrants, the consequences of which will be described in the applicable pricing supplement.

### **Tax Treatment of the Notes**

The tax treatment of the notes for U.S. federal income tax purposes will depend upon the facts at the time of the relevant offering. At the time of the relevant offering, we may seek an opinion of counsel regarding the tax consequences of the ownership and disposition of the notes. In this event, whether or not counsel is able to opine regarding the correctness of the treatment we intend to apply to a particular offering of notes, we generally expect that counsel will be able to opine that the tax consequences described in the applicable sections below are the relevant tax consequences of owning and disposing of the notes if that treatment is respected, and to describe certain tax consequences that may apply if it is not respected.

The following discussion assumes the treatment described in the applicable section below is respected, except where otherwise indicated. The relevant pricing supplement may indicate other issues applicable to a particular offering of notes.

### **Tax Consequences to U.S. Holders**

The following discussion applies to you if you are a “U.S. Holder” of a note. You are a “U.S. Holder” if for U.S. federal income tax purposes you are a beneficial owner of a note that is:

- a citizen or individual resident of the United States;
- a corporation or other entity taxable as a corporation created or organized under the laws of the United States, any state therein or the District of Columbia; or
- an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

### ***Notes Treated as Indebtedness for U.S. Federal Income Tax Purposes***

The following discussion applies to notes properly treated as indebtedness for U.S. federal income tax purposes, and so will not apply to notes described below under “—Notes Treated as Prepaid Forward or Derivative Contracts,” “—Notes Treated as Prepaid Forward or Derivative Contracts with Associated Coupons,” “—Notes Treated as Prepaid Forward or Derivative Contracts with Associated Contingent Coupons,” and “—Notes Treated as Put Options and Deposits,” or if otherwise stated in an applicable pricing supplement.

The relevant pricing supplement will indicate whether we intend to treat your notes as “OID Notes,” “VRDIs,” “CPDI Notes,” or “foreign currency notes,” and may also disclose our or our counsel’s comfort on this treatment (if any), as well as possible alternative treatments.

### ***Notes with a Term of Not More than One Year***

The following discussion applies to notes with a term of not more than one year (including either the issue date or the last possible date that the notes could be outstanding pursuant to their terms, but not both), to which we refer as “short-term obligations.” The following discussion does not apply to short-term obligations denominated in a specified currency other than the U.S. dollar, the tax treatment of which will be described in the relevant pricing supplement.

Generally, a short-term obligation is treated for U.S. federal income tax purposes as issued at a discount equal to the difference between the payments due thereon and the instrument's issue price, and this discount is treated as interest income when received or accrued, in accordance with your method of tax accounting. There is no authority, however, regarding the accrual of discount on short-term obligations that provide for contingent payments, and no ruling will be requested from the IRS with respect to these notes. As a result, several aspects of the U.S. federal income tax consequences of an investment in these notes are uncertain, as discussed below.

*Tax Treatment Prior to Maturity.* If you are a cash-method holder, you will not be required to recognize income with respect to the notes prior to maturity, other than with respect to amounts received as stated interest, if any, or received pursuant to a sale or exchange, as described below. You may, however, elect to accrue discount into income on a current basis, in which case you would be subject to the rules described in the following paragraph. Generally, a cash-method owner of a short-term obligation that does not make this election is required to defer deductions with respect to any interest paid on indebtedness incurred to purchase or carry the short-term obligation, to the extent of accrued discount that the owner has not yet included in income (or accounted for in connection with a sale or exchange of the obligation). As noted above, however, there is no authority regarding the accrual of discount on short-term obligations such as the notes. It is therefore unclear how, if at all, the rules regarding deferral of interest deductions would apply to your notes.

Generally, accrual-method owners and certain other owners of a short-term obligation (including electing cash-method owners) are required to accrue discount on the obligation into income on a straight-line basis, unless they elect to accrue the discount on a constant-yield basis based on a compounding of interest. As noted above, however, there is no authority regarding the accrual of discount on short-term obligations such as the notes. Consequently, the timing and amounts of the discount to be accrued on these notes is generally unclear. If the overall amount of discount that will be received has become fixed (or the likelihood of this amount not being a fixed amount has become remote) prior to maturity, it is likely that the amount of discount to be accrued will be determined based on the fixed amount.

*Tax Treatment upon Sale, Exchange or Redemption.* Upon a sale or exchange of a note (including redemption at maturity), you will recognize gain or loss in an amount equal to the difference between the amount you receive and your adjusted basis in the note. Your adjusted basis in the note will equal the amount you paid to acquire the note, increased by any discount that you have previously included in income but not received. The amount of any resulting loss will be treated as a capital loss. A loss may be subject to special reporting requirements if it exceeds certain thresholds, although this is unclear. Gain resulting from redemption at maturity should be treated as ordinary interest income.

Generally, in the case of a cash-method owner of a short-term obligation who has not elected an accrual method of accounting, gain recognized on a sale or exchange prior to maturity is treated as ordinary interest income in an amount not exceeding the accrued but unpaid discount. As noted above, however, there is no authority regarding the accrual of discount on short-term obligations such as the notes. If the overall amount of discount that will be received at maturity has become fixed (or the likelihood of this amount not being a fixed amount has become remote) prior to the sale or exchange, it is likely that the portion of a cash-method U.S. Holder's gain on the sale or exchange that will be treated as accrued discount (and, therefore, taxed as interest income) will be determined based on the fixed amount. If you are a cash-method U.S. Holder, any portion of gain attributable to fixed but unpaid stated interest will be treated as interest income to you.

Generally, in the case of an owner that is subject to an accrual method of accounting, gain recognized on a sale or exchange of a short-term obligation will be short-term capital gain, because accrued discount will already have been included in the owner's income. As noted above, however, there is no authority regarding the accrual of discount on short-term obligations such as the notes. Consequently, there is uncertainty regarding what portion, if any, of gain recognized upon the sale or exchange of a note prior to maturity by a U.S. Holder subject to an accrual method of accounting will be treated as short-term capital gain. Notwithstanding this uncertainty, if you are subject to an accrual method of accounting, you will recognize interest income no later than, and in an amount not less than, if the notes were subject to cash-method accounting.

### *Notes with a Term of More than One Year*

If the term of the notes (including either the issue date or the last possible date that the notes could be outstanding pursuant to their terms, but not both) is more than one year, the following discussion applies.

We expect to treat notes with a term of more than one year that provide for interest payments at least annually at a variable rate as either “contingent payment debt instruments” or “variable rate debt instruments,” depending on the terms of the particular offering. In either case, we expect that there will be some risk that the Internal Revenue Service (“IRS”) could determine that our treatment of these notes was incorrect. For example, if we treat notes as variable rate debt instruments, we expect that there will be some risk that the IRS could determine that they were in fact contingent payment debt instruments, or *vice versa*. Any such determination could have adverse U.S. federal income tax consequences for you.

The tax consequences of notes properly treated as “contingent payment debt instruments” are described exclusively in the section entitled “—Contingent Payment Debt Instruments,” below.

### *Payments of Interest*

Interest paid on the notes will be taxable to you as ordinary income at the time it accrues or is received in accordance with your method of tax accounting, provided that the interest is “qualified stated interest” (as defined below under “—Original Issue Discount Notes”). Special rules apply to the treatment of interest paid with respect to certain notes, as described under “—Original Issue Discount Notes,” “—Foreign Currency Notes,” and “—Variable Rate Debt Instruments,” below.

### *Original Issue Discount Notes*

A note that has an “issue price” that is less than its “stated redemption price at maturity” will be considered to have been issued with original issue discount (“OID”) for federal income tax purposes unless the note satisfies a *de minimis* threshold (as described below). We refer to these notes as “OID Notes.”

The “issue price” of a note will be the first price at which a substantial amount of the notes is sold to the public (not including sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The “stated redemption price at maturity” of a note generally will equal the sum of all payments required under the note other than payments of “qualified stated interest.” “Qualified stated interest” is stated interest unconditionally payable in cash or in property (other than in debt instruments of the issuer) at least annually during the entire term of the note and equal to the outstanding principal balance of the note multiplied by a single fixed rate of interest. In addition, qualified stated interest includes, among other things, stated interest on a “variable rate debt instrument” that is unconditionally payable at a single qualified floating rate of interest or at a rate that is (among other things) determined pursuant to a single fixed formula based on objective financial or economic information. A rate generally is a qualified floating rate if variations in the rate can reasonably be expected to measure contemporaneous fluctuations in the cost of newly borrowed funds in the currency in which the note is denominated.

If the difference between a note’s stated redemption price at maturity and its issue price is less than a *de minimis* amount, *i.e.*, generally, 1/4 of 1% of the stated redemption price at maturity multiplied by the number of complete years from issuance to maturity (or, in certain circumstances, the weighted average maturity), the note will not be considered to have OID. If you hold notes with a *de minimis* amount of OID, you will include this OID in income, as capital gain, on a *pro rata* basis as principal payments are made on the notes.

You will be required to include OID in income for federal income tax purposes as it accrues in accordance with a constant-yield method based on a compounding of interest, regardless of whether cash attributable to this income is received. Under this method, you generally will be required to include in income increasingly greater amounts of OID in successive accrual periods.

You may make an election to include in gross income all interest that accrues on any note treated as indebtedness (including stated interest, acquisition discount, OID, *de minimis* OID, market discount, *de minimis* market discount and unstated interest, as adjusted by any amortizable bond premium or acquisition premium) in accordance with a constant-yield method based on a compounding of interest (a “constant-yield election”).

#### *Optional Redemptions*

We may have an unconditional option to redeem, or holders may have an unconditional option to require us to redeem, a note prior to its stated maturity date. Under applicable regulations, if we have an unconditional option, or holders have an unconditional option to require us, to redeem a note prior to its stated maturity date, this option will be presumed to be exercised or not exercised if, by utilizing any date on which the note may be redeemed as the maturity date and the amount payable on that date in accordance with the terms of the note as the stated redemption price at maturity, the yield on the note would be lower (in case of our option) or higher (in case of a holder’s option) than its yield to maturity. If an option is not in fact exercised contrary to the above-described assumptions, the note will be treated solely for purposes of calculating OID as if it were redeemed, and a new note will be treated as issued, on the presumed exercise (or non-exercise) date for an amount equal to the note’s adjusted issue price on that date. The adjusted issue price of an OID note is defined as the sum of the issue price of the note and the aggregate amount of previously accrued OID, less any prior payments other than payments of qualified stated interest.

#### *Market Discount*

If you purchase a note for an amount that is less than its stated redemption price at maturity or, in the case of an OID Note or OID VRDI Note (as defined herein under “—Variable Rate Debt Instruments”), its adjusted issue price, the amount of the difference will be treated as market discount for federal income tax purposes, unless this difference is less than a specified *de minimis* amount.

You will be required to treat any principal payment (or, in the case of an OID Note or OID VRDI Note, any payment that does not constitute qualified stated interest) on, or any gain on the sale, exchange or redemption of a note, including disposition in certain nontaxable transactions, as ordinary income to the extent of the market discount accrued on the note at the time of the payment, sale, exchange or redemption unless this market discount has been previously included in income pursuant to an election to include market discount in income as it accrues, or pursuant to a constant-yield election as described under “—Original Issue Discount Notes” above. If the note is disposed of in one of certain nontaxable transactions, accrued market discount will be includible as ordinary income as if you had sold the note in a taxable transaction at its then fair market value. Unless you elect to include market discount in income as it accrues, you generally will be required to defer deductions with regard to any interest paid on indebtedness incurred to purchase or carry the notes in an amount not exceeding the accrued market discount that has not yet been included in income.

If you make a constant-yield election for a note with market discount, that election will result in a deemed election for all market discount bonds acquired on or after the first day of the first taxable year to which that election applies.

#### *Acquisition Premium and Amortizable Bond Premium*

If you purchase a note for an amount that is greater than the note’s adjusted issue price but less than or equal to the sum of all amounts payable on the note after the purchase date, other than payments of qualified stated interest, you will be considered to have purchased the note at an acquisition premium. Under the acquisition premium rules, the amount of OID that you must include in gross income with respect to the note for any taxable year will be reduced by the portion of acquisition premium properly allocable to that year.

If you purchase a note for an amount that exceeds the sum of all amounts payable on the note after the acquisition date, other than payments of qualified stated interest, you will be considered to have purchased the note with amortizable bond premium equal to that excess. The holder may elect to amortize this premium, using a constant-yield method, over the remaining term of the note (where the note is not optionally redeemable prior to its maturity date). If the note may be optionally redeemed prior to maturity, the amount of amortizable bond premium is determined by substituting the call date for the maturity date and the call price for the amount payable at maturity only if the substitution results in a smaller amount of premium attributable to the period before the redemption date.

If you elect to amortize bond premium, you generally may use the amortizable bond premium allocable to an accrual period to offset qualified stated interest otherwise required to be included in income with respect to the note in that accrual period. In addition, you will not be required to include any OID in income with respect to the notes. If you elect to amortize bond premium, you must reduce your tax basis in the note by the amount of the premium amortized in any year. An election to amortize bond premium applies to all taxable debt obligations then owned and thereafter acquired and may be revoked only with the consent of the IRS.

If you make a constant-yield election (as described under “—Original Issue Discount Notes” above) for a note with amortizable bond premium, that election will result in a deemed election to amortize bond premium for all of your debt instruments with amortizable bond premium.

#### *Sale, Exchange or Redemption of the Notes*

Upon a sale or exchange of a note (including redemption of a note at maturity), you will recognize taxable gain or loss equal to the difference between the amount realized on the sale, exchange or redemption and your adjusted tax basis in the note. For these purposes, the amount realized does not include any amount attributable to accrued qualified stated interest on the note. Amounts attributable to accrued qualified stated interest are treated as described under “—Payments of Interest” above. Your adjusted tax basis in a note will generally equal the cost of the note, increased by the amounts of any market discount and OID previously included in income with respect to the note and reduced by any amortized premium and any principal payments received and by the amounts of any other payments that do not constitute qualified stated interest.

Except as described below, gain or loss realized on the sale, exchange or redemption of a note will generally be capital gain or loss and will be long-term capital gain or loss if at the time of sale, exchange or redemption the note has been held for more than one year. Exceptions to this general rule apply to the extent of any accrued market discount. See “—Market Discount” above. In addition, other exceptions to this general rule apply in the case of foreign currency notes. See “—Foreign Currency Notes” below. Gain or loss, if any, will generally be U.S.-source income for purposes of computing your foreign tax credit limitation.

#### *Foreign Currency Notes*

The following discussion summarizes the principal U.S. federal income tax consequences if you are a U.S. Holder of notes that are denominated in a specified currency other than the U.S. dollar, which we refer to as “foreign currency notes.” The tax treatment of foreign currency-linked notes, and notes the payment of interest or principal on which are payable in more than one currency will be specified in the relevant pricing supplement.

The rules applicable to foreign currency notes could require some or all gain or loss on the sale or exchange of a foreign currency note (including redemption of the foreign currency note at maturity) to be recharacterized as ordinary income or loss. The rules applicable to foreign currency notes are complex, and their application may depend on your particular U.S. federal income tax situation. For example, various elections are available under these rules, and whether you should make any of these elections may depend on your particular federal income tax situation. You should consult your tax advisor regarding the U.S. federal income tax consequences of an investment in your foreign currency notes.

If you use the cash method of accounting and receive a payment of qualified stated interest (or proceeds from a sale, exchange or other disposition attributable to accrued qualified stated interest) in a foreign currency with respect to a foreign currency note, you will be required to include in income the U.S. dollar value of the foreign currency payment (determined based on a spot rate on the date the payment is received) regardless of whether the payment is in fact converted to U.S. dollars at the time, and this U.S. dollar value will be your tax basis in the foreign currency. A cash-method holder who receives a payment of qualified stated interest in U.S. dollars pursuant to an option available under that note will be required to include the amount of this payment in income upon receipt.



An accrual-method U.S. Holder will be required to include in income the U.S. dollar value of the amount of interest income (including OID or market discount, but reduced by acquisition premium and amortizable bond premium, to the extent applicable) that has accrued and is otherwise required to be taken into account with respect to a foreign currency note during an accrual period. The U.S. dollar value of the accrued income will be determined by translating the income at the average rate of exchange for the accrual period or, with respect to an accrual period that spans two taxable years, at the average rate for the partial period within the taxable year. You will recognize ordinary income or loss (which will not be treated as interest income or expense) with respect to accrued interest income on the date the interest payment or proceeds from the sale or exchange attributable to accrued interest is actually received. The amount of ordinary income or loss recognized will equal the difference between (i) the U.S. dollar value of the foreign currency payment received (determined on the date the payment is received) in respect of the accrual period (or, where you receive U.S. dollars, the amount of the payment in respect of the accrual period) and (ii) the U.S. dollar value of interest income that has accrued during the accrual period (as determined above). Rules similar to these rules apply in the case of a cash-method taxpayer required to currently accrue OID or market discount.

If you use the accrual method of accounting, you may elect to translate interest income (including OID) into U.S. dollars at the spot rate on the last day of the interest accrual period (or, in the case of a partial accrual period, the spot rate on the last day of the taxable year) or, if the date of receipt is within five business days of the last day of the interest accrual period, the spot rate on the date of receipt. If you make this election, you must apply it consistently to all debt instruments from year to year and may not change the election without the consent of the IRS.

OID, market discount, acquisition premium and amortizable bond premium on a foreign currency note will be determined in the relevant foreign currency. If you elect to include market discount in income currently, the amount of market discount will be determined for any accrual period in the relevant foreign currency and then translated into U.S. dollars on the basis of the average rate in effect during the accrual period. Foreign currency gain or loss realized with respect to the accrued market discount will be determined in accordance with the rules relating to accrued interest, described above.

If an election to amortize bond premium is made, amortizable bond premium taken into account on a current basis will reduce interest income in units of the relevant foreign currency. Foreign currency gain or loss is realized on amortized bond premium with respect to any period by treating the bond premium amortized in the period in the same manner as on the sale, exchange or retirement of a foreign currency note, as described below, and any foreign currency gain or loss will be ordinary income or loss. If the election is not made, any loss realized on the sale or exchange of a foreign currency note (including redemption at maturity), other than exchange loss, with amortizable bond premium will be a capital loss to the extent of the bond premium.

Your tax basis in a foreign currency note, and the amount of any subsequent adjustment to your tax basis, will be the U.S. dollar value amount of the foreign currency amount paid for that foreign currency note, or of the foreign currency amount of the adjustment, determined on the date of the purchase or adjustment. If you purchase a foreign currency note with previously owned foreign currency you will recognize ordinary income or loss in an amount equal to the difference, if any, between your tax basis in the foreign currency and the U.S. dollar fair market value of the foreign currency note on the date of purchase.

Gain or loss realized upon the sale, exchange or retirement of a foreign currency note that is attributable to fluctuation in currency exchange rates will be ordinary income or loss, which will not be treated as interest income or expense. Gain or loss attributable to fluctuations in exchange rates will equal the difference between (i) the U.S. dollar value of the foreign currency principal amount of the note, determined at the spot rate on the date the payment is received or the note is disposed of, and (ii) the U.S. dollar value of the foreign currency principal amount of the note, determined on the date you acquired the note. Payments received that are attributable to accrued interest will be treated in accordance with the rules applicable to payments of interest on foreign currency notes, described above. The foreign currency gain or loss (with respect to both principal and interest) on a sale, exchange or retirement will be recognized only to the extent of the total gain or loss realized on the sale, exchange or retirement of a foreign currency note.

The source of the foreign currency gain or loss will be determined by reference to your residence or the residence of the “qualified business unit” on the books of which the note is properly reflected. Any gain or loss in excess of foreign currency gain or loss will be capital gain or loss except to the extent of any accrued market discount. If you recognize a loss upon a sale or other disposition of a foreign currency note and that loss is above certain thresholds, you may be required to file a disclosure statement with the IRS. You should consult your tax advisor regarding this reporting obligation.

You will have a tax basis in any foreign currency received on the sale, exchange or retirement of a foreign currency note equal to the U.S. dollar value of the foreign currency, determined at the time of sale, exchange or retirement. A cash-method taxpayer who buys or sells a foreign currency note is required to translate units of foreign currency paid or received into U.S. dollars at the spot rate on the settlement date of the purchase or sale, provided that the notes are traded on an established securities market. An accrual-method taxpayer may elect the same treatment for all purchases and sales of foreign currency obligations, provided that the notes are traded on an established securities market. This election may not be changed without the consent of the IRS. Any gain or loss realized on a sale or other disposition of foreign currency (including its exchange for U.S. dollars or its use to purchase foreign currency notes) will be ordinary income or loss.

#### *Variable Rate Debt Instruments*

The following discussion applies only to notes treated as variable rate debt instruments (“VRDIs”), which will be indicated in the relevant pricing supplement. The treatment of VRDIs that are issued at a price that is less than their “stated redemption price at maturity” by more than a *de minimis* threshold (an “OID VRDI Note”) will be subject to the OID rules described above under “—Notes with a Term of More than One Year—Original Issue Discount Notes.” This includes certain VRDIs that pay interest other than at a single qualified floating rate or at a rate that is (among other things) determined pursuant to a single fixed formula based on objective financial or economic information. If applicable, the relevant pricing supplement will describe the specific tax consequences relating to your OID VRDI Notes. The following discussion applies to VRDIs that are not OID VRDI Notes.

Interest paid on a VRDI generally will be taxable to you as ordinary income at the time it accrues or is received in accordance with your method of tax accounting.

Upon the sale or exchange of a VRDI (including early redemption or redemption at maturity), you will recognize taxable gain or loss in an amount equal to the difference between the amount realized and your adjusted tax basis in the VRDI. In general, gain or loss realized upon the sale or exchange of a VRDI will be capital gain or loss and will be long-term capital gain or loss if you have held the VRDI for more than one year at that time. The deductibility of capital losses is subject to limitations.

For purposes of determining the amount of gain recognized upon the sale or exchange of a VRDI, the amount realized does not include any amount attributable to accrued interest (other than OID), which will be taxed as such. There is no controlling authority, however, regarding the accrual of a contingent interest payment prior to the time it has become fixed. It is therefore unclear what if any portion of the amount realized upon a sale or exchange of a VRDI prior to maturity will be treated as attributable to interest that has not yet become fixed.

If you purchase a VRDI for an amount that is less than its stated redemption price at maturity (or, in the case of an OID VRDI Note, its adjusted issue price), see the discussion above under “—Market Discount.” If you purchase a VRDI for an amount that is greater than its adjusted issue price, see the discussion above under “—Acquisition Premium and Amortizable Bond Premium.”

#### *Contingent Payment Debt Instruments*

Notes properly treated as contingent payment debt instruments (“CPDI Notes”) will be subject to the OID provisions of the Code and the Treasury regulations issued thereunder, and you will be required to accrue as interest income the OID on the CPDI Notes as described below. The following discussion does not address the tax treatment of foreign currency denominated CPDI Notes, which will be specified in the relevant pricing supplement.

We are required to determine a “comparable yield” for the CPDI Notes. The comparable yield is the yield at which we could issue a fixed-rate debt instrument with terms similar to those of the CPDI Notes, including the level of subordination, term, timing of payments and general market conditions, but excluding any adjustments for the riskiness of the contingencies or the liquidity of the CPDI Notes. Solely for purposes of determining the amount of interest income that you will be required to accrue, we are also required to construct a “projected payment schedule” in respect of the CPDI Notes representing a payment or a series of payments the amount and timing of which would produce a yield to maturity on the CPDI Notes equal to the comparable yield.

Unless otherwise provided in the relevant pricing supplement, we will provide, and you may obtain, the comparable yield for a particular offering of CPDI Notes, and the related projected payment schedule, by requesting them from Barclays EFS Solutions Structuring Americas, at (212) 528-7198.

**Neither the comparable yield nor the projected payment schedule constitutes a representation by us regarding the actual amount(s), if any, that we will pay on the CPDI Notes.**

For U.S. federal income tax purposes, you are required to use our determination of the comparable yield and projected payment schedule in determining interest accruals and adjustments in respect of your CPDI Notes, unless you timely disclose and explain the use of other estimates to the IRS. Regardless of your method of tax accounting, you will be required to accrue as interest income OID on your CPDI Notes in each taxable year at the comparable yield, adjusted as described below.

In addition to interest accrued based upon the comparable yield as described above, you will be required to recognize interest income equal to the amount of any net positive adjustment, *i.e.*, the excess of actual payments over projected payments, in respect of a CPDI Note for a taxable year. A net negative adjustment, *i.e.*, the excess of projected payments over actual payments, in respect of a CPDI Note for a taxable year:

- will first reduce the amount of interest in respect of the CPDI Note that you would otherwise be required to include in income in the taxable year; and
- to the extent of any excess, will give rise to an ordinary loss, but only to the extent that the amount of all previous interest inclusions under the CPDI Note exceeds the total amount of your net negative adjustments treated as ordinary loss on the CPDI Note in prior taxable years.

A net negative adjustment is not treated as a miscellaneous itemized deduction under Code Section 67, and therefore can be deducted against other income such as employment income and interest income. Any net negative adjustment in excess of the amounts described above will be carried forward to offset future interest income in respect of the note or to reduce the amount realized on a sale or exchange of the CPDI Note (including early redemption or redemption at maturity).

Upon a sale or exchange of a CPDI Note (including settlement at maturity, whether in cash or other property), you generally will recognize taxable income or loss equal to the difference between the amount received from the sale, exchange or redemption (or the value of any property received) and your adjusted tax basis in the CPDI Note. Your adjusted tax basis in the CPDI Note will equal the amount you paid to acquire the CPDI Note, increased by the amount of interest income previously accrued by you in respect of the CPDI Note (determined without regard to any of the positive or negative adjustments to interest accruals described above) and decreased by the amount of any prior projected payments in respect of the CPDI Note. You generally must treat any income as interest income and any loss as ordinary loss to the extent of previous interest inclusions (reduced by the total amount of net negative adjustments previously taken into account as ordinary losses), and the balance as capital loss. As with net negative adjustments, these ordinary losses are not treated as miscellaneous itemized deductions under Code Section 67. The deductibility of capital losses, however, is subject to limitations. Additionally, if you recognize a loss above certain thresholds, you might be required to file a disclosure statement with the IRS, although this is uncertain. You should consult your tax advisor regarding this reporting obligation.

You will have a tax basis in any property, other than cash, received upon the sale or exchange of a CPDI Note, including in satisfaction of an exchange right or a call right, equal to the fair market value of the property, determined at the time of receipt. Your holding period for the property will commence on the day after its receipt.

Special rules may apply if one or more contingent payments become fixed prior to maturity. For purposes of the preceding sentence, the payment will be treated as fixed if (and when) all remaining contingencies with respect to it are remote or incidental within the meaning of the applicable Treasury regulations. The applicability of these rules, and their potential consequences, will depend upon the specific terms of the relevant offering. Additional details regarding this issue may be provided in the relevant pricing supplement.

If you purchase CPDI Notes for an amount that is different from their “issue price,” you will be required to account for this difference, generally by allocating it reasonably among projected payments on the notes or daily portions of interest that you are required to accrue with respect to the notes and treating these allocations as adjustments to your income when the payment is made or the interest accrues. You should consult your tax advisor with respect to the tax consequences of an investment in CPDI Notes, including the treatment of the difference, if any, between your basis in your notes and their adjusted issue price.

### ***Notes Treated as Prepaid Forward or Derivative Contracts***

The following describes material U.S. federal income tax consequences of the ownership and disposition of notes that we treat as prepaid forward or derivative contracts for U.S. federal income tax purposes. The applicable pricing supplement will indicate whether we intend to treat the notes as prepaid forward or derivative contracts for U.S. federal income tax purposes. The tax consequences of an investment in these notes are unclear. There is no direct legal authority as to the proper U.S. federal income tax characterization of these notes, and we do not intend to request a ruling from the IRS regarding these notes. The following discussion does not apply to notes that provide for interest or coupon payments. Unless otherwise indicated, the following discussion assumes that the treatment of the notes as prepaid forward or derivative contracts is correct.

Under this treatment, you should not recognize taxable income or loss over the term of the notes prior to their taxable disposition (including at maturity or pursuant to an early redemption or call). Upon a taxable disposition of a note, you should recognize gain or loss equal to the difference between the amount realized on the taxable disposition and your tax basis in the note, which should equal the amount you paid to acquire the note. Subject to the discussion below concerning the potential application of the “constructive ownership” rules under Code Section 1260, this gain or loss should be long-term capital gain or loss if you have held the note for more than one year at that time. The deductibility of capital losses is subject to limitations.

In the case that the notes provide that at maturity you will or may receive the reference asset or other property (that is, if the notes are or may be “physically settleable”), the relevant pricing supplement will describe the specific tax consequences of that feature.

If the notes are linked to an index, the IRS could assert that a “deemed” taxable exchange has occurred on one or more roll dates or index rebalance dates under certain circumstances. If the IRS were successful in asserting that a taxable exchange has occurred, you could be required to recognize gain (but probably not loss), which would equal the amount by which the fair market value of the note exceeds your tax basis therein on the relevant roll date or index rebalance date. Any gain recognized on a deemed exchange should be capital gain. In addition, your holding period for your notes would restart after such deemed taxable exchange.

If the notes are linked to a reference asset that is or includes a “regulated futures contract” within the meaning of Code Section 1256, it is possible that Section 1256 would apply. Generally, under Section 1256, you would be required to mark to market your investment and treat gain or loss as 40% short-term capital gain or loss and 60% long-term capital gain or loss.

### ***Potential Application of the Constructive Ownership Rules***

If the reference asset or a basket component is a “pass-thru entity” (such as an exchange-traded fund), the notes could be treated as “constructive ownership transactions” within the meaning of Code Section 1260, in which case the tax consequences of a taxable disposition of the notes could be materially and adversely affected. If a note were treated in whole or in part as a constructive ownership transaction, all or a portion of any long-term capital gain you would otherwise recognize on a taxable disposition of the note (or in the case of physical settlement of the note, are deemed to recognize) would be recharacterized as ordinary income to the extent such gain exceeded the “net underlying long-term capital gain.” Under Section 1260, the net underlying long-term capital gain is generally the

net long-term capital gain a taxpayer would have recognized by investing in the underlying pass-thru entity at the inception of the constructive ownership transaction and selling that investment on the date the constructive ownership transaction is closed (*i.e.*, at maturity or earlier disposition). If Section 1260 were to apply to a note, it is unclear how the net underlying long-term capital gain would be computed. It is possible, for instance, where an exchange-traded fund is the sole underlying asset, that the net underlying long-term capital gain could equal the amount of long-term capital gain you would have recognized if on the issue date you had invested the amount you paid to acquire the note in shares of the exchange-traded fund and sold those shares for their fair market value on the date of your taxable disposition of the note. Unless otherwise established by clear and convincing evidence, the net underlying long-term capital gain is treated as zero. Any long-term capital gain recharacterized as ordinary income under Section 1260 would be treated as accruing at a constant rate over the period you held the note, and you would be subject to a notional interest charge in respect of the deemed tax liability on the income treated as accruing in prior tax years. If applicable, the possibility of this treatment will be discussed in the relevant pricing supplement. You should consult your tax advisor regarding the potential application of the constructive ownership rules.

#### *Uncertainties Regarding Tax Treatment as Prepaid Forward or Derivative Contracts*

Even if the notes are treated as prepaid forward or derivative contracts, due to the lack of controlling authority, there remain significant additional uncertainties regarding the tax consequences of your ownership and disposition of the notes. For instance, you might be required to include amounts in income during the term of your notes and/or to treat all or a portion of the gain or loss on the taxable disposition of your notes as ordinary income or loss or as short-term capital gain or loss, without regard to how long you held your notes.

In addition, in 2007 the U.S. Treasury Department and the IRS released a notice requesting comments on the U.S. federal income tax treatment of “prepaid forward contracts” and similar instruments. The notice focuses in particular on whether to require investors in these instruments to accrue income over the term of their investment. It also asks for comments on a number of related topics, including the character of income or loss with respect to these instruments; the relevance of factors such as the nature of the underlying property to which the instruments are linked; whether these instruments are or should be subject to the “constructive ownership” regime described above; and whether short-term instruments should be subject to any such accrual regime. While the notice requests comments on appropriate transition rules and effective dates, any Treasury regulations or other guidance promulgated after consideration of these issues could materially and adversely affect the tax consequences of an investment in the notes, possibly with retroactive effect.

#### *Tax Consequences if Treated as Debt Instruments*

If the notes are treated as debt instruments, your tax consequences will be governed by the Treasury regulations relating to the taxation of “contingent payment debt instruments” (described above) if the term of the notes from issue to maturity (including the last possible date that the notes could be outstanding) is more than one year. See “—Notes Treated as Indebtedness for U.S. Federal Income Tax Purposes—Notes with a Term of More than One Year—Contingent Payment Debt Instruments,” above.

If the notes are treated as debt instruments and have a term not exceeding one year (including either the issue date or the last possible date that the notes could be outstanding, but not both), they will be treated as short-term obligations. See “—Notes Treated as Indebtedness for U.S. Federal Income Tax Purposes—Notes with a Term of Not More than One Year,” above, for the relevant tax consequences in that case.

#### *Notes Treated as Prepaid Forward or Derivative Contracts with Associated Coupons*

The following describes certain U.S. federal income tax consequences of the ownership and disposition of notes that we treat as prepaid forward or derivative contracts with associated coupons for U.S. federal income tax purposes. The relevant pricing supplement will indicate whether we intend to treat a particular offering of notes as prepaid forward or derivative contracts with associated coupons for U.S. federal income tax purposes. The tax consequences of an investment in these notes are unclear. There is no direct legal authority as to the proper U.S. federal income tax characterization of these notes, and we do not intend to request a ruling from the IRS regarding these notes. The following discussion does not apply to notes that provide for interest or coupon payments that are contingent. Unless otherwise indicated, the following discussion assumes that the treatment of notes as prepaid forward or derivative contracts with associated coupons is correct.

There is no direct controlling authority under current law addressing the proper tax treatment of the coupons or comparable payments on instruments similar to these notes. The coupons may, in whole or in part, be treated as ordinary income to you when received or accrued, in accordance with your method of accounting for U.S. federal income tax purposes. In determining our information reporting responsibilities, if any, we intend to treat the coupons (and any sales proceeds attributable to an accrued but unpaid coupon) as ordinary income. You should consult your tax advisor concerning the treatment of the coupons, including the possibility that they may not be treated as fully includible in income on a current basis. This treatment would affect the amount of your gain or loss upon the taxable disposition of a note, including a cash payment at maturity, or your basis in any reference asset delivered to you at maturity, as applicable.

In the case that the notes provide that at maturity you will or may receive the reference asset or other property (that is, if the notes are or may be “physically settleable”), the relevant pricing supplement will describe the specific tax consequences of that feature.

Upon the taxable disposition of a note (including cash settlement at maturity), you should recognize capital gain or loss equal to the difference between the amount you realize (other than any coupon payment or sales proceeds attributable to an accrued coupon, which we intend to treat as described above) and the amount you paid to acquire the note. This gain or loss should be long-term capital gain or loss if you have held the note for more than one year at that time. The deductibility of capital losses is subject to limitations.

If the notes are linked to an index, the IRS could assert that a “deemed” taxable exchange has occurred on one or more roll dates or index rebalance dates under certain circumstances. If the IRS were successful in asserting that a taxable exchange has occurred, you could be required to recognize gain (but probably not loss), which would equal the amount by which the fair market value of the note exceeds your tax basis therein on the relevant roll date or index rebalance date. Any gain recognized on a deemed exchange should be capital gain. In addition, your holding period for your notes would restart after such deemed taxable exchange.

If the reference asset or a basket component is a “pass-thru entity” (such as an exchange-traded fund), the notes could be treated as “constructive ownership transactions,” as discussed above under “—Notes Treated as Prepaid Forward or Derivative Contracts—Potential Application of the Constructive Ownership Rules.” If applicable, the possibility of this treatment will be discussed in the relevant pricing supplement.

If the notes are linked to a reference asset that is or includes a “regulated futures contract” within the meaning of Code Section 1256, it is possible that Section 1256 would apply. Generally, under Section 1256, you would be required to mark to market your investment and treat gain or loss as 40% short-term capital gain or loss and 60% long-term capital gain or loss.

#### *Uncertainties Regarding Treatment as a Prepaid Forward or Derivative Contract with Associated Coupons*

Due to the lack of direct legal authority, even if a note is treated as a prepaid forward or derivative contract with associated coupons, there remain substantial uncertainties regarding the tax consequences of owning and disposing of it. For instance, you might be required to include amounts in income during the term of the note in addition to the coupons you receive and/or to treat all or a portion of your gain or loss upon a taxable disposition of the note (in addition to any coupon payment or sales proceeds attributable to an accrued but unpaid coupon, as discussed above) as ordinary income or loss instead of capital gain or loss.

In addition, in 2007 the U.S. Treasury Department and the IRS released a notice requesting comments on the U.S. federal income tax treatment of “prepaid forward contracts” and similar instruments. The notice focuses in particular on whether to require investors in these instruments to accrue income over the term of their investment. It also asks for comments on a number of related topics, including the character of income or loss with respect to these instruments; the relevance of factors such as the nature of the underlying property to which the instruments are linked; whether these instruments are or should be subject to the “constructive ownership” regime described above; and whether short-term instruments should be subject to any such accrual regime. While the notice requests comments on appropriate transition rules and effective dates, any Treasury regulations or other guidance promulgated after consideration of these issues could materially and adversely affect the tax consequences of an investment in the notes, possibly with retroactive effect.

### *Tax Consequences if Treated as Debt Instruments*

If the notes are treated as debt instruments, your tax consequences will be governed by the Treasury regulations relating to the taxation of “contingent payment debt instruments” (described above) if the term of the notes from issue to maturity (including the last possible date that the notes could be outstanding) is more than one year. See “—Notes Treated as Indebtedness for U.S. Federal Income Tax Purposes—Notes with a Term of More than One Year—Contingent Payment Debt Instruments,” above.

If the notes are treated as debt instruments and have a term not exceeding one year (including either the issue date or the last possible date that the notes could be outstanding, but not both), they will be treated as short-term obligations. See “—Notes Treated as Indebtedness for U.S. Federal Income Tax Purposes—Notes with a Term of Not More than One Year,” above, for the relevant tax consequences in that case.

### *Notes Treated as Prepaid Forward or Derivative Contracts with Associated Contingent Coupons*

The following describes material U.S. federal income tax consequences of the ownership and disposition of notes that we treat as prepaid forward or derivative contracts with associated contingent coupons for U.S. federal income tax purposes. The relevant pricing supplement will indicate whether we intend to treat the notes as prepaid forward or derivative contracts with associated contingent coupons for U.S. federal income tax purposes. The tax consequences of an investment in these notes are unclear. There is no direct legal authority as to the proper U.S. federal income tax treatment of the notes, and we do not intend to request a ruling from the IRS regarding the notes. Unless otherwise indicated, the following discussion assumes that the treatment of the notes as prepaid forward or derivative contracts with associated contingent coupons is correct.

Although the U.S. federal income tax treatment of contingent coupons (including contingent coupons paid in connection with a call, early redemption or at maturity) is uncertain, insofar as we have tax reporting responsibilities with respect to your notes, we expect (in the absence of an administrative determination or judicial ruling to the contrary) to treat any contingent coupons with respect to the notes as ordinary income, unless otherwise indicated in the relevant pricing supplement.

Upon a taxable disposition of a note (including for cash upon an early redemption or at maturity), you should recognize capital gain or loss equal to the difference between the amount realized on the taxable disposition and your tax basis in the note, which should equal the amount you paid to acquire the note (assuming contingent coupons are properly treated as ordinary income, consistent with the position described above). This gain or loss should be long-term capital gain or loss if you have held the note for more than one year at that time. The deductibility of capital losses is subject to limitations. If you sell your note between the time your right to a contingent coupon is fixed and the time it is paid, it is likely that you will be treated as receiving ordinary income equal to the contingent coupon. Although uncertain, it is possible that proceeds received from the taxable disposition of your notes prior to a valuation date but that can be attributed to an expected contingent coupon payment could be treated as ordinary income. You should consult your tax advisor regarding this issue.

In the case that the notes provide that at maturity you will or may receive the reference asset or other property (that is, if the notes are or may be “physically settleable”), the relevant pricing supplement will describe the specific tax consequences of that feature.

If the notes are linked to an index, the IRS could assert that a “deemed” taxable exchange has occurred on one or more roll dates or index rebalance dates under certain circumstances. If the IRS were successful in asserting that a taxable exchange has occurred, you could be required to recognize gain (but probably not loss), which would equal the amount by which the fair market value of the note exceeds your tax basis therein on the relevant roll date or index rebalance date. Any gain recognized on a deemed exchange should be capital gain. In addition, your holding period for your notes would restart after such deemed taxable exchange.

If the notes are linked to a reference asset that is or includes a “regulated futures contract” within the meaning of Code Section 1256, it is possible that Section 1256 would apply. Generally, under Section 1256, you would be required to mark to market your investment and treat gain or loss as 40% short-term capital gain or loss and 60% long-term capital gain or loss.

### *Uncertainties Regarding Tax Treatment as Prepaid Forward or Derivative Contracts with Associated Contingent Coupons*

If the notes are treated as prepaid forward or derivative contracts with associated contingent coupons, due to the lack of controlling authority, there remain significant uncertainties regarding the tax consequences of your ownership and disposition of the notes. For instance, you might be required to include amounts in income during the term of your notes in addition to the contingent coupons you receive, and/or to treat all or a portion of the gain or loss on the taxable disposition of your notes (in addition to any amounts attributable to an unpaid contingent coupon, as discussed above) as ordinary income or loss or as short-term capital gain or loss, without regard to how long you held your notes.

In addition, in 2007 the U.S. Treasury Department and the IRS released a notice requesting comments on the U.S. federal income tax treatment of “prepaid forward contracts” and similar instruments. The notice focuses in particular on whether to require holders of these instruments to accrue income over the term of their investment. It also asks for comments on a number of related topics, including the character of income or loss with respect to these instruments; the relevance of factors such as the nature of the underlying property to which the instruments are linked; whether these instruments are or should be subject to the “constructive ownership” regime described above; and whether short-term instruments should be subject to any such accrual regime. While the notice requests comments on appropriate transition rules and effective dates, any Treasury regulations or other guidance promulgated after consideration of these issues could materially affect the tax consequences of an investment in the notes, possibly with retroactive effect.

#### *Tax Consequences if Treated as Debt Instruments*

If the notes are treated as debt instruments, your tax consequences will be governed by the Treasury regulations relating to the taxation of “contingent payment debt instruments” (described above) if the term of the notes from issue to maturity (including the last possible date that the notes could be outstanding) is more than one year. See “—Notes Treated as Indebtedness for U.S. Federal Income Tax Purposes—Notes with a Term of More than One Year—Contingent Payment Debt Instruments,” above.

If the notes are treated as debt instruments and have a term not exceeding one year (including either the issue date or the last possible date that the notes could be outstanding, but not both), they will be treated as short-term obligations. See “—Notes Treated as Indebtedness for U.S. Federal Income Tax Purposes—Notes with a Term of Not More than One Year,” above, for the relevant tax consequences in that case.

#### *Notes Treated as Put Options and Deposits*

The following describes material U.S. federal income tax consequences of the ownership and disposition of notes that we treat as put options and deposits for U.S. federal income tax purposes. The relevant pricing supplement will indicate whether we intend to treat the notes as put options and deposits for U.S. federal income tax purposes. Insofar as we have tax reporting responsibilities with respect to these notes, we expect (in the absence of an administrative determination or judicial ruling to the contrary) to treat them for U.S. federal income tax purposes as units each comprising (i) a put option (a “Put Option”) written by you to us with respect to the reference asset and (ii) a deposit of cash equal to the purchase price of the note to secure your potential obligation under the Put Option (the “Deposit”). Under this approach, a portion of each interest payment made with respect to the notes will be treated as interest on the Deposit, and the remainder as premium paid to you in consideration of your entry into the Put Option (a “Put Premium”). We will specify in the relevant pricing supplement the portion of each interest payment that we will allocate to interest on the Deposit and to Put Premium, respectively. The following discussion assumes this treatment is respected, except where otherwise indicated. The relevant pricing supplement may indicate other issues applicable to a particular offering of notes.

#### *Notes with a Term of Not More than One Year*

If the term of the notes (including either the issue date or the last possible date that the notes could be outstanding, but not both) is not more than one year and the treatment of the notes as units each comprising a Put Option and a Deposit is respected, the following is a discussion of material U.S. federal income tax consequences of owning and disposing of the notes.



*Tax Treatment of Interest Payments.* Because the term of the notes is not more than one year, the Deposit will be treated as a short-term obligation for U.S. federal income tax purposes. Under the applicable Treasury regulations, the Deposit will be treated as being issued at a discount equal to the sum of all interest payments to be made with respect to the Deposit. Accordingly, accrual-method holders, and cash-method holders who so elect, will be required to include the discount in income as it accrues on a straight-line basis, unless they elect to accrue the discount on a constant-yield method based on daily compounding. Cash-method holders who do not elect to accrue the discount in income currently will be required to include interest paid on the Deposit upon its receipt. Additionally, cash-method holders who do not elect to accrue the discount in income currently will be required to defer deductions for interest paid on any indebtedness incurred to purchase or carry their notes in amounts not exceeding accrued discount that has not been included in income.

Put Premium will be taken into account as described below.

*Taxable Disposition Prior to Maturity or Early Redemption.* Upon a taxable disposition of a note prior to maturity or early redemption pursuant to a call, you generally will be required to recognize an amount of short-term capital gain or loss equal to the difference between (i) the proceeds received minus the amount of accrued but unpaid discount on the Deposit and (ii) the purchase price you paid for the note minus the total Put Premium you have received from us. This amount represents the net of the gain or loss attributable to the termination of the Put Option and the gain or loss attributable to the sale of the Deposit. You will recognize interest income with respect to accrued discount on the Deposit that you have not previously included in income. You should consult your tax advisor regarding the separate determination of gain or loss with respect to the Put Option and the Deposit.

*Tax Treatment at Maturity or upon Early Redemption.* If a note is called or held to maturity and the Put Option expires unexercised (*i.e.*, you receive a cash payment at maturity (not including the final interest payment) equal to the amount of the Deposit), you will recognize short-term capital gain equal to the sum of all Put Premium payments received.

In the case of a note that is by its terms “physically settled” (*i.e.* at maturity you receive the reference asset or other property), you will be deemed to have applied the Deposit toward the physical settlement of the Put Option. You generally will not recognize gain or loss with respect to the Put Premium or the property received. Instead, you generally will have an aggregate basis in the property you receive (including, if applicable, any fractional shares) equal to the Deposit minus the total Put Premium received, and that basis will be allocated proportionately among the property (including any fractional shares, if applicable). Your holding period for the property will begin on the day after receipt. With respect to any cash received in lieu of a fractional share of the property, you will recognize short-term capital gain or loss in an amount equal to the difference between the amount of the cash received and the tax basis allocable to the fractional share.

If, instead, the Put Option is deemed to be exercised at maturity (*i.e.*, you receive a cash payment at maturity (not including the final interest payment) that is less than the amount of your Deposit), you will be deemed to have applied a portion of the Deposit toward the cash settlement of the Put Option. In that case, you will recognize short-term capital gain or loss in an amount equal to the difference between (i) the total Put Premium received and (ii) the cash settlement value of the Put Option (*i.e.*, the Deposit’s issue price minus the cash you receive, excluding the final interest payment).

#### *Notes with a Term of More than One Year*

If the term of the notes (including either the issue date or the last possible date that the notes could be outstanding, but not both) is more than one year and the treatment of the notes as units each comprising a Put Option and a Deposit is respected, the following is a discussion of material U.S. federal income tax consequences of owning and disposing of the notes. The following discussion assumes that the Deposit is issued without OID. The applicable pricing supplement will discuss the U.S. federal income tax consequences of any Deposit issued with OID.

*Tax Treatment of Interest Payments.* Interest paid with respect to the Deposit will be taxable to you as ordinary income at the time it accrues or is received, in accordance with your method of accounting for federal income tax purposes.

Put Premium will be taken into account as described below.

***Taxable Disposition Prior to Maturity or Early Redemption.*** Upon a taxable disposition of a note prior to maturity or early redemption pursuant to a call, you should apportion the amount realized between the Deposit and the Put Option based on their respective values on the date of the taxable disposition. The amount of capital gain or loss on the Deposit will equal the amount realized that is attributable to the Deposit (excluding any amount attributable to the accrued but unpaid interest on the Deposit, which will be treated as a payment of interest), minus your tax basis in the Deposit. That gain or loss will be long-term capital gain or loss if the note was held for more than one year.

If the value of the Deposit on the date of the taxable disposition of a note does not exceed the amount realized on the taxable disposition, any amount realized that is attributable to the Put Option, together with the total Put Premium received over the term of the notes, will be treated as short-term capital gain or loss.

If the value of the Deposit on the date of the taxable disposition exceeds the amount realized on the taxable disposition of the note, you will be treated as having (i) sold or exchanged the Deposit for an amount equal to its value on that date and (ii) made a payment to the purchaser of the note equal to the amount of this excess, in exchange for the purchaser's assumption of the Put Option. In this case, you will be required to recognize short-term capital gain or loss in respect of the Put Option equal to the total Put Premium received over the term of the note minus the amount deemed to be paid by you in exchange for the purchaser's assumption of the Put Option.

***Tax Treatment at Maturity or upon Early Redemption.*** If a note is called or held to maturity and the Put Option expires unexercised (*i.e.*, you receive a cash payment at maturity (not including the final interest payment) equal to the amount of the Deposit), you will recognize short-term capital gain equal to the sum of all Put Premium payments received.

In the case of a note that is by its terms physically settled, you will be deemed to have applied the Deposit toward the physical settlement of the Put Option. In that case, you generally will not recognize gain or loss with respect to the Put Premium or the property received. Instead, you generally will have an aggregate basis in the property you receive (including any fractional shares, if applicable) equal to the Deposit minus the Put Premium received, and that basis will be allocated proportionately among the property (including any fractional shares, if applicable). Your holding period for the property will begin on the day after receipt. With respect to any cash received in lieu of a fractional share, you will recognize short-term capital loss in an amount equal to the difference between the amount of the cash received and the tax basis allocable to the fractional share.

If, instead, the Put Option is deemed to be exercised at maturity (*i.e.*, you receive a cash payment at maturity (not including the final interest payment) that is less than the amount of your Deposit), you will be deemed to have applied a portion of the Deposit toward the cash settlement of the Put Option. In that case, you will recognize short-term capital gain or loss in an amount equal to the difference between (i) the total Put Premium received and (ii) the cash settlement value of the Put Option (*i.e.*, the Deposit's issue price minus the cash you receive, excluding the final interest payment).

### ***Other Possible Tax Treatments***

Due to the lack of direct legal authority, there are substantial uncertainties regarding the tax consequences of owning and disposing of a note. For instance, you might be required to include the full amount of the interest payments on a note as ordinary income in accordance with your method of accounting. Alternatively, a note might be treated as a single debt instrument for U.S. federal income tax purposes. If so, and if the term of the note exceeds one year, your tax consequences will be governed by Treasury regulations relating to the taxation of contingent payment debt instruments. See “—Notes Treated as Indebtedness for U.S. Federal Income Tax Purposes—Notes with a Term of More than One Year—Contingent Payment Debt Instruments,” above. If a note is treated as a single debt instrument and has a term not exceeding one year, it will be treated as a short-term obligation. See “—Notes Treated as Indebtedness for U.S. Federal Income Tax Purposes—Notes with a Term of Not More than One Year,” above, for the relevant tax consequences in that case.

In addition, in 2007, the U.S. Treasury Department and the IRS released a notice requesting comments on various issues regarding the U.S. federal income tax treatment of “prepaid forward contracts” and similar instruments. While it is not clear whether the notes would be viewed as similar to the typical prepaid forward contract described in the notice, it is possible that any Treasury regulations or other guidance promulgated after consideration of these issues could materially and adversely affect the tax consequences of your investment in a note, possibly with retroactive effect.

## **Tax Consequences to Non-U.S. Holders**

The following discussion applies to you only if you are a “Non-U.S. Holder” of notes. You are a “Non-U.S. Holder” if for U.S. federal income tax purposes you are a beneficial owner of a note that is:

- a nonresident alien individual;
- a foreign corporation; or
- a foreign estate or trust.

You are not a “Non-U.S. Holder” for purposes of this discussion if you are an individual present in the United States for 183 days or more in the taxable year of disposition (including maturity or early redemption) of a note. In this case, you should consult your tax advisor regarding the U.S. federal income tax consequences of the disposition.

Subject to the discussions below under “—Section 871(m) Withholding” and “—Foreign Account Tax Compliance Withholding,” we expect to treat payments on your notes, and any gain realized on a disposition of a note (including at maturity or early redemption), as exempt from U.S. federal income tax (including withholding tax), provided that such amounts are not effectively connected with your conduct of a trade or business in the United States. However, you should in any event expect to be required to provide an IRS Form W-8 appropriate to your circumstances or other documentation to establish an exemption from backup withholding, as described below under “—Information Reporting and Backup Withholding.”

Notwithstanding the above, if we determine that there is a material risk that we are required to withhold on any payments on the notes, we may withhold on any such payments at a 30% rate unless you submit a properly completed IRS Form W-8 appropriate to your circumstances that reduces or eliminates withholding.

In addition, as described above under “—Tax Consequences to U.S. Holders—Notes Treated as Prepaid Forward or Derivative Contracts—Uncertainties Regarding Tax Treatment as Prepaid Forward or Derivative Contracts,” in 2007 the U.S. Treasury Department and the IRS released a notice requesting comments on various issues regarding the U.S. federal income tax treatment of “prepaid forward contracts” and similar instruments. The notice focuses, among other things, on the degree, if any, to which income realized with respect to such instruments by non-U.S. persons should be subject to withholding tax. It is possible that any Treasury regulations or other guidance promulgated after consideration of these issues might require you to accrue income, subject to U.S. federal withholding tax, beyond that described herein in each year that you own a note that is treated as a prepaid forward or derivative contract (with or without a coupon) or as a Put Option and Deposit, possibly on a retroactive basis.

We will not pay additional amounts on account of any withholding tax.

### ***Effectively Connected Income***

If you are engaged in a trade or business in the United States and if the income or gain on a note is effectively connected with your conduct of that trade or business (and, if an applicable treaty so requires, is attributable to a permanent establishment or fixed base in the United States), although exempt from withholding tax (subject to the discussion below under “—Foreign Account Tax Compliance Withholding,”) you will generally be subject to regular U.S. income tax on such income or gain in the same manner as if you were a U.S. Holder. You will not be subject to withholding in this case if you provide a properly completed IRS Form W-8ECI. If this paragraph applies to you, you should consult your tax advisor with respect to other U.S. tax consequences of the ownership and disposition of your notes, including the possible imposition of a 30% branch profits tax if you are a corporation.

### ***Section 871(m) Withholding***

Code Section 871(m) and the Treasury regulations thereunder impose a 30% withholding tax on certain “dividend equivalents” paid or deemed paid with respect to notes linked to U.S. equities or indices that include U.S. equities under certain circumstances, even in cases where the notes do not provide for payments explicitly linked to dividends. In general, this withholding regime applies to notes that substantially replicate the economic performance of one or more underlying U.S. equities, as determined on the notes’ issue date, based on one of two tests set forth in the regulations. The regulations provide certain exceptions to the withholding requirements, for example for derivatives linked to certain broad-based indices. Additionally, relevant IRS authority excludes from the scope of Section 871(m) notes issued prior to January 1, 2021 that do not have a “delta” of one with respect to underlying securities that could pay U.S.-source dividends for U.S. federal income tax purposes.

When relevant, we will disclose further information regarding the application of Section 871(m) withholding to any particular issuance of notes in the relevant pricing supplement. Our determination as to whether Section 871(m) withholding applies to the notes is binding on Non-U.S. Holders, but it is not binding on the IRS. The Section 871(m) regulations require complex calculations to be made with respect to notes linked to U.S. equities, and their application to any particular issuance of notes may be uncertain. Accordingly, even if we determine that withholding under Section 871(m) does not apply to the notes, the IRS could challenge our determination and assert that withholding is required in respect of those notes. Additionally, the application of Section 871(m) may be affected by a Non-U.S. Holder’s particular circumstances (for example, where a Non-U.S. Holder enters into two or more transactions that reference the same underlying security and the transactions were entered into in connection with each other). We will not pay additional amounts with respect to any withholding taxes under this regime. You should consult your tax advisor regarding the potential application of Section 871(m) to the notes.

### ***Foreign Account Tax Compliance Withholding***

Legislation commonly referred to as “FATCA” generally imposes a 30% withholding tax on payments to certain foreign entities (including financial intermediaries) with respect to certain financial instruments, unless various U.S. information reporting and due diligence requirements have been satisfied. This regime applies (i) to any payments on the notes treated as “dividend equivalents” under Code Section 871(m) (as described above under “—Section 871(m) Withholding”) or other U.S.-source “fixed or determinable annual or periodical” income (“FDAP income”); (ii) to any payments on the notes treated as “foreign passthru payments”; and (iii) to the extent that payments on the notes are described in (i) or, potentially, (ii), to the payment on your notes at maturity as well as to the proceeds of any sale or other disposition of a note, although under recently proposed regulations (the preamble to which specifies that taxpayers are permitted to rely on them pending finalization), no withholding will apply to payments of gross proceeds, other than payments of FDAP income. In addition, under these proposed regulations, FATCA withholding will not apply to “foreign passthru payments” on notes considered issued on or prior to the date that is two years after the date on which applicable final Treasury regulations defining the term “foreign passthru payments” are filed.

Although unclear as a matter of law, and depending in part on the terms of the particular offering and the circumstances at the time of the particular offering, this regime could require withholding at a 30% rate with respect to coupon payments or payments of amounts treated as interest (including OID). To the extent that we are the withholding agent, we do not currently intend to withhold on the notes under this regime, but if we determine that there is a material risk that such withholding is required, we may withhold on any payment at a 30% rate. If we determine that withholding is so required with respect to payments on an issuance of notes, the applicable pricing supplement will so indicate. We will not pay additional amounts with respect to any such withholding taxes. You should consult your tax advisor regarding the potential application of FATCA to the notes.

### ***Information Reporting and Backup Withholding***

You may be subject to information reporting. You may also be subject to backup withholding on payments in respect of your notes unless you provide proof of an applicable exemption or a correct taxpayer identification number and otherwise comply with applicable requirements of the backup withholding rules. If you are a Non-U.S. Holder, you will not be subject to backup withholding if you provide a properly completed IRS Form W-8 appropriate to your circumstances.

Amounts withheld under the backup withholding rules are not additional taxes, and may be refunded or credited against your U.S. federal income tax liability, provided the required information is furnished to the IRS.

**THE TAX CONSEQUENCES TO YOU OF OWNING AND DISPOSING OF NOTES MAY BE UNCERTAIN. YOU SHOULD CONSULT YOUR TAX ADVISOR REGARDING THE TAX CONSEQUENCES OF OWNING AND DISPOSING OF NOTES, INCLUDING THE TAX CONSEQUENCES UNDER STATE, LOCAL, NON-U.S. AND OTHER TAX LAWS AND THE POSSIBLE EFFECTS OF CHANGES IN U.S. FEDERAL OR OTHER TAX LAWS.**

## **VALIDITY OF SECURITIES**

If stated in the pricing supplement applicable to a specific issuance of securities, the validity of the securities under New York law may be passed upon for us by our U.S. counsel, as specified in that pricing supplement. If stated in the pricing supplement applicable to a specific issuance of securities, the validity of the securities under English law may be passed upon by our English solicitors, as specified in that pricing supplement. Our U.S. counsel may rely upon the opinion as to all matters of English law and our English solicitors may rely on the opinion of our U.S. counsel as to all matters of New York law. If this prospectus supplement is delivered in connection with an underwritten offering, the validity of the securities may be passed upon for the underwriters by U.S. and English counsel for the underwriters specified in the related pricing supplement. If no English counsel is specified, such U.S. counsel to the underwriters may also rely on the opinion of our English solicitors as to certain matters of English law.

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**BARCLAYS BANK PLC**  
**GLOBAL MEDIUM-TERM NOTES, SERIES A**  
**UNIVERSAL WARRANTS**

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**Prospectus Supplement**

**Prospectus**

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**August 1, 2019**

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PROSPECTUS

# BARCLAYS BANK PLC

Debt Securities

Warrants

Preference Shares

American Depositary Shares

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This prospectus describes some of the general terms that may apply to the securities described herein (the “securities”) and the general manner in which they may be offered.

We will give you the specific terms of the securities, and the manner in which they are offered, in supplements to this prospectus. You should read this prospectus and the prospectus supplements carefully before you invest. We may offer and sell these securities to or through one or more underwriters, dealers and agents, including Barclays Capital Inc., or directly to purchasers, on a delayed or continuous basis. We will indicate the names of any underwriters in the applicable prospectus supplement.

We may use this prospectus to offer and sell senior and dated subordinated debt securities, warrants or preference shares from time to time. In addition, Barclays Capital Inc. or another of our affiliates may use this prospectus in market-making transactions in any of these securities after their initial sale. *Unless we or our agent informs you otherwise in the confirmation of sale, this prospectus is being used in market-making transactions.*

The securities are not deposit liabilities of either Barclays PLC or Barclays Bank PLC and are not covered by the U.K. Financial Services Compensation Scheme or insured by the U.S. Federal Deposit Insurance Corporation or any other governmental agency of the United States, the United Kingdom or any other jurisdiction. Unless otherwise indicated in the applicable prospectus supplement, Barclays PLC, our parent, has not guaranteed or assumed any other obligations in respect of our securities.

Each holder or beneficial owner of senior debt securities, dated subordinated debt securities or warrants acknowledges and agrees that the rights of the holders or beneficial owners of such securities are subject to, and will be varied, if necessary, solely to give effect to, the exercise of any U.K. Bail-in Power (as defined herein) by the relevant U.K. resolution authority (as defined herein). For more information, see the sections entitled “Description of Debt Securities—Agreement with Respect to the Exercise of U.K. Bail-in Power” and “Description of Warrants—Agreement with Respect to the Exercise of U.K. Bail-in Power” in this prospectus.

This prospectus may not be used to sell securities unless it is accompanied by a prospectus supplement.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

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The date of this prospectus is August 1, 2019

## TABLE OF CONTENTS

|   |    |
|---|----|
| FORWARD-LOOKING STATEMENTS .....                        | 1  |
| INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE .....   | 2  |
| THE BARCLAYS BANK GROUP .....                           | 3  |
| USE OF PROCEEDS .....                                   | 3  |
| DESCRIPTION OF DEBT SECURITIES .....                    | 4  |
| DESCRIPTION OF WARRANTS .....                           | 23 |
| GLOBAL SECURITIES .....                                 | 35 |
| CLEARANCE AND SETTLEMENT .....                          | 36 |
| DESCRIPTION OF PREFERENCE SHARES .....                  | 43 |
| DESCRIPTION OF AMERICAN DEPOSITARY SHARES .....         | 49 |
| DESCRIPTION OF SHARE CAPITAL .....                      | 55 |
| TAX CONSIDERATIONS .....                                | 57 |
| EMPLOYEE RETIREMENT INCOME SECURITY ACT .....           | 76 |
| PLAN OF DISTRIBUTION (CONFLICTS OF INTEREST) .....      | 78 |
| SERVICE OF PROCESS AND ENFORCEMENT OF LIABILITIES ..... | 81 |
| WHERE YOU CAN FIND MORE INFORMATION .....               | 82 |
| FURTHER INFORMATION .....                               | 82 |
| VALIDITY OF SECURITIES .....                            | 82 |
| EXPERTS .....   | 82 |
| EXPENSES OF ISSUANCE AND DISTRIBUTION .....             | 84 |

## FORWARD-LOOKING STATEMENTS

This prospectus and certain documents incorporated by reference herein contain certain forward-looking statements within the meaning of Section 21E of the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”), and Section 27A of the U.S. Securities Act of 1933, as amended (the “Securities Act”), with respect to the Group and Barclays Bank (as defined below). We caution readers that no forward-looking statement is a guarantee of future performance and that actual results or other financial condition or performance measures could differ materially from those contained in the forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as “may,” “will,” “seek,” “continue,” “aim,” “anticipate,” “target,” “projected,” “expect,” “estimate,” “intend,” “plan,” “goal,” “believe,” “achieve” or other words of similar meaning. Examples of forward-looking statements include, among others, statements or guidance regarding or relating to the Group’s and Barclays Bank’s future financial position, income growth, assets, impairment charges, provisions, business strategy, capital, leverage and other regulatory ratios, payment of dividends (including dividend payout ratios and expected payment strategies), projected levels of growth in the banking and financial markets, projected costs or savings, any commitments and targets, estimates of capital expenditures, plans and objectives for future operations, projected employee numbers, International Financial Reporting Standards impacts and other statements that are not historical fact.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. These may be affected by changes in legislation, the development of standards and interpretations under International Financial Reporting Standards including evolving practices with regard to the interpretation and application of accounting and regulatory standards, the outcome of current and future legal proceedings and regulatory investigations, future levels of conduct provisions, the policies and actions of governmental and regulatory authorities, geopolitical risks and the impact of competition. In addition, factors including (but not limited to) the following may have an effect: capital, leverage and other regulatory rules applicable to past, current and future periods; United Kingdom (“U.K.”), United States, Eurozone and global macroeconomic and business conditions; the effects of any volatility in credit markets; market-related risks such as changes in interest rates and foreign exchange rates; effects of changes in valuation of credit market exposures; changes in valuation of issued securities; volatility in capital markets; changes in credit ratings of any entities within the Group, including Barclays Bank, or any securities issued by such entities; the potential for one or more countries exiting the Eurozone; instability as a result of the exit by the U.K. from the European Union and the disruption that may subsequently result in the U.K. and globally; and the success of future acquisitions, disposals and other strategic transactions. A number of these influences and factors are beyond the Group’s and Barclays Bank’s control. As a result, the Group’s and Barclays Bank’s actual future results, dividend payments and capital and leverage ratios may differ materially from the plans, goals, expectations and guidance set forth in the Group’s and Barclays Bank’s forward-looking statements. Additional risks and factors which may impact the Group’s and Barclays Bank’s future financial condition and performance are identified in our filings with the U.S. Securities Exchange Commission (the “SEC”), including, without limitation, in our Annual Report on Form 20-F for the fiscal year ended December 31, 2018, filed with the SEC on February 21, 2019 (the “2018 Form 20-F”), which are available on the SEC’s website at <http://www.sec.gov>.

Any forward-looking statements made herein or in the documents incorporated by reference herein speak only as of the date they are made and it should not be assumed that they have been revised or updated in the light of new information or future events. Except as required by the PRA (as defined below), the Financial Conduct Authority (the “FCA”), the London Stock Exchange plc (the “LSE”), the SEC or applicable law, Barclays Bank expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein or in the documents incorporated by reference herein to reflect any change in Barclays Bank’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. The reader should, however, consult any additional disclosures that Barclays Bank has made or may make in documents it has published or may publish via the Regulatory News Service of the LSE and/or has filed or may file with the SEC.

## INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The SEC allows us to “incorporate by reference” the information we file with the SEC, which means that we can disclose important information to you by referring you to those publicly available documents. The information that we incorporate by reference into this prospectus is an important part of this prospectus. The most recent information that we file with the SEC automatically updates and supersedes earlier information.

We have filed with the SEC a registration statement on Form F-3 relating to the securities covered by this prospectus. This prospectus is a part of the registration statement and omits some of the information contained in the registration statement in accordance with SEC rules and regulations. You should review the information in, and exhibits to, the registration statement for further information on us and the securities we are offering. Statements in this prospectus concerning any document we have filed or will file as an exhibit to the registration statement or that we have otherwise filed with the SEC are not intended to be comprehensive and are qualified in their entirety by reference to these filings. You should review the complete document to evaluate these statements. You may review a copy of the registration statement at the SEC’s internet site, as described under “Where You Can Find More Information” in this prospectus.

We filed the 2018 Form 20-F with the SEC on February 21, 2019 (Film No. 19621017). We are incorporating the 2018 Form 20-F by reference into this prospectus.

In addition, we incorporate by reference into this prospectus any future documents that we may file with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act from the date of this prospectus until any offering contemplated in this prospectus is completed. Reports on Form 6-K we may furnish to the SEC after the date of this prospectus (or portions thereof) are incorporated by reference in this prospectus only to the extent that the report expressly states that it is (or such portions are) incorporated by reference in this prospectus.

We will provide to you, upon your written or oral request, without charge, a copy of any or all of the documents referred to above which we have incorporated in this prospectus by reference. You should direct your requests to Barclays Treasury, Barclays PLC, 1 Churchill Place, London E14 5HP, United Kingdom (telephone: 011-44-20-7116-1000).

For purposes of this prospectus, references to “we,” “us” and “our” refer to Barclays Bank PLC (or any successor entity) and its consolidated subsidiaries, unless the context indicates otherwise; and references to The Depository Trust Company or “DTC” shall include any successor clearing system. The term “Group” shall mean Barclays PLC and its consolidated subsidiaries, unless the context indicates otherwise. The term “PRA” shall mean the Prudential Regulation Authority of the United Kingdom or such other governmental authority in the United Kingdom (or if Barclays Bank PLC becomes domiciled in a jurisdiction other than the United Kingdom, such other jurisdiction) having primary responsibility for the prudential supervision of Barclays Bank PLC. References to “£” and “sterling” shall be to the lawful currency for the time being of the United Kingdom and references to “\$” and “U.S. dollars” shall be to the lawful currency for the time being of the United States.

## **THE BARCLAYS BANK GROUP**

The Group is a transatlantic consumer and wholesale bank with global reach offering products and services across personal, corporate and investment banking, credit cards and wealth management anchored in the Group's two home markets of the U.K. and the United States. The Group is organised into two clearly defined business divisions—Barclays UK division and Barclays International division. These are housed in two banking subsidiaries—Barclays UK sits within Barclays Bank UK PLC and Barclays International sits within Barclays Bank PLC (the “Issuer” or “Barclays Bank”, and together with its subsidiary undertakings, the “Barclays Bank Group”)—which operate alongside Barclays Services Limited but, in accordance with the requirements of ring-fencing legislation, independently from one another. Barclays Services Limited drives efficiencies in delivering operational and technology services across the Group. The Issuer and the Barclays Bank Group offer products and services designed for the Group's larger corporate, wholesale and international banking clients.

The whole of the issued ordinary share capital of the Issuer is beneficially owned by Barclays PLC. Barclays PLC (together with its subsidiary undertakings, the “Group”) is the ultimate holding company of the Group.

## **USE OF PROCEEDS**

Unless otherwise indicated in the accompanying prospectus supplement, the net proceeds from the offering of the securities will be used for general corporate purposes of the Issuer and its subsidiaries and/or the Group.

## DESCRIPTION OF DEBT SECURITIES

*The following is a summary of the general terms of the debt securities. It sets forth possible terms and provisions for each series of debt securities. Each time that we offer debt securities, we will prepare and file a prospectus supplement with the SEC, which you should read carefully. The prospectus supplement may contain additional terms and provisions of those securities. If there is any inconsistency between the terms and provisions presented here and those in the prospectus supplement, those in the prospectus supplement will apply and will replace those presented here.*

*The debt securities of any series will be either our senior obligations (the “Senior Debt Securities”) or our dated subordinated obligations (the “Dated Subordinated Debt Securities”) and together with the Senior Debt Securities, the “debt securities”). Neither the Senior Debt Securities nor the Dated Subordinated Debt Securities will be secured by any assets or property of Barclays Bank PLC or any of its subsidiaries or affiliates (including Barclays PLC, its parent).*

*We will issue Senior Debt Securities and Dated Subordinated Debt Securities under indentures (respectively, the “Senior Debt Securities Indenture” and “Dated Subordinated Debt Securities Indenture”) between us and The Bank of New York Mellon, as trustee. The terms of the debt securities include those stated in the relevant indenture and any supplements thereto, and those terms made part of the relevant indenture by reference to the U.S. Trust Indenture Act of 1939, as amended (the “Trust Indenture Act”). The Senior Debt Securities Indenture and Dated Subordinated Debt Securities Indenture and any indentures supplemental thereto are sometimes referred to in this prospectus individually as an “indenture” and collectively as the “indentures.” We have filed or incorporated by reference a copy of, or the forms of, each indenture as exhibits to the registration statement, of which this prospectus is a part.*

*Because this section is a summary, it does not describe every aspect of the debt securities in detail. This summary is subject to, and qualified by reference to, all of the definitions and provisions of the relevant indenture, any supplement to the relevant indenture and each series of debt securities. Certain terms, unless otherwise defined here, have the meaning given to them in the relevant indenture.*

### General

The debt securities are not deposit liabilities of either Barclays PLC or Barclays Bank PLC and are not covered by the U.K. Financial Services Compensation Scheme or insured by the U.S. Federal Deposit Insurance Corporation or any other governmental agency of the United States, the United Kingdom or any other jurisdiction. Unless otherwise indicated in a prospectus supplement, Barclays PLC, our parent, has not guaranteed or assumed any obligations in respect of our debt securities.

Because we are a holding company as well as an operating company, our rights to participate in the assets of any of our subsidiaries upon its liquidation will be subject to the prior claims of the subsidiaries’ creditors, including, in the case of our bank subsidiaries, their respective depositors, except, in our case, to the extent that we may ourselves be a creditor with recognized claims against the relevant subsidiary.

The indentures do not limit the amount of debt securities that we may issue. We may issue the debt securities in one or more series, or as units comprised of two or more related series. The prospectus supplement will indicate for each series or of two or more related series of debt securities:

- the issue date;
- the maturity date;
- the specific designation and aggregate principal amount of the debt securities;
- any limit on the aggregate principal amount of the debt securities that may be authenticated or delivered;

- the prices at which we will issue the debt securities;
- if interest is payable, the interest rate or rates, or how to calculate the interest rate or rates, and under what circumstances interest is payable;
- whether we will issue the Senior Debt Securities or Dated Subordinated Debt Securities as Discount Securities, as explained in this section below, and the amount of the discount;
- provisions, if any, for the discharge and defeasance of Senior Debt Securities or Dated Subordinated Debt Securities of any series;
- any condition applicable to payment of any principal, premium or interest on Senior Debt Securities or Dated Subordinated Debt Securities of any series;
- the dates and places at which any payments are payable;
- the places where notices, demands to or upon us in respect of the debt securities may be served and notice to holders may be published;
- the terms of any mandatory or optional redemption;
- the denominations in which the debt securities will be issued, which may be an integral multiple of either \$1,000, \$25 or any other specified amount;
- the amount, or how to calculate the amount, that we will pay to the Senior Debt Security holder or Dated Subordinated Debt Security holder, if the Senior Debt Security or Dated Subordinated Debt Security is redeemed before its stated maturity or accelerated, or for which the trustee shall be entitled to file and prove a claim;
- whether and how the debt securities may or must be converted into any other type of securities, or their cash value, or a combination of these;
- the currency or currencies in which the debt securities are denominated, and in which we make any payments;
- whether we will issue the debt securities wholly or partially as one or more global debt securities;
- what conditions must be satisfied before we will issue the debt securities in definitive form (“definitive debt securities”);
- any reference asset we will use to determine the amount of any payments on the debt securities;
- any other or different Senior Events of Default, in the case of Senior Debt Securities, or any other or different Dated Subordinated Events of Default, in the case of Dated Subordinated Debt Securities, or covenants applicable to any of the debt securities, and the relevant terms if they are different from the terms in the applicable indenture;
- in the case of Dated Subordinated Debt Securities, the applicable subordination provisions;
- any restrictions applicable to the offer, sale and delivery of the debt securities;
- whether we will pay Additional Amounts, as defined below, on the debt securities;
- whether we will issue the debt securities in registered form (“registered securities”) or in bearer form (“bearer securities”) or both;
- for registered debt securities, the record date for any payment of principal, interest or premium;
- any listing of the debt securities on a securities exchange;
- the names and duties of any co-trustees, depositaries, authenticating agents, paying agents, calculation agents, transfer agents or registrars of any series;



- any applicable additional provisions or provisions related to the U.K. Bail-in Power (as defined below) in connection with applicable regulatory capital or other requirements;
- any other or different terms of the debt securities; and
- what we believe are any additional material U.S. federal and U.K. tax considerations.

If we issue debt securities in bearer form, the special restrictions and considerations relating to such bearer debt securities, including applicable offering restrictions and U.S. tax considerations, will be described in the relevant prospectus supplement.

Debt securities may bear interest at a fixed rate or a floating rate or we may sell Senior Debt Securities or Dated Subordinated Debt Securities that bear no interest or that bear interest at a rate below the prevailing market interest rate or at a discount to their stated principal amount (“Discount Securities”). The relevant prospectus supplement will describe special U.S. federal income tax considerations applicable to Discount Securities or to debt securities issued at par that are treated for U.S. federal income tax purposes as having been issued at a discount.

Holders of debt securities have no voting rights except as explained in this section below under “—Modification and Waiver” and “Senior Events of Default; Dated Subordinated Enforcement Events and Remedies; Limitation on Suits.”

References to “you” and “holder” in the sections “—Agreement with Respect to the Exercise of U.K. Bail-in Power,” “—Subsequent Holders’ Agreement,” “—Additional Amounts” and “—Dated Subordinated Enforcement Events and Remedies” below, include beneficial owners of the debt securities.

*Market-Making Transactions.* If you purchase your debt security and/or any of our other securities we describe in this prospectus in a market-making transaction, you will receive information about the price you pay and your trade and settlement dates in a separate confirmation of sale. A market-making transaction is one in which Barclays Capital Inc. or another of our affiliates resells a security that it has previously acquired from another holder. A market-making transaction in a particular debt security occurs after the original issuance and sale of the debt security.

### **Agreement with Respect to the Exercise of U.K. Bail-in Power**

Each issue of debt securities will provide the following:

Notwithstanding any other agreements, arrangements or understandings between us and any holder or beneficial owner of the debt securities, by acquiring the debt securities, each holder and beneficial owner of the debt securities acknowledges, accepts, agrees to be bound by, and consents to the exercise of, any U.K. Bail-in Power (as defined below) by the relevant U.K. resolution authority (as defined below) that may result in (i) the reduction or cancellation of all, or a portion of, the principal amount of, interest on, or any other amounts payable on, the debt securities; (ii) the conversion of all, or a portion, of the principal amount of, interest on, or any other amounts payable on, the debt securities into shares or other securities or other obligations of the Issuer or another person (and the issue to, or conferral on, the holder or beneficial owner of the debt securities of such shares, securities or obligations); and/or (iii) the amendment or alteration of the maturity of the debt securities, or amendment of the amount of interest or any other amounts due on the debt securities, or the dates on which interest or any other amounts become payable, including by suspending payment for a temporary period; which U.K. Bail-in Power may be exercised by means of a variation of the terms of the debt securities solely to give effect to the exercise by the relevant U.K. resolution authority of such U.K. Bail-in Power. Each holder and beneficial owner of the debt securities further acknowledges and agrees that the rights of the holders or beneficial owners of the debt securities are subject to, and will be varied, if necessary, solely to give effect to, the exercise of any U.K. Bail-in Power by the relevant U.K. resolution authority. For the avoidance of doubt, this consent and



acknowledgment is not a waiver of any rights holders or beneficial owners of the debt securities may have at law if and to the extent that any U.K. Bail-in Power is exercised by the relevant U.K. resolution authority in breach of laws applicable in England.

For purposes of the debt securities, a “U.K. Bail-in Power” is any write-down, conversion, transfer, modification and/or suspension power existing from time to time under any laws, regulations, rules or requirements relating to the resolution of banks, banking group companies, credit institutions and/or investment firms incorporated in the United Kingdom in effect and applicable in the United Kingdom to the Issuer or other members of the Group (as defined herein), including but not limited to any such laws, regulations, rules or requirements that are implemented, adopted or enacted within the context of any applicable European Union directive or regulation of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms, and/or within the context of a U.K. resolution regime under the U.K. Banking Act 2009, as the same has been or may be amended from time to time (whether pursuant to the U.K. Financial Services (Banking Reform) Act 2013 (the “Banking Reform Act 2013”), secondary legislation or otherwise, the “Banking Act”), pursuant to which obligations of a bank, banking group company, credit institution or investment firm or any of its affiliates can be reduced, cancelled, amended, transferred and/or converted into shares or other securities or obligations of the obligor or any other person (and a reference to the “relevant U.K. resolution authority” is to any authority with the ability to exercise a U.K. Bail-in Power).

No repayment of the principal amount of the debt securities or payment of interest or any other amounts payable on the debt securities shall become due and payable after the exercise of any U.K. Bail-in Power by the relevant U.K. resolution authority unless such repayment or payment would be permitted to be made by the Issuer under the laws and regulations of the United Kingdom and the European Union applicable to the Issuer.

By its acquisition of the debt securities, each holder and beneficial owner of the debt securities, to the extent permitted by the Trust Indenture Act, waives any and all claims against the trustee for, agrees not to initiate a suit against the trustee in respect of, and agrees that the trustee shall not be liable for, any action that the trustee takes, or abstains from taking, in either case in accordance with the exercise of the U.K. Bail-in Power by the relevant U.K. resolution authority with respect to the debt securities.

Upon the exercise of the U.K. Bail-in Power by the relevant U.K. resolution authority with respect to the debt securities, the Issuer shall provide a written notice to DTC as soon as practicable regarding such exercise of the U.K. Bail-in Power for purposes of notifying holders of such occurrence. The Issuer shall also deliver a copy of such notice to the trustee for information purposes.

By its acquisition of the debt securities, each holder and beneficial owner of the debt securities acknowledges and agrees that the exercise of the U.K. Bail-in Power by the relevant U.K. resolution authority with respect to the debt securities shall not give rise to a default for purposes of Section 315(b) (Notice of Defaults) and Section 315(c) (Duties of the Trustee in Case of Default) of the Trust Indenture Act.

The Issuer’s obligations to indemnify the trustee in accordance with the indentures shall survive the exercise of the U.K. Bail-in Power by the relevant U.K. resolution authority with respect to any debt securities.

By its acquisition of the debt securities, each holder and beneficial owner of the debt securities acknowledges and agrees that, upon the exercise of any U.K. Bail-in Power by the relevant U.K. resolution authority with respect to the debt securities, (a) the trustee shall not be required to take any further directions from holders of the debt securities under Section 5.12 (Control by Holders) of the Senior Debt Securities Indenture or Section 5.13 (Control by Holders) of the Dated Subordinated Debt Securities Indenture, as applicable, which sections authorize holders of a majority in aggregate principal amount of the outstanding debt securities of the relevant series to direct certain actions relating to the relevant debt securities, and (b) the indentures shall impose no duties upon the trustee whatsoever with respect to the exercise of any U.K. Bail-in

Power by the relevant U.K. resolution authority. Notwithstanding the foregoing, if, following the completion of the exercise of the U.K. Bail-in Power by the relevant U.K. resolution authority in respect of the debt securities, the debt securities remain outstanding (for example, if the exercise of the U.K. Bail-in Power results in only a partial write-down of the principal of such debt securities), then the trustee's duties under the indentures shall remain applicable with respect to the debt securities following such completion to the extent that the Issuer and the trustee shall agree pursuant to a supplemental indenture or an amendment thereto.

By its acquisition of the debt securities, each holder and beneficial owner of the debt securities shall be deemed to have (a) consented to the exercise of any U.K. Bail-in Power as it may be imposed without any prior notice by the relevant U.K. resolution authority of its decision to exercise such power with respect to the debt securities and (b) authorized, directed and requested DTC and any direct participant in DTC or other intermediary through which it holds the debt securities to take any and all necessary action, if required, to implement the exercise of any U.K. Bail-in Power with respect to the debt securities as it may be imposed, without any further action or direction on the part of such holder, beneficial owner or the trustee.

Under the terms of the Senior Debt Securities, the exercise of the U.K. Bail-in Power by the relevant U.K. resolution authority with respect to the Senior Debt Securities will not be a default or an Event of Default (as each term is defined in the Senior Debt Securities Indenture).

Under the terms of the Dated Subordinated Debt Securities, the exercise of the U.K. Bail-in Power by the relevant U.K. resolution authority with respect to the Dated Subordinated Debt Securities is not a Winding-up Event or a Non-Payment Event (as defined in the Dated Subordinated Debt Securities Indenture).

If any debt securities provide for the delivery of property, any reference in this prospectus and the relevant prospectus supplement or pricing supplement to payment by Barclays Bank PLC under the debt securities will be deemed to include that delivery of property.

### **Subsequent Holders' Agreement**

Holders of debt securities that acquire such debt securities in the secondary market shall be deemed to acknowledge, agree to be bound by and consent to the same provisions described herein and in the relevant prospectus supplement to the same extent as the holders of such debt securities that acquire the debt securities upon their initial issuance, including, without limitation, with respect to the acknowledgement and agreement to be bound by and consent to the terms of the debt securities, including in relation to the U.K. Bail-in Power and, with respect to the Dated Subordinated Debt Securities, the waiver of set-off provisions described under “—No set-off” and the limitations on remedies specified in “—Dated Subordinated Enforcement Events and Remedies —Limited remedies for breach of obligations (other than non-payment)” below.

### **Legal Ownership; Form of Debt Securities**

*Street Name and Other Indirect Holders.* Investors who hold debt securities in accounts at banks or brokers will generally not be recognized by us as legal holders of debt securities. This is called holding in “street name.”

Instead, we would recognize only the bank or broker, or the financial institution the bank or broker uses to hold its debt securities. These intermediary banks, brokers and other financial institutions pass along principal, interest and other payments on the debt securities, either because they agree to do so in their customer agreements or because they are legally required to do so. An investor who holds debt securities in street name should check with the investor's own intermediary institution to find out:

- how it handles debt securities payments and notices;
- whether it imposes fees or charges;

- how it would handle voting if it were ever required;
- whether and how the investor can instruct it to send the investor's debt securities registered in the investor's own name so the investor can be a direct holder as described below; and
- how it would pursue rights under the debt securities if there were a default or other event triggering the need for holders to act to protect their interests.

*Direct Holders.* Our obligations, as well as the obligations of the trustee and those of any third parties employed by us or the trustee, run only to persons who are registered as holders of debt securities. As noted above, we do not have obligations to an investor who holds in street name or other indirect means, either because the investor chooses to hold debt securities in that manner or because the debt securities are issued in the form of global securities as described below. For example, once we make payment to the registered holder, we have no further responsibility for the payment even if that holder is legally required to pass the payment along to the investor as a street name customer but does not do so.

*Global Securities.* A global security is a special type of indirectly held security, as described above under “—Legal Ownership; Form of Debt Securities—Street Name and Other Indirect Holders.” If we issue debt securities in the form of global securities, the ultimate beneficial owners can only be indirect holders.

We require that the global security be registered in the name of a financial institution we select. In addition, we require that the debt securities included in the global security not be transferred to the name of any other direct holder unless the special circumstances described in the section “Global Securities” occur. The financial institution that acts as the sole direct holder of the global security is called the depository. Any person wishing to own a security must do so indirectly by virtue of an account with a broker, bank or other financial institution that in turn has an account with the depository. Unless the applicable prospectus supplement indicates otherwise, each series of debt securities will be issued only in the form of global securities.

Further details of legal ownership are discussed in the section “Global Securities” in this prospectus.

***In the remainder of this section, “holders” means direct holders and not street name or other indirect holders of debt securities. Indirect holders should read the subsection entitled “—Legal Ownership; Form of Debt Securities—Street Name and Other Indirect Holders.”***

*Payment and Paying Agents.* We will pay interest to direct holders listed in the trustee's records at the close of business on a particular day in advance of each due date for interest, even if the direct holder no longer owns the security on the interest due date. That particular day, usually about one business day in advance of the interest due date, is called the regular record date and is stated in the applicable prospectus supplement.

We will pay interest, principal and any other money due on the debt securities at the corporate trust office of the trustee in New York City. Holders of debt securities must make arrangements to have their payments picked up at or wired from that office. We may also choose to pay interest by mailing checks.

***Street name and other indirect holders should consult their banks or brokers for information on how they will receive payments.***

We may also arrange for additional payment offices, and may cancel or change these offices, including our use of the trustee's corporate trust office. These offices are called paying agents. We may also choose to act as our own paying agent. We must notify the trustee of changes in the paying agents for any particular series of debt securities.

## **Payments**

The relevant prospectus supplement will specify the date on which we will pay interest, if any, and the date for payments of principal and any premium on any particular series of debt securities. The prospectus supplement will also specify the interest rate or rates, if any, or how the rate or rates will be calculated.

## Ranking

*Senior Debt Securities.* Senior Debt Securities and the coupons (if any) appertaining thereto constitute our direct, unconditional, unsecured and unsubordinated obligations ranking *pari passu*, without any preference among themselves. In the event of our winding-up or administration, the Senior Debt Securities and the coupons (if any) appertaining thereto will rank *pari passu* with all our other outstanding unsecured and unsubordinated obligations, present and future, except such obligations as are preferred by operation of law.

*Dated Subordinated Debt Securities.* Dated Subordinated Debt Securities and the coupons (if any) appertaining thereto constitute our direct, unsecured and subordinated obligations ranking *pari passu* without any preference among themselves. The relevant prospectus supplement will set forth the nature of the subordination provisions, including subordinated ranking of each series of Dated Subordinated Debt Securities relative to the debt and equity issued by us, including the extent to which the Dated Subordinated Debt Securities may rank junior in right of payment to our other obligations or in any other manner.

## Additional Amounts

Unless the relevant prospectus supplement provides otherwise, we will pay any amounts to be paid by us on any series of debt securities without deduction or withholding for, or on account of, any and all present or future income, stamp and other taxes, levies, imposts, duties, charges, fees, deductions or withholdings (“taxes”) now or hereafter imposed, levied, collected, withheld or assessed by or on behalf of the United Kingdom or any political subdivision or authority thereof or therein that has the power to tax (each, a “taxing jurisdiction”), unless the deduction or withholding is required by law. Unless the relevant prospectus supplement provides otherwise, at any time a taxing jurisdiction requires us to deduct or withhold taxes, we will pay the additional amounts of, or in respect of, the principal of, any premium, and any interest on the debt securities (“Additional Amounts”) that are necessary so that the net amounts paid to the holders, after the deduction or withholding, shall equal the amounts which would have been payable had no such deduction or withholding been required. However, we will not pay Additional Amounts for taxes that are payable because:

- the holder or the beneficial owner of the debt securities is a domiciliary, national or resident of, or engages in business or maintains a permanent establishment or is physically present in, a taxing jurisdiction requiring that deduction or withholding, or otherwise has some connection with the taxing jurisdiction other than the holding or ownership of the debt security, or the collection of any payment of, or in respect of, principal of, any premium, or any interest on, any debt securities of the relevant series;
- except in the case of our winding-up in England, the relevant debt security is presented for payment in the United Kingdom;
- the relevant debt security is presented for payment more than thirty (30) days after the date payment became due or was provided for, whichever is later, except to the extent that the holder would have been entitled to the Additional Amounts on presenting the debt security for payment at the close of such 30-day period;
- the holder or the beneficial owner of the relevant debt securities or the beneficial owner of any payment of (or in respect of) principal of, premium, if any, or any interest on debt securities failed to make any necessary claim or to comply with any certification, identification or other requirements concerning the nationality, residence, identity or connection with the taxing jurisdiction of such holder or beneficial owner, if such claim or compliance is required by statute, treaty, regulation or administrative practice of the taxing jurisdiction as a condition to relief or exemption from such taxes;
- the relevant debt security is presented for payment by or on behalf of a holder who would have been able to avoid such deduction or withholding by presenting the relevant debt security to another paying agent in a member state of the European Union or elsewhere; or

- if the taxes would not have been imposed or would have been excluded under one of the preceding points if the beneficial owner of, or person ultimately entitled to obtain an interest in, the debt securities had been the holder of the debt securities.

Whenever we refer in this prospectus and any prospectus supplement to the payment of the principal of, any premium, or any interest on, or in respect of, any debt securities of any series, we mean to include the payment of Additional Amounts to the extent that, in context, Additional Amounts are, were or would be payable.

For the avoidance of doubt, unless the relevant prospectus supplement provides otherwise, any amounts to be paid by us or any paying agent on the debt securities will be paid net of any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the “Code”), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code (or any law implementing such an intergovernmental agreement) (a “FATCA Withholding Tax”), and neither we nor any paying agent will be required to pay Additional Amounts on account of any FATCA Withholding Tax.

With respect to Dated Subordinated Debt Securities, any paying agent shall be entitled to make a deduction or withholding from any payment which it makes under the Dated Subordinated Debt Securities and the Dated Subordinated Debt Securities Indenture for or on account of (i) any present or future taxes, duties or charges if and to the extent so required by any applicable law and (ii) any FATCA Withholding Tax (together, “Applicable Law”). In either case, the paying agent shall make any payment after a deduction or withholding has been made pursuant to Applicable Law and shall report to the relevant authorities the amount so deducted or withheld. In all cases, the paying agent shall have no obligation to gross up any payment made subject to any deduction or withholding pursuant to Applicable Law. In addition, amounts deducted or withheld by the Paying Agent under this paragraph will be treated as paid to the holder of a Dated Subordinated Debt Security, and we will not pay Additional Amounts in respect of such deduction or withholding, except to the extent the provisions in this subsection “—Additional Amounts” explicitly provide otherwise.

## Redemption

*Redemption of Senior Debt Securities for Tax Reasons.* Subject to the provisions set out in “—Notice of Redemption” below and unless the relevant prospectus supplement provides otherwise, we will have the option to redeem the Senior Debt Securities of any series if:

- we are required to issue definitive debt securities (see “Global Securities—Special Situations When a Global Security Will Be Terminated”) and, as a result, we are or would be required to pay Additional Amounts with respect to the Senior Debt Securities; or
- we determine that as a result of a change in or amendment to the laws or regulations of a taxing jurisdiction, including any treaty to which the relevant taxing jurisdiction is a party, or a change in an official application of those laws or regulations on or after the issue date of the Senior Debt Securities, including a decision of any court or tribunal, which becomes effective on or after the issue date of the Senior Debt Securities (and, in the case of a successor entity, which becomes effective on or after the date of that entity’s assumption of our obligations), we (or any successor entity):
  - (i) will or would be required to pay holders Additional Amounts with respect to the Senior Debt Securities;
  - (ii) would not be entitled to claim a deduction in respect of any payment in respect of the Senior Debt Securities in computing our (or its) taxation liabilities (or the value of any such deduction would be materially reduced); or

- (iii) we would not, as a result of the Senior Debt Securities being in issue, be able to have losses or deductions set against the profits or gains, or profits or gains offset by the losses or deductions, of companies with which we are or would otherwise be so grouped for applicable United Kingdom tax purposes (whether under the group relief system current as at the date of this prospectus or any similar system or systems having like effect as may from time to time exist),

provided that in each case, the consequences cannot be avoided by us taking reasonable measures available to us.

In each case and unless the relevant prospectus supplement provides otherwise, before we give a notice of redemption (which notice shall be irrevocable), we shall be required to deliver to the trustee a written legal opinion of independent counsel of recognized standing, chosen by us, in a form satisfactory to the trustee, confirming that we are entitled to exercise our right of redemption. The redemption must be made in respect of all, but not some, of the Senior Debt Securities of the relevant series. The redemption price will be equal to 100% of the principal amount of debt securities being redeemed together with any accrued but unpaid interest, in respect of such Senior Debt Securities to the date fixed for redemption or, in the case of Senior Debt Securities which are Discount Securities, such portion of the principal amount of such Discount Securities as may be specified by their terms.

*Redemption of Dated Subordinated Debt Securities for Tax Reasons.* Subject to the provisions set out in “—Condition to Redemption of Dated Subordinated Debt Securities” and “—Notice of Redemption” below, and unless the relevant prospectus supplement provides otherwise, we will have the option to redeem the Dated Subordinated Debt Securities of any series if we determine that as a result of a change in, or amendment to, the laws or regulations of a taxing jurisdiction, including any treaty to which the relevant taxing jurisdiction is a party, or a change in an official application of those laws or regulations on or after the issue date of the Dated Subordinated Debt Securities, including a decision of any court or tribunal which becomes effective on or after the issue date of the relevant Dated Subordinated Debt Securities (and, in the case of a successor entity, which becomes effective on or after the date of that entity’s assumption of our obligations):

- we will or would be required to pay Additional Amounts with respect to the Dated Subordinated Debt Securities;
- we would not be entitled to claim a deduction in respect of any payment in respect of the Dated Subordinated Debt Securities in computing our taxation liabilities (or the value of any such deduction would be reduced);
- we would not, as a result of the Dated Subordinated Debt Securities being in issue, be able to have losses or deductions set against the profits or gains, or profits or gains offset by the losses or deductions, of companies with which we are or would otherwise be so grouped for applicable United Kingdom tax purposes (whether under the group relief system current as at the date of this prospectus or any similar system or systems having like effect as may from time to time exist);
- we would have to treat the Dated Subordinated Debt Securities of such Series or any part thereof as a derivative or an embedded derivative for United Kingdom tax purposes, or
- we would, in the future, have to bring into account a taxable credit if the principal amount of the notes were written down or converted,

(each such change in tax law or regulation or the official application thereof, a “Tax Event”); provided that in the case of each Tax Event, the consequences of the Tax Event cannot be avoided by us taking reasonable measures available to us.

In each case, and unless the relevant prospectus supplement provides otherwise, before we give a notice of redemption, we shall be required to deliver to the trustee a written legal opinion of independent counsel



of recognized standing, chosen by us, in a form satisfactory to the trustee, confirming that we are entitled to exercise our right of redemption. The redemption must be made in respect of all, but not some, of the Dated Subordinated Debt Securities of the relevant series. The redemption price will be equal to 100% of the principal amount of Dated Subordinated Debt Securities being redeemed, together with any accrued but unpaid interest in respect of such Dated Subordinated Debt Securities to (but excluding) the date fixed for redemption or, in the case of Dated Subordinated Debt Securities which are Discount Securities, such portion of the principal amount of such Discount Securities as may be specified by their terms.

*Optional Redemption.* The relevant prospectus supplement will specify whether we may redeem the debt securities of any series, in whole or in part, at our option, in any other circumstances. The prospectus supplement will also specify the notice we will be required to give, what prices and any premium we will pay, and the dates on which we may redeem the debt securities. Any notice of redemption of debt securities will state:

- the date fixed for redemption;
- the amount of debt securities to be redeemed if we are only redeeming a part of the series;
- the redemption price;
- that on the date fixed for redemption the redemption price will become due and payable on each debt security to be redeemed and, if applicable, that any interest will cease to accrue on or after the redemption date;
- the place or places at which each holder may obtain payment of the redemption price; and
- the CUSIP number or numbers, if any, with respect to the debt securities.

In the case of a partial redemption, the trustee shall select the debt securities that we will redeem in any manner it deems fair and appropriate.

*Condition to Redemption of Dated Subordinated Debt Securities.* Notwithstanding any other provision, and unless otherwise specified in the applicable prospectus supplement, we may redeem Dated Subordinated Debt Securities (and give notice thereof to the holders of such Dated Subordinated Debt Securities) only if we have obtained the PRA's prior consent (if such consent is then required by Capital Regulations) for the redemption of the relevant Dated Subordinated Debt Securities.

*Condition to Repurchase.* Unless the applicable prospectus supplement specifies otherwise, we or any member of the Group may purchase or otherwise acquire any outstanding debt securities of any series at any price in the open market or otherwise, subject to the following sentence and to applicable law. Repurchases of Dated Subordinated Debt Securities must be (i) in accordance with the Capital Regulations applicable to the Group in force at the relevant time, (ii) subject to the prior consent of the PRA (if such consent is then required by the Capital Regulations) and (iii) with all unmatured coupons appertaining thereto.

We will treat as cancelled and no longer issued and outstanding any debt securities of any series that we purchase beneficially for our own account, other than a purchase in the ordinary course of a business dealing in securities. Unless otherwise specified in the applicable prospectus supplement, you have no right to require us to repurchase the debt securities. Such debt securities will stop bearing interest on the repurchase date, even if you do not collect your money.

*Description of Certain CRD IV Provisions Relating to Redemption and Repurchase of Dated Subordinated Debt Securities.* The rules under CRD IV prescribe certain conditions for the granting of permission by the competent authority (the PRA in our case) to a request by an issuer to redeem or repurchase securities such as the Dated Subordinated Debt Securities. In this respect, CRD IV states that the competent

authority shall grant permission to a redemption or repurchase of Dated Subordinated Debt Securities provided that either of the following conditions is met, as applicable to the Dated Subordinated Debt Securities:

- (1) on or before the redemption or repurchase of the Dated Subordinated Debt Securities, we replace the Dated Subordinated Debt Securities with “own funds instruments” (as defined below) of an equal or higher quality on terms that are sustainable for our income capacity; or
- (2) we have demonstrated to the satisfaction of the PRA that our own funds (as defined below) and eligible liabilities would, following such redemption or repurchase, exceed the capital ratios required under CRD IV by a margin that the PRA may consider necessary on the basis set out in CRD IV for it to determine the appropriate level of capital of an institution.

In addition, the rules under CRD IV provide that the PRA may only permit us to redeem or repurchase the Dated Subordinated Debt Securities before five years after the date of issuance of the relevant Dated Subordinated Debt Securities if the conditions listed in paragraphs (1) or (2) above are met and either:

- (a) in the case of redemption or repurchase due to the occurrence of a change in the regulatory classification of the relevant Dated Subordinated Debt Securities that would be likely to result in their exclusion from own funds or reclassification as a lower quality form of own funds, (i) the PRA considers such change to be sufficiently certain and (ii) we demonstrate to the satisfaction of the PRA that such change was not reasonably foreseeable at the time of the issuance of the relevant Dated Subordinated Debt Securities; or
- (b) in the case of redemption due to the occurrence of a Tax Event, we demonstrate to the satisfaction of the PRA that such Tax Event is material and was not reasonably foreseeable at the time of issuance of the relevant Dated Subordinated Debt Securities.

The rules under CRD IV may be modified from time to time after the date of issuance of the relevant Dated Subordinated Debt Securities.

“Capital Regulations” means, at any time, the laws, regulations, requirements, standards, guidelines and policies relating to capital adequacy for credit institutions of either (i) the PRA and/or (ii) any other national or European authority, in each case then in effect in the United Kingdom (or in such other jurisdiction in which the Issuer may be organized or domiciled) and applicable to the Group including, as at the date hereof, CRD IV and related technical standards.

“CRD IV” means the legislative package consisting of Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, as the same may be amended or replaced from time to time, and the CRD IV Regulation;

“CRD IV Regulation” means Regulation (EU) No. 575/2013 on prudential requirements for credit institutions and investment firms of the European Parliament and of the Council of June 26, 2013, as the same may be amended or replaced from time to time;

“own funds” has the meaning given to such term in the CRD IV Regulation as interpreted and applied in accordance with the Capital Regulations then applicable to the Issuer. Under the CRD IV Regulation, as at the date hereof, “own funds” means the sum of Tier 1 Capital and Tier 2 Capital.

“own funds instruments” has the meaning given to such term in the CRD IV Regulation as interpreted and applied in accordance with the Capital Regulations then applicable to the Issuer. Under the CRD IV Regulation, as at the date hereof, “own funds instruments” means capital instruments issued by the institution that qualify as Common Equity Tier 1, Additional Tier 1 or Tier 2 instruments.

“Common Equity Tier 1, Additional Tier 1 or Tier 2 instruments” means Common Equity Tier 1, Additional Tier 1 or Tier 2 instruments, respectively, for purposes of the Capital Regulations.



“Tier 1 Capital” means Tier 1 Capital for the purposes of the Capital Regulations.

“Tier 2 Capital” means Tier 2 Capital for the purposes of the Capital Regulations.

#### *Notice of Redemption*

Unless the relevant prospectus supplement provides otherwise, any redemption of debt securities shall be subject to our giving not less than thirty (30) days’, nor more than sixty (60) days’, prior notice to the holders of such debt securities via DTC (or, if the debt securities are held in definitive form, to the holders at their addresses shown on the register for the debt securities) (such notice being irrevocable except in the limited circumstances described in the following paragraph) specifying our election to redeem such debt securities and the date fixed for such redemption. Notice by DTC to participating institutions and by these participants to street name holders of beneficial interests in the relevant debt securities will be made according to arrangements among them and may be subject to statutory or regulatory requirements.

If the Issuer has elected to redeem any debt securities but prior to the payment of the redemption amount with respect to such redemption the relevant U.K. resolution authority exercises its U.K. Bail-in Power in respect of the debt securities, the relevant redemption notice shall be automatically rescinded and shall be of no force and effect, and no payment of the redemption amount will be due and payable.

#### **Convertible or Exchangeable Securities**

Unless the applicable prospectus supplement specifies otherwise, optionally convertible or exchangeable securities will entitle the holder, during a period, or at specific times, to convert or exchange optionally convertible or exchangeable securities into or for the underlying security, basket or baskets of securities, index or indices of securities, or a combination of these, at a specified rate of exchange. Optionally convertible or exchangeable securities will be redeemable at our option prior to maturity, if the applicable prospectus supplement so states. If a holder does not elect to convert or exchange the optionally convertible or exchangeable securities before maturity or any applicable redemption date, the holder will receive the principal amount of the optionally convertible or exchangeable securities.

Unless the applicable prospectus supplement specifies otherwise, the holder is not entitled to convert or exchange mandatorily convertible or exchangeable securities before maturity. At maturity, the holder must convert or exchange the mandatorily convertible or exchangeable securities for the underlying security, basket or baskets of securities or index or indices of securities, or a combination of these, at a specified rate of exchange, and, therefore, the holder may receive less than the principal amount of the mandatorily convertible or exchangeable security. If the applicable prospectus supplement so indicates, the specified rate at which a mandatorily convertible or exchangeable security will be converted or exchanged may vary depending on the value of the underlying securities, basket or baskets of securities, index or indices of securities, or a combination of these so that, upon conversion or exchange, the holder participates in a percentage, which may be other than 100%, of the change in value of the underlying securities, basket or baskets, index or indices of securities, or a combination of these.

Unless the applicable prospectus supplement specifies otherwise, upon conversion or exchange, at maturity or otherwise, the holder of a convertible or exchangeable security may receive, at the specified exchange rate, either the underlying security or the securities constituting the relevant basket or baskets, index or indices, or a combination of these, or the cash value thereof.

#### **Modification and Waiver**

We and the trustee may make certain modifications and amendments to the indenture applicable to each series of debt securities without the consent of the holders of the debt securities. We may make other modifications and amendments with the consent of the holder(s) of not less than, in the case of the Senior Debt

Securities, a majority of or, in the case of the Dated Subordinated Debt Securities, 66 2/3% in aggregate principal amount of the debt securities of the series outstanding under the applicable indenture that are affected by the modification or amendment. However, we may not make any modification or amendment without the consent of the holder of each affected debt security that would:

- change the terms of any debt security to change the stated maturity date of its principal amount;
- change the principal amount of, or any premium or rate of interest, with respect to any debt securities;
- reduce the amount of principal on a Discount Security that would be due and payable upon an acceleration of the maturity date of any series of debt securities;
- change our obligation, or any successor's, to pay Additional Amounts, if any;
- change the places at which payments are payable or the currency of payment;
- impair the right to sue for the enforcement of any payment due and payable, to the extent that such right exists;
- reduce the percentage in aggregate principal amount of outstanding debt securities of the series necessary to modify or amend the indenture or to waive compliance with certain provisions of the indenture and any past Senior Event of Default or Dated Subordinated Event of Default (in each case as defined below);
- change our obligation to maintain an office or agency in the place and for the purposes specified in the indenture;
- modify the subordination provisions, if any, or the terms and conditions of our obligations in respect of the due and punctual payment of the amounts due and payable on the debt securities, in either case in a manner adverse to the holders; or
- modify the foregoing requirements or the provisions of the indenture relating to the waiver of any past Senior Event of Default, Dated Subordinated Event of Default or covenants, except as otherwise specified.

Unless the relevant prospectus supplement provides otherwise, in addition, any variations in the terms and conditions of Dated Subordinated Debt Securities of any series, including modifications relating to the subordination or redemption provisions of such Dated Subordinated Debt Securities, can only be made in accordance with the rules and requirements of the PRA, as and to the extent applicable from time to time.

## **Senior Events of Default; Dated Subordinated Enforcement Events and Remedies; Limitations on Suits**

### *Senior Events of Default*

Unless the relevant prospectus supplement provides otherwise, a “Senior Event of Default” with respect to any series of Senior Debt Securities shall result if:

- we do not pay any principal or interest on any Senior Debt Securities of that series within 14 days from the due date for payment and the principal or interest has not been duly paid within a further 14 days following written notice from the trustee or from holders of 25% in principal amount of the Senior Debt Securities of that series to us requiring the payment to be made. It shall not, however, be a Senior Event of Default if during the 14 days after the notice such sums (“Withheld Amounts”) were not paid in order to comply with a law, regulation or order of any court of competent jurisdiction. Where there is doubt as to the validity or applicability of any such law, regulation or order, it shall not be a Senior Event of Default if we act on the advice given to us during the 14-day period by independent legal advisers approved by the trustee; or
- we breach any covenant or warranty of the Senior Debt Securities Indenture (other than as stated above with respect to payments when due) and that breach has not been remedied within 21 days of receipt of a written notice from the trustee certifying that in its opinion the breach is materially prejudicial to the

interests of the holders of the Senior Debt Securities of that series and requiring the breach to be remedied or from holders of at least 25% in principal amount of the Senior Debt Securities of that series requiring the breach to be remedied; or

- either (i) an English court of competent jurisdiction issues an order which is not successfully appealed within 30 days, or (ii) an effective shareholders' resolution is validly adopted, for our winding-up (other than under or in connection with a scheme of reconstruction, merger or amalgamation not involving bankruptcy or insolvency).

If a Senior Event of Default occurs and is continuing, the trustee or the holders of at least 25% in outstanding principal amount of the Senior Debt Securities of that series may at their discretion declare the Senior Debt Securities of that series to be due and repayable immediately (and the Senior Debt Securities of that series shall thereby become due and repayable) at their outstanding principal amount (or at such other repayment amount as may be specified in or determined in accordance with the relevant prospectus supplement) together with accrued interest, if any, as provided in the prospectus supplement. The trustee may at its discretion and without further notice institute such proceedings as it may think suitable against us to enforce payment. Subject to the provisions of the Senior Debt Securities Indenture for the indemnification of the trustee, the holders of a majority in aggregate principal amount of the outstanding Senior Debt Securities of any series shall have the right to direct the time, method and place of conducting any proceeding in the name of and on the behalf of the trustee for any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to the series. However, this direction must not be in conflict with any rule of law or the Senior Debt Securities Indenture, and must not be unjustly prejudicial to the holder(s) of any Senior Debt Securities of that series not taking part in the direction, as determined by the trustee. The trustee may also take any other action, consistent with the direction, that it deems proper.

If lawful, Withheld Amounts or a sum equal to Withheld Amounts shall be placed promptly on interest bearing deposit as described in the Senior Debt Securities Indenture. We will give notice if at any time it is lawful to pay any Withheld Amount to holders of Senior Debt Securities or holders of coupons or if such payment is possible as soon as any doubt as to the validity or applicability of the law, regulation or order is resolved. The notice will give the date on which the Withheld Amounts and the interest accrued on it will be paid. This date will be the earliest day after the day on which it is decided Withheld Amounts can be paid on which the interest bearing deposit falls due for repayment or may be repaid without penalty. On such date, we shall be bound to pay the Withheld Amounts together with interest accrued on it. For the purposes of this subsection, this date will be the due date for those sums. Our obligations under this paragraph are in lieu of any other remedy against us in respect of Withheld Amounts. Payment will be subject to applicable laws, regulations or court orders, but in the case of payment of any Withheld Amount, without prejudice to the provisions described under “—Additional Amounts.” Interest accrued on any Withheld Amounts will be paid net of any taxes required by applicable law to be withheld or deducted and we shall not be obliged to pay any Additional Amount in respect of any such withholding or deduction.

The holders of a majority of the aggregate principal amount of the outstanding Senior Debt Securities of any affected series may waive any past Senior Event of Default with respect to the series, except any default in respect of either:

- the payment of principal of, or any premium or interest, on any Senior Debt Securities; or
- a covenant or provision of the Senior Debt Securities Indenture which cannot be modified or amended without the consent of each holder of Senior Debt Securities of the series.

Subject to exceptions, the trustee may, without the consent of the holders, waive or authorize a Senior Event of Default if, in the opinion of the trustee, such waiver or authorization would not be materially prejudicial to the interests of the holders.

The trustee will, within 90 days of a default with respect to the Senior Debt Securities of any series, give to each affected holder of the Senior Debt Securities of the affected series notice of any default it knows

about, unless the default has been cured or waived. However, except in the case of a default in the payment of the principal of, or premium, if any, or interest, if any, on the Senior Debt Securities, the trustee will be entitled to withhold notice if a trust committee of responsible officers of the trustee determine in good faith that withholding of notice is in the interest of the holders.

We are required to furnish to the trustee annually a statement as to our compliance with all conditions and covenants under the Senior Debt Securities Indenture.

Notwithstanding any contrary provisions, nothing shall impair the right of a holder, absent the holder's consent, to sue for any payments due but unpaid with respect to the Senior Debt Securities.

***Street name and other indirect holders should consult their banks or brokers for information on how to give notice or direction to or make a request of the trustee and how to waive a Senior Event of Default.***

#### *Dated Subordinated Enforcement Events and Remedies*

##### ***Winding-up***

Unless the relevant prospectus supplement provides otherwise, if a Winding-up Event occurs, subject to the subordination provisions set out in the relevant prospectus supplement, the outstanding principal amount of the Dated Subordinated Debt Securities together with any accrued but unpaid interest thereon will become immediately due and payable. A "Winding-up Event" with respect to the Dated Subordinated Debt Securities shall result if (i) a court of competent jurisdiction in England (or such other jurisdiction in which we may be organized) makes an order for our winding-up which is not successfully appealed within 30 days of the making of such order, (ii) our shareholders adopt an effective resolution for our winding-up (other than, in the case of either (i) or (ii) above, under or in connection with a scheme of reconstruction, merger or amalgamation not involving a bankruptcy or insolvency) or (iii) following the appointment of an administrator of Barclays Bank PLC, the administrator gives notice that it intends to declare and distribute a dividend.

##### ***Non-payment***

If we fail to pay any amount that has become due and payable under the Dated Subordinated Debt Securities and the failure continues for 14 days, the trustee may give us notice of such failure. If within a period of 14 days following the provision of such notice, the failure continues and has not been cured nor waived, the trustee may at its discretion and without further notice to us institute proceedings in England (or such other jurisdiction in which we may be organized) (but not elsewhere) for our winding-up and/or prove in our winding-up and/or claim in our liquidation or administration.

##### ***Limited remedies for breach of obligations (other than non-payment)***

In addition to the remedies for non-payment provided above, the trustee may, without further notice, institute such proceedings against us as the trustee may think fit to enforce any term, obligation or condition binding on us under the Dated Subordinated Debt Securities or the Dated Subordinated Debt Securities Indenture (other than any payment obligation under or arising from the Dated Subordinated Debt Securities or the Dated Subordinated Debt Securities Indenture, including, without limitation, payment of any principal or interest) (a "Dated Subordinated Performance Obligation"); provided always that the trustee (acting on behalf of the holders of the Dated Subordinated Debt Securities) and the holders of the Dated Subordinated Debt Securities may not enforce, and may not be entitled to enforce or otherwise claim, against us any judgment or other award given in such proceedings that requires the payment of money by us, whether by way of damages or otherwise (a "Dated Subordinated Monetary Judgment"), except by proving such Dated Subordinated Monetary Judgment in our winding-up and/or by claiming such Dated Subordinated Monetary Judgment in our administration.

For the avoidance of doubt, the sole and exclusive manner by which the trustee (acting on behalf of the holders of the Dated Subordinated Debt Securities) and the holders of the Dated Subordinated Debt Securities may seek to enforce or otherwise claim a Dated Subordinated Monetary Judgment against us in connection with our breach of a Dated Subordinated Performance Obligation shall be by proving such Dated Subordinated Monetary Judgment in our winding-up and/or by claiming such Dated Subordinated Monetary Judgment in our administration. By its acquisition of the Dated Subordinated Debt Securities, each holder of the Dated Subordinated Debt Securities acknowledges and agrees that such holder will not seek to enforce or otherwise claim, and will not direct the trustee (acting on behalf of the holders of the Dated Subordinated Debt Securities) to enforce or otherwise claim, a Dated Subordinated Monetary Judgment against us in connection with our breach of a Dated Subordinated Performance Obligation, except by proving such Dated Subordinated Monetary Judgment in our winding-up and/or by claiming such Dated Subordinated Monetary Judgment in our administration.

#### ***No other remedies***

Other than the limited remedies specified herein under “Dated Subordinated Enforcement Events and Remedies” above and subject to “Trust Indenture Act remedies” below, no remedy against us will be available to the trustee (acting on behalf of the holders of the Dated Subordinated Debt Securities) or the holders of the Dated Subordinated Debt Securities whether for the recovery of amounts owing in respect of such Dated Subordinated Debt Securities or under the Dated Subordinated Debt Securities Indenture or in respect of any breach by us of any of our obligations under or in respect of the terms of such Dated Subordinated Debt Securities or under the Dated Subordinated Debt Securities Indenture in relation thereto; provided, however, that such limitation shall not apply to our obligations to pay the fees and expenses of, and to indemnify, the trustee (including fees and expenses of trustee’s counsel) and the trustee’s rights to apply money collected to first pay its fees and expenses shall not be subject to the subordination provisions set forth in the Dated Subordinated Debt Securities Indenture and any subordination provisions in any supplemental indenture thereto.

#### ***Trust Indenture Act remedies***

Notwithstanding the limitation on remedies specified herein under “Dated Subordinated Enforcement Events and Remedies” above, (1) the trustee will have such powers as are required to be authorized to it under the Trust Indenture Act in respect of the rights of the holders of the Dated Subordinated Debt Securities under the provisions of the Dated Subordinated Debt Securities Indenture and (2) nothing shall impair the right of a holder of the Dated Subordinated Debt Securities under the Trust Indenture Act, absent such holder’s consent, to sue for any payment due but unpaid with respect to the Dated Subordinated Debt Securities; provided that, in the case of each of (1) and (2) above, any payments in respect of, or arising from, the Dated Subordinated Debt Securities, including any payments or amounts resulting or arising from the enforcement of any rights under the Trust Indenture Act in respect of the Dated Subordinated Debt Securities, are subject to the subordination provisions set forth in the Dated Subordinated Debt Securities Indenture and any subordination provisions in any supplemental indenture thereto.

#### ***No set-off***

Subject to applicable law and unless the applicable prospectus supplement provides otherwise, claims in respect of any Dated Subordinated Debt Security may not be set-off, or be the subject of a counterclaim, by the trustee or any holder against or in respect of any of its obligations to us, and the trustee and every holder will be deemed to have waived any right of set-off or counterclaim in respect of the Dated Subordinated Debt Securities or the Dated Subordinated Debt Securities Indenture that they might otherwise have against us. No holder of Dated Subordinated Debt Securities shall be entitled to proceed directly against us except as described in “—Limitation on Suits” below.

### *Trustee's Duties—Dated Subordinated Debt Securities*

In case of a Dated Subordinated Event of Default under any series of the Dated Subordinated Debt Securities, the trustee shall exercise such of the rights and powers vested in it by the Dated Subordinated Debt Securities Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs. For these purposes, a “Dated Subordinated Event of Default” shall occur (i) upon a Winding-Up Event that occurs, (ii) if we fail to pay any amount that has become due and payable under any series of the Dated Subordinated Debt Securities and such failure continues for 14 days (as described under “Dated Subordinated Enforcement Events and Remedies—Non-payment”) or (iii) upon a breach by us of a Dated Subordinated Performance Obligation with respect to a series of the Dated Subordinated Debt Securities (as described under “Dated Subordinated Enforcement Events and Remedies—Limited remedies for breach of obligations (other than non-payment)”). Holders of a majority of the aggregate principal amount of the outstanding Dated Subordinated Debt Securities of a series may not waive any past Dated Subordinated Event of Default specified in clauses (i) and (ii) in the preceding sentence.

If a Dated Subordinated Event of Default occurs and is continuing with respect to any series of the Dated Subordinated Debt Securities, the trustee will have no obligation to take any action at the direction of any holders of such series of the Dated Subordinated Debt Securities, unless they have offered the trustee security or indemnity satisfactory to the trustee in its sole discretion. The holders of a majority in aggregate principal amount of the outstanding Dated Subordinated Debt Securities of a series shall have the right to direct the time, method and place of conducting any proceeding in the name of and on the behalf of the trustee for any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to such series of the Dated Subordinated Debt Securities. However, this direction (a) must not be in conflict with any rule of law or the Dated Subordinated Debt Securities Indenture and (b) must not be unjustly prejudicial to the holder(s) of such series of the Dated Subordinated Debt Securities not taking part in the direction, as determined by the trustee in its sole discretion. The trustee may also take any other action, not inconsistent with the direction, that it deems proper.

The trustee will, within 90 days of a Dated Subordinated Event of Default with respect to the Dated Subordinated Debt Securities of any series, give to each affected holder of the Dated Subordinated Debt Securities of the affected series notice of any Dated Subordinated Event of Default known to a responsible officer of the trustee, unless the Dated Subordinated Event of Default has been cured or waived. However, the trustee will be entitled to withhold notice if a trust committee of responsible officers of the trustee determine in good faith that withholding of notice is in the interest of the holders.

We are required to furnish to the trustee annually a statement as to our compliance with all conditions and covenants under the Dated Subordinated Debt Securities Indenture.

### *Limitation on Suits*

Before a holder may bypass the trustee and bring its own lawsuit or other formal legal action or take other steps to enforce its rights or protect its interests relating to the debt securities, the following must occur:

- The holder must give the trustee written notice that a Senior Event of Default or Dated Subordinated Event of Default has occurred and remains uncured.
- The holders of 25% in principal amount of all outstanding debt securities of the relevant series must make a written request that the trustee take action because of the default, and the holder must offer (i) in respect of the Senior Debt Securities, reasonable indemnity to the trustee, or (ii) in respect of the Dated Subordinated Debt Securities, indemnity satisfactory to the trustee in its sole discretion, against the cost and other liabilities of taking that action.
- The trustee must not have taken action for 60 days after receipt of the above notice and offer of indemnity, and the trustee must not have received an inconsistent direction from the majority in principal amount of all outstanding debt securities of the relevant series during that period.



- With respect to Senior Debt Securities, in the case of our winding-up in England, such legal action or proceeding is in the name and on behalf of the trustee to the same extent, but no further, as the trustee would have been entitled to do.

Notwithstanding any contrary provisions, nothing shall impair the right of a holder, absent the holder's consent, to sue for any payments due but unpaid with respect to the debt securities.

***Street name and other indirect holders should consult their banks or brokers for information on how to give notice or direction to or make a request of the trustee and how to waive any past Senior Event of Default or Dated Subordinated Event of Default.***

### **Consolidation, Merger and Sale of Assets; Assumption**

We may, without the consent of the holders of any of the debt securities, consolidate or amalgamate with, merge into or transfer or lease our assets substantially as an entirety to, any of the persons specified in the applicable indenture. However, any successor corporation formed by any consolidation, amalgamation or merger, or any transferee or lessee of our assets, must be a bank organized under the laws of the United Kingdom that assumes our obligations on the debt securities and the applicable indenture, and a number of other conditions must be met.

Subject to applicable law and regulation (including, if and to the extent required by the Capital Regulations at such time, the prior consent of the PRA), any of our wholly owned subsidiaries (or, with respect to the Dated Subordinated Debt Securities, Barclays PLC) may assume our obligations under the debt securities of any series without the consent of any holder (the "Substituted Issuer"). We, however, must irrevocably guarantee (on a subordinated basis in substantially the manner described under "—Ranking" above, in the case of Dated Subordinated Debt Securities) the obligations of the Substituted Issuer under the debt securities of that series. If we do, all of our direct obligations under the debt securities of the series and the applicable indenture shall immediately be discharged. Unless the relevant prospectus supplement provides otherwise, any Additional Amounts under the debt securities of the series will be payable in respect of taxes imposed by the jurisdiction in which the successor entity is organized, rather than taxes imposed by a U.K. taxing jurisdiction, subject to exceptions equivalent to those that apply to any obligation to pay Additional Amounts in respect of taxes imposed by a U.K. taxing jurisdiction. However, if we make payment under this guarantee, we shall also be required to pay Additional Amounts related to taxes (subject to the exceptions set forth in "—Additional Amounts" above) imposed by a U.K. taxing jurisdiction due to this guarantee payment. A subsidiary that assumes our obligations will also be entitled to redeem the debt securities of the relevant series in the circumstances described under "—Redemption" above with respect to any change or amendment to, or change in the application or interpretation of the laws or regulations (including any treaty) of the assuming corporation's jurisdiction of incorporation as long as the change or amendment occurs after the date of the subsidiary's assumption of our obligations.

The U.S. Internal Revenue Service might deem an assumption of our obligations as described above to be an exchange of the existing debt securities for new debt securities, resulting in a recognition of taxable gain or loss and possibly other adverse tax consequences. Investors should consult their tax advisors regarding the tax consequences of such an assumption.

### **Governing Law**

Unless the applicable prospectus supplement specifies otherwise, the debt securities and indentures will be governed by and construed in accordance with the laws of the State of New York, except that, as specified in the Dated Subordinated Debt Securities Indenture, the subordination provisions and any applicable provisions relating to waiver of set-off of each series of Dated Subordinated Debt Securities and the related provisions in the Dated Subordinated Debt Securities Indenture will be governed by and construed in accordance with the laws of England.

## **Notices**

Notices regarding the debt securities will be valid:

- with respect to global debt securities in bearer form, if in writing and delivered or mailed to each direct holder;
- in the case of Dated Subordinated Debt Securities, with respect to global debt securities if given in accordance with the applicable procedures of the depositary for such global debt securities; or
- if registered debt securities are affected, if given in writing and mailed to each direct holder as provided in the applicable indenture; or
- with respect to bearer definitive debt securities, if published at least once in an Authorized Newspaper (as defined in the indentures) in the Borough of Manhattan in New York City and as the applicable prospectus supplement may specify otherwise.

Any notice shall be deemed to have been given on the date of such publication or, if published more than once, on the date of the first publication. If publication is not practicable, notice will be valid if given in any other manner, and deemed to have been given on the date, as we shall determine. With respect to a global debt security representing any series of debt securities, a copy of all notices with respect to such series will be delivered to the depositary for such global debt security.

## **The Trustee**

The Bank of New York Mellon will be the trustee under the indentures. The trustee has two principal functions:

- first, it can enforce a holder's rights against us if we default on debt securities issued under the indentures. There are some limitations on the extent to which the trustee acts on a holder's behalf, described under "Senior Events of Default; Dated Subordinated Enforcement Events and Remedies; Limitation on Suits"; and
- second, the trustee performs administrative duties for us, such as sending the holder's interest payments, transferring debt securities to a new buyer and sending notices to holders.

We and some of our subsidiaries maintain deposit accounts and conduct other banking transactions with the trustee in the ordinary course of our respective businesses.

## **Consent to Service**

Barclays Bank PLC (New York Branch), 745 Seventh Avenue, New York, New York 10019, Attention: General Counsel, has been designated as our authorized agent for service of process in any proceeding arising out of or relating to the Senior Debt Securities Indenture or Senior Debt Securities brought in any federal or state court in New York City, and, pursuant to the Senior Debt Securities Indenture, we have irrevocably submitted to the jurisdiction of these courts.

Barclays Bank PLC (New York Branch), 745 Seventh Avenue, New York, New York 10019, Attention: General Counsel, has been designated as our authorized agent for service of process in any proceeding arising out of or relating to the Dated Subordinated Debt Securities Indenture or Dated Subordinated Debt Securities brought in any federal or state court in the Borough of Manhattan, New York City, and, pursuant to the Dated Subordinated Debt Securities Indenture, we have irrevocably submitted to the jurisdiction of these courts.



## DESCRIPTION OF WARRANTS

*The following is a summary of the general terms of the warrants. It sets forth possible terms and provisions for each series of warrants. Each time that we offer warrants, we will prepare and file a prospectus supplement with the SEC, which you should read carefully. The prospectus supplement may contain additional terms and provisions of those securities. If there is any inconsistency between the terms and provisions presented here and those in the prospectus supplement, those in the prospectus supplement will apply and will replace those presented here.*

*We will issue each series of warrants under either an indenture between us and The Bank of New York Mellon, as trustee, or a warrant agreement between us and the applicable warrant agent. The terms of the warrants include those stated in the relevant indenture or agreement and any supplements thereto. We have filed each of the form of warrant indenture and warrant agreement as an exhibit to the registration statement, of which this prospectus is a part. If we issue a series of warrants under a warrant agreement, we will file that agreement either as an exhibit to an amendment to the registration statement of which this prospectus is a part or as an exhibit to a current report on Form 6-K.*

*Because this section is a summary, it does not describe every aspect of the warrants in detail. This summary is subject to, and qualified by reference to, all of the definitions and provisions of the relevant indenture or agreement, any supplement to the relevant indenture or agreement and each series of warrants. Certain terms, unless otherwise defined here, have the meaning given to them in the relevant indenture or agreement.*

### General

We may issue warrants that are debt warrants or universal warrants. We will issue each series of warrants under either a warrant indenture or a warrant agreement. We may offer warrants separately or together with our debt securities. When we refer to a series of warrants, we mean all warrants issued as part of the same series under the applicable indenture or agreement. We may issue warrants in such amounts or in as many distinct series as we wish.

#### *Debt Warrants*

We may issue warrants for the purchase of our debt securities on terms to be determined at the time of sale. We refer to this type of warrant as a “debt warrant.”

#### *Universal Warrants*

We may also issue warrants, on terms to be determined at the time of sale, for the purchase or sale of, or whose cash value is determined by reference to the performance, level or value of, one or more of the following:

- securities of one or more issuers, including our preferred stock or other securities (other than our ordinary shares or ordinary shares of Barclays PLC) described in this prospectus or debt or equity securities of third parties;
- one or more currencies;
- one or more commodities;
- any other financial, economic or other measure or instrument, including the occurrence or non-occurrence of any event or circumstance; and
- one or more indices or baskets of the items described above.

We refer to this type of warrant as a “universal warrant.” When we refer to “warrant property,” we mean such of each property described in the first four bullet points above as may be purchased or sold pursuant to a warrant, or by reference to which the cash value of a warrant is determined or linked.

We may satisfy our obligations, if any, and the holder of a universal warrant may satisfy its obligations, if any, with respect to any universal warrants by delivering:

- the warrant property;
- the cash value of the warrant property; or
- the cash value of the warrants determined by reference to the performance, level or value of the warrant property.

The prospectus supplement will describe what we may deliver to satisfy our obligations, if any, and what the holder of a universal warrant may deliver to satisfy its obligations, if any, with respect to any universal warrants.

### **Agreement with Respect to the Exercise of U.K. Bail-in Power**

Each issue of warrants will provide the following:

Notwithstanding any other agreements, arrangements or understandings between us and any holder or beneficial owner of the warrants, by acquiring the warrants, each holder and beneficial owner of the warrants acknowledges, accepts, agrees to be bound by, and consents to the exercise of, any U.K. Bail-in Power (as defined below) by the relevant U.K. resolution authority (as defined below) that may result in (i) the reduction or cancellation of all, or a portion, of the principal amount of, interest on, or any other amounts payable on, the warrants; (ii) the conversion of all, or a portion, of the principal amount of, interest on, or any other amounts payable on, the warrants into shares or other securities or other obligations of the Issuer or another person (and the issue to, or conferral on, the holder of the warrants of such shares, securities or obligations); and/or (iii) the amendment or alteration of the maturity of the warrants, or amendment of the amount of interest or any other amounts due on the warrants, or the dates on which interest or any other amounts become payable, including by suspending payment for a temporary period; which U.K. Bail-in Power may be exercised by means of a variation of the terms of the warrants solely to give effect to the exercise by the relevant U.K. resolution authority of such U.K. Bail-in Power. Each holder and beneficial owner of the warrants further acknowledges and agrees that the rights of the holders or beneficial owners of the warrants are subject to, and will be varied, if necessary, solely to give effect to, the exercise of any U.K. Bail-in Power by the relevant U.K. resolution authority. For the avoidance of doubt, this consent and acknowledgment is not a waiver of any rights holders or beneficial owners of the warrants may have at law if and to the extent that any U.K. Bail-in Power is exercised by the relevant U.K. resolution authority in breach of laws applicable in England.

For purposes of the warrants, a “U.K. Bail-in Power” is any write-down, conversion, transfer, modification and/or suspension power existing from time to time under any laws, regulations, rules or requirements relating to the resolution of banks, banking group companies, credit institutions and/or investment firms incorporated in the United Kingdom in effect and applicable in the United Kingdom to the Issuer or other members of the Group, including but not limited to any such laws, regulations, rules or requirements that are implemented, adopted or enacted within the context of any applicable European Union directive or regulation of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms, and/or within the context of a U.K. resolution regime under the Banking Act pursuant to which obligations of a bank, banking group company, credit institution or investment firm or any of its affiliates can be reduced, cancelled, amended, transferred and/or converted into shares or other securities or obligations of the obligor or any other person (and a reference to the “relevant U.K. resolution authority” is to any authority with the ability to exercise a U.K. Bail-in Power).

The relevant prospectus supplement may describe related provisions with respect to the U.K. Bail-in Power, including certain waivers by the holders of warrants of certain claims against the trustee, to the extent permitted by the Trust Indenture Act.

### **Legal Ownership; Form of Warrants**

*Street Name and Other Indirect Holders.* Investors who hold warrants in accounts at banks or brokers will generally not be recognized by us as legal holders of warrants. This is called holding in “street name.”

Instead, we would recognize only the bank or broker, or the financial institution the bank or broker uses to hold its warrants. These intermediary banks, brokers and other financial institutions pass along warrant property and other payments on the warrants, either because they agree to do so in their customer agreements or because they are legally required. An investor who holds warrants in street name should check with the investor’s own intermediary institution to find out:

- how it handles warrant payments or delivers warrant property and notices;
- whether it imposes fees or charges;
- how it would handle voting if it were ever required;
- whether and how the investor can instruct it to send the investor’s warrants, registered in the investor’s own name so the investor can be a direct holder as described below; and
- how it would pursue rights under the warrants if there were a default or other event triggering the need for holders to act to protect their interests.

*Direct Holders.* Our obligations, as well as the obligations of the trustee or any warrant agent and those of any third parties employed by us or the trustee or any warrant agent, under the warrants, the warrant indenture and any warrant agreement run only to persons who are registered as holders of warrants. As noted above, we do not have obligations to an investor who holds in street name or other indirect means, either because the investor chooses to hold warrants in that manner or because the warrants are issued in the form of global securities as described below. For example, once we make payment to the registered holder, we have no further responsibility for the payment even if that holder is legally required to pass the payment along to the investor as a street name customer but does not do so.

*Global Securities.* A global security is a special type of indirectly held security, as described above under “—Legal Ownership; Form of Warrants—Street Name and Other Indirect Holders.” If we issue warrants in the form of global securities, the ultimate beneficial owners can only be indirect holders.

We require that the global security be registered in the name of a financial institution we select. In addition, we require that the warrants included in the global security not be transferred to the name of any other direct holder unless the special circumstances described in the section “Global Securities” occur. The financial institution that acts as the sole direct holder of the global security is called the depositary. Any person wishing to own a security must do so indirectly by virtue of an account with a broker, bank or other financial institution that in turn has an account with the depositary. Unless the applicable prospectus supplement indicates otherwise, each series of warrants will be issued only in the form of global securities.

Further details of legal ownership are discussed in the section “Global Securities” below.

***In the remainder of this description “holder” means direct holders and not street name or other indirect holders of warrants. Indirect holders should read the subsection entitled “—Legal Ownership; Form of Warrants—Street Name and Other Indirect Holders.”***

## **General Terms of Warrants**

Because we are a holding company, our ability to perform our obligations on the warrants will depend in part on our ability to participate in distributions of assets from our subsidiaries. We discuss these matters above under “Description of Debt Securities—General.”

Neither the indenture nor any warrant agreement limits the number of warrants that we may issue.

The prospectus supplement will indicate, where applicable, for each series or of two or more related series of warrants:

- the specific designation and aggregate number of, the warrants;
- the prices at which we will issue the warrants;
- the currency with which the warrants may be purchased;
- the date on which the right to exercise the warrants will begin and the date on which that right will expire or, if the warrants may not be continuously exercised throughout that period, the specific date or dates on which the warrants may be exercised;
- the minimum number, if any, of warrants that must be exercised at any one time, other than upon automatic exercise, if applicable;
- the maximum number, if any, of warrants that may be exercised on any exercise date or during any exercise period, as applicable;
- any provisions for the automatic exercise of the warrants at expiration or otherwise;
- in the case of universal warrants, if the warrant property is an index or a basket of securities, a description of the index or basket of securities, as the case may be;
- in the case of universal warrants, if the warrant property is an index, a description of the method of providing for a substitute index or indices or otherwise determining the amount payable if any index changes or ceases to be made available by its publisher;
- if applicable, the period or periods within which, the price or prices at which and the terms and conditions upon which we may redeem any warrants of the series at our option, in whole or in part and, if other than by a board resolution, the manner in which such election is evidenced;
- the indenture or agreement under which we will issue the warrants;
- whether the warrants will be registered securities or bearer securities or both;
- if applicable, that any warrants shall be issuable in whole or in part in the form of one or more global securities and, in such case, the respective depositaries;
- the identities of the trustee or warrant agent, any depositaries and any paying, transfer, calculation or other agents for the warrants;
- any listing of the warrants on a securities exchange; and
- any other terms of the warrants.

If we issue warrants in bearer form, the special restrictions and considerations relating to such bearer warrants, including applicable offering restrictions and U.S. tax considerations, will be described in the relevant prospectus supplement.

No holder of a warrant will have any rights of a holder of the warrant property purchasable or deliverable under the warrant.

Holders of warrants have no voting rights except as explained below under “—Modification and Waiver” and “—Warrant Events of Default; Limitation of Remedies.”

Our affiliates may resell warrants in market-making transactions after their initial issuance. We discuss these transactions above under “Description of Debt Securities—General—Market-Making Transactions.”

## **Additional Terms of Warrants**

### *Debt Warrants*

The prospectus supplement will further indicate, for each series or two or more related series of debt warrants:

- the designation, aggregate principal amount, currency and terms of the debt securities that may be purchased upon exercise of the debt warrants;
- the exercise price and whether the exercise price may be paid in cash, by the exchange of any debt warrants or other securities or both and the method of exercising the debt warrants; and
- the designation, terms and amount of debt securities, if any, to be issued together with each of the debt warrants and the date, if any, after which the debt warrants and debt securities will be separately transferable.

### *Universal Warrants*

The prospectus supplement will further indicate for each series or two or more related series of universal warrants:

- whether the universal warrants are call warrants or put warrants, including in either case warrants that may be settled by means of net cash settlement or cashless exercise, or any other type of warrants;
- the specific warrant property, as well as the amount or the method for determining the amount of the warrant property purchasable or saleable upon the exercise of each warrant;
- the price at which and the currency with which the warrant property may be purchased or sold by or on behalf of the holder of each universal warrant upon the exercise of that warrant, or the method of determining that price;
- whether the exercise price may be paid in cash, by the exchange of any universal warrants or other securities or both, and the method of exercising the universal warrants; and
- whether the exercise of the universal warrants is to be settled in cash or by delivery of the warrant property or both and whether the election of such form of settlement is to be at our option or at the option of the holder of such warrant.

## **General Provisions of Warrant Indenture**

We may issue universal warrants under the warrant indenture. Warrants of this kind will not be secured by any property or assets of Barclays Bank PLC or its subsidiaries. Thus, by owning a warrant issued under the indenture, you hold one of our unsecured obligations.

### *Ranking*

The warrants issued under the indenture will constitute our direct, unconditional, unsecured and unsubordinated obligations and will at all times rank *pari passu* without any preference among themselves. In the

event of a winding-up or administration of the Issuer, the warrants will rank *pari passu* with all our other outstanding unsecured and unsubordinated obligations, present and future, except such obligations as are preferred by operation of law.

### *Redemption*

*Redemption for Tax Reasons.* Unless the relevant prospectus supplement provides otherwise, we will have the option to redeem the warrants of any series upon not less than 35 nor more than 60 days' notice to the holders on any dates as are specified in the applicable prospectus supplement, if we determine that as a result of a change in or amendment to the laws or regulations of a taxing jurisdiction, including any treaty to which the taxing jurisdiction is a party, or a change in an official application or interpretation of those laws or regulations, including a decision of any court or tribunal, which becomes effective on or after the date of the applicable prospectus supplement (and, in the case of a successor entity, which becomes effective on or after the date of that entity's assumption of our obligations), we (or any successor entity) will become subject to any adverse tax consequences.

Before we give a notice of redemption, we shall be required to deliver to the trustee a written legal opinion of independent counsel of recognized standing, chosen by us, in a form satisfactory to the trustee, confirming that we are entitled to exercise our right of redemption. The redemption must be made in respect of all, but not some, of the warrants of the relevant series. The relevant pricing supplement will specify the applicable redemption price for the warrants.

*Optional Redemption.* The relevant prospectus supplement will specify whether we may redeem the warrants of any series, in whole or in part, at our option, in any other circumstances. The prospectus supplement will also specify the notice we will be required to give, what prices and any premium we will pay, and the dates on which we may redeem the warrants. Any notice of redemption of warrants will state:

- the date fixed for redemption;
- the redemption price;
- the amount of warrants to be redeemed if we are only redeeming a part of the series;
- that on the date fixed for redemption the redemption price will become due and payable on each warrant to be redeemed;
- the place or places at which each holder may obtain payment of the redemption price;
- if applicable, the terms of exercise, the date on which the right to exercise the warrant terminates and the place or places where such warrants may be surrendered for exercise; and
- the CUSIP number or numbers, if any, with respect to the warrants.

In the case of a partial redemption, the trustee shall select the warrants that we will redeem in any manner it deems fair and appropriate.

We or any of our subsidiaries may at any time purchase warrants of any series in the open market or by tender (available alike to each holder of warrants of the relevant series) or by private agreement, if applicable law allows. We will treat as cancelled and no longer issued and outstanding any warrants of any series that we purchase beneficially for our own account, other than a purchase in the ordinary course of a business dealing in securities.

### *Modification and Waiver*

We and the trustee may make certain modifications and amendments to the indenture applicable to each series of warrants without the consent of the holders of the warrants. We may make other modifications and

amendments with the consent of the holder(s) of not less than a majority in number of the warrants of the series outstanding under the indenture that are affected by the modification or amendment. However, we may not make any modification or amendment without the consent of the holder of each affected warrant that would:

- change the terms of any warrant with respect to the payment or settlement date of the warrant;
- change the exercise price of the warrant;
- reduce the amount of money payable or reduce the amount or change the kind of warrant property deliverable upon the exercise of the warrant or any premium payable upon redemption of the warrant;
- change the places at which payments are payable or the currency of payment;
- permit redemption of a warrant if not previously permitted;
- impair a holder's right to exercise its warrant, or sue for payment or delivery of any money or warrant property payable or deliverable with respect to its warrant on or after the payment or settlement date, or in the case of redemption, the redemption date;
- reduce the percentage in number of outstanding warrants of the series necessary to modify or amend the indenture or to waive compliance with certain provisions of the indenture and any past Warrant Event of Default (as defined below);
- change our obligation to maintain an office or agency in the place and for the purposes specified in the indenture;
- modify the terms and conditions of our obligations in respect of the due and punctual payment or delivery of money or warrant property due and payable or deliverable on the warrants, in a manner adverse to the holders; or
- modify the foregoing requirements or the provisions of the indenture relating to the waiver of any past Warrant Event of Default or covenants, except as otherwise specified.

#### *Warrant Events of Default; Limitation of Remedies*

*Warrant Events of Default.* Unless the relevant prospectus supplement provides otherwise, a "Warrant Event of Default" with respect to any warrant shall result if:

- we do not pay any money or deliver any warrant property with respect to that warrant on the payment or settlement date in accordance with the terms of that warrant. It shall not, however, be a Warrant Event of Default if we satisfy the trustee that such sums or warrant property ("Withheld Amounts") were not paid or delivered in order to comply with a law, regulation or order of any court of competent jurisdiction. Where there is doubt as to the validity or applicability of any such law, regulation or order, it shall not be a Warrant Event of Default if we act on the advice given to us during a 14-day period by independent legal advisers approved by the trustee; or
- we breach any covenant or warranty of the warrant indenture (other than as stated above with respect to payments when due) and that breach has not been remedied within 21 days of receipt of a written notice from the trustee requiring the breach to be remedied or from holders of at least 25% in number of the outstanding warrants of the relevant series requiring the breach to be remedied; or
- either an English court of competent jurisdiction issues an order which is not successfully appealed within 30 days, or an effective shareholders' resolution is validly adopted, for our winding-up (other than under or in connection with a scheme of reconstruction, merger or amalgamation not involving a bankruptcy or insolvency).

If a Warrant Event of Default occurs and is continuing, the trustee may at its discretion and without further notice institute such proceedings as it may think suitable, against us to enforce payment. Subject to the



indenture provisions for the indemnification of the trustee, the holders of a majority in number of the outstanding warrants of any series shall have the right to direct the time, method and place of conducting any proceeding in the name of and on the behalf of the trustee for any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to the series. However, this direction must not be in conflict with any rule of law or the warrant indenture, and must not be unjustly prejudicial to the holder(s) of any warrants of that series not taking part in the direction, as determined by the trustee. The trustee may also take any other action, consistent with the direction, that it deems proper.

If lawful, Withheld Amounts or a sum equal to Withheld Amounts shall be placed promptly on interest bearing deposit as described in the warrant indenture. We will give notice if at any time it is lawful to pay any Withheld Amount to holders of warrants or if such payment is possible as soon as any doubt as to the validity or applicability of the law, regulation or order is resolved. The notice will give the date on which the Withheld Amount and the interest accrued on it will be paid. This date will be the earliest day after the day on which it is decided Withheld Amounts can be paid on which the interest bearing deposit falls due for repayment or may be repaid without penalty. On such date, we shall be bound to pay the Withheld Amount together with interest accrued on it. For the purposes of this subsection, this date will be the due date for those sums. Our obligations under this paragraph are in lieu of any other remedy against us in respect of Withheld Amounts. Payment will be subject to applicable laws, regulations or court orders. Interest accrued on any Withheld Amount will be paid net of any taxes required by applicable law to be withheld or deducted.

The holders of a majority in number of the outstanding warrants of any affected series may waive any past Warrant Event of Default with respect to the series, except any default in respect of either:

- the payment or delivery of money or warrant property in respect of any warrant of the series; or
- a covenant or provision of the indenture which cannot be modified or amended without the consent of the holder of each outstanding warrant of the series.

Subject to exceptions, the trustee may, without the consent of the holders, waive or authorize a Warrant Event of Default if, in the opinion of the trustee, such waiver or authorization would not be materially prejudicial to the interests of the holders.

In accordance with Section 315(b) (Notice of Defaults) of the Trust Indenture Act, the trustee will, within 90 days of a default with respect to the warrants of any series, give to each affected holder of the warrants of the affected series notice of any default it knows about, unless the default has been cured or waived. However, except in the case of a default in the payment or delivery of any money or warrant property, the trustee will be entitled to withhold notice of any default in the performance, or breach, of any covenant or warranty in the warrant indenture until at least 10 days after the occurrence thereof.

We will furnish to the trustee annually a statement as to our compliance with all conditions and covenants under the warrant indenture.

*Limitation on suits.* Before a holder may bypass the trustee and bring its own lawsuit or other formal legal action or take other steps to enforce its rights or protect its interests relating to the warrants, the following must occur:

- The holder must give the trustee written notice that an event of default has occurred and remains uncured.
- The holders of 25% in number of the outstanding warrants of the relevant series must make a written request that the trustee take action because of the default, and the holder must offer reasonable indemnity to the trustee against the cost and other liabilities of taking that action.
- The trustee must not have taken action for 60 days after receipt of the above notice and offer of indemnity, and the trustee must not have received an inconsistent direction from the majority in number of the outstanding warrants of the relevant series during that period.



- In the case of our winding-up in England, such legal action or proceeding is in the name and on behalf of the trustee to the same extent, but no further, as the trustee would have been entitled to do.

Notwithstanding any contrary provisions, nothing shall impair the right of a holder, absent the holder's consent, to sue for any payments or delivery of warrant property, as applicable, due but unpaid or not delivered with respect to the warrants.

***Street name and other indirect owners should consult their banks or brokers for information on how to give notice or direction to or make a request of the trustee and how to waive any Warrant Event of Default.***

#### *Consolidation, Merger and Sale of Assets; Assumption*

We may, without the consent of the holders of any of the warrants, consolidate with, merge into or transfer or lease our assets substantially as an entirety to, any of the persons specified in the indenture. However, any successor corporation formed by any consolidation or amalgamation, or any transferee or lessee of our assets, must be a bank organized under the laws of the United Kingdom that assumes our obligations on the warrants and the applicable indenture, and a number of other conditions must be met.

Subject to applicable law and regulation, any of our wholly owned subsidiaries may assume our obligations under the warrants of any series without the consent of any holder. We, however, must irrevocably guarantee the obligations of the subsidiary under the warrants of that series. If we do, all of our direct obligations under the warrants of the series and the applicable indenture shall immediately be discharged. A subsidiary that assumes our obligations will also be entitled to redeem the warrants of the relevant series in the circumstances described under “—Redemption” above with respect to any change or amendment to, or change in the application or interpretation of the laws or regulations (including any treaty) of the assuming corporation's jurisdiction of incorporation as long as the change or amendment occurs after the date of the subsidiary's assumption of our obligations.

The U.S. Internal Revenue Service might deem an assumption of our obligations as described above to be an exchange of the existing warrants for new warrants, resulting in a recognition of taxable gain or loss and possibly other adverse tax consequences. Investors should consult their tax advisors regarding the tax consequences of such an assumption.

#### *Governing Law and Waiver of Jury Trial*

The warrants and warrant indenture will be governed by and construed in accordance with the laws of the State of New York. We and the trustee have agreed to waive the right to trial by jury with respect to any legal proceeding arising out of or relating to the warrant indenture or the warrants.

#### *Notices*

Notices regarding the warrants will be valid:

- with respect to global warrants in bearer form, if in writing and delivered or mailed to each direct holder;
- if registered warrants are affected, if given in writing and mailed to each direct holder as provided in the indenture; or
- with respect to bearer definitive warrants, if published at least once in an Authorized Newspaper (as defined in the indenture) in the Borough of Manhattan in New York City and as the applicable prospectus supplement may specify otherwise.

Any notice shall be deemed to have been given on the date of such publication or, if published more than once, on the date of the first publication. If publication is not practicable, notice will be valid if given in any

other manner, and deemed to have been given on the date, as we shall determine. With respect to a global warrant representing any series of warrants, a copy of all notices with respect to such series will be delivered to the depositary for such global warrant.

#### *Payment and Paying Agents*

We will pay or deliver money or warrant property due on the warrants at the corporate trust office of the trustee in New York City. Holders of warrants must make arrangements to have their payments wired from or warrant property picked up at, as applicable, that office.

***Street name and other indirect holders should consult their banks or brokers for information on how they will receive payments or deliveries of warrant property.***

We may also arrange for additional payment offices, and may cancel or change these offices, including our use of the trustee's corporate trust office. These offices are called paying agents. We may also choose to act as our own paying agent. We must notify the trustee of changes in the paying agents for any particular series of warrants.

#### *The Trustee*

The Bank of New York Mellon will be the trustee under the indenture. The trustee has two principal functions:

- first, the trustee can enforce a holder's rights against us if we default under the indenture. There are some limitations on the extent to which the trustee acts on a holder's behalf, described under "—Warrant Events of Default; Limitation of Remedies"; and
- second, the trustee performs administrative duties for us, such as sending the holder's payments or warrant property, transferring warrants to a new buyer and sending notices to holders.

We and some of our subsidiaries maintain deposit accounts and conduct other banking transactions with the trustee in the ordinary course of our respective businesses.

The trustee will not be liable for special, indirect or consequential damages and will not be liable for any failure of its obligations caused by circumstances beyond its reasonable control.

#### *Consent to Service*

The indenture provides that we irrevocably designate Barclays Bank PLC, 745 Seventh Avenue, New York, New York 10019, Attention: General Counsel as our authorized agent for service of process in any proceeding arising out of or relating to the indenture or warrants brought in any federal or state court in New York City, and we irrevocably submit to the jurisdiction of these courts.

#### **General Provisions of Warrant Agreements**

We may issue debt warrants and some universal warrants in one or more series under one or more warrant agreements, each to be entered into between us and a bank or trust company as warrant agent. We may add, replace or terminate warrant agents from time to time. We may also choose to act as our own warrant agent. This section describes certain general provisions of the form of warrant agreement filed as an exhibit to the registration statement of which this prospectus is a part. The specific terms of the warrant agreement under which we issue any warrants will be described in the applicable prospectus supplement, and we will file that agreement with the SEC, either as an exhibit to an amendment to the registration statement of which this prospectus is a part or as an exhibit to a current report on Form 6-K. See "Where You Can Find More Information" below for information on how to obtain a copy of a warrant agreement when it is filed.

We may also issue universal warrants under the warrant indenture. For these warrants, the applicable provisions of the warrant indenture described above would apply instead of the provisions described in this section.

#### *Enforcement of Rights*

The warrant agent under a warrant agreement will act solely as our agent in connection with the warrants issued under that agreement. The warrant agent will not assume any obligation or relationship of agency or trust for or with any holders of those warrants. Any holder of warrants may, without the consent of any other person, enforce by appropriate legal action, on its own behalf, its right to exercise those warrants in accordance with their terms. No holder of any warrant will be entitled to any rights of a holder of the debt securities or warrant property purchasable or deliverable upon exercise of the warrant, including any right to receive payments on those debt securities or warrant property or to enforce any covenants or rights in the relevant indenture or any other agreement.

#### *Modifications Without Consent of Holders*

We and the applicable warrant agent may make certain amendments to any warrant or warrant agreement without the consent of any holder, including:

- to cure any ambiguity;
- to cure, correct or supplement any defective or inconsistent provision; or
- to make any other change that we believe is necessary or desirable and will not adversely affect the interests of the affected holders in any material respect.

We do not need any approval to make changes that affect only warrants to be issued after the changes take effect. We may also make changes that do not adversely affect a particular warrant in any material respect, even if they adversely affect other warrants in a material respect. In those cases, we do not need to obtain the approval of the holder of the unaffected warrant; we need only obtain any required approvals from the holders of the affected warrants.

#### *Modifications with Consent of Holders*

We may not amend any particular warrant or a warrant agreement with respect to any particular warrant unless we obtain the consent of the holder of each affected warrant, if the amendment would:

- change the amount of the warrant property or other consideration purchasable or saleable upon exercise of the warrant;
- change the exercise price of the warrant;
- shorten the period of time during which the holder may exercise the warrant;
- otherwise impair the holder's right to exercise the warrant in any material respect; or
- reduce the number of outstanding, unexpired warrants of any series or class the consent of whose holders is required to amend the series or class, or the applicable warrant agreement with regard to that series or class, as described below.

Any other change to a particular warrant agreement and the warrants issued under that agreement would require the following approval:

- If the change affects only the warrants of a particular series issued under that agreement, the change must be approved by the holders of a majority of the outstanding, unexpired warrants of that series.

- If the change affects the warrants of more than one series issued under that agreement, the change must be approved by the holders of a majority of all outstanding, unexpired warrants of all series affected by the change, with the warrants of all the affected series voting together as one class for this purpose.

#### *Warrant Agreement Will Not Be Qualified Under the Trust Indenture Act*

No warrant agreement will be qualified as an indenture, and no warrant agent will be required to qualify as a trustee, under the Trust Indenture Act. Therefore, holders of warrants issued under a warrant agreement will not have the protection of the Trust Indenture Act with respect to their warrants.

#### *Mergers and Similar Transactions Permitted; No Restrictive Covenants or Events of Default*

The warrant agreements and any warrants issued under the warrant agreements will not restrict our ability to merge or consolidate with, or sell, lease, transfer or convey our assets to, another corporation or other entity or to engage in any other transactions. Unless otherwise specified in the applicable pricing supplement, if at any time we merge or consolidate with, or sell our assets substantially as an entirety to, another corporation or other entity, the successor entity will succeed to and assume our obligations under the warrants and warrant agreements. We will then be relieved of any further obligation under the warrants and warrant agreements.

The warrant agreements and any warrants issued under the warrant agreements will not include any restrictions on our ability to put liens on our assets, including our interests in our subsidiaries, nor will they restrict our ability to sell our assets. The warrant agreements and any warrants issued under the warrant agreements also will not provide for any events of default or remedies upon the occurrence of any events of default.

#### *Governing Law*

Each warrant agreement and any warrants issued under the warrant agreements will be governed by New York law.

#### *Notices*

We or the applicable warrant agent will give notice to holders of warrants by mailing written notice by first class mail, postage prepaid, to such holders as their names and addresses appear in the books and records of the applicable warrant agent.

#### *Payments*

We will pay or deliver money or warrant property due on the warrants at the applicable warrant agent's office. The warrant agent will transmit such money or warrant property to or upon the order of the holder of the warrants.

## GLOBAL SECURITIES

### Special Investor Considerations for Global Securities

As an indirect holder, an investor's rights relating to a global security will be governed by the account rules of the investor's financial institution and of the depositary, as well as general laws relating to securities transfers. We do not recognize this type of investor as a holder of securities and instead deal only with the depositary that holds the global security.

Investors in securities that are issued only in the form of global securities should be aware that:

- they cannot get securities registered in their own name;
- they cannot receive physical certificates for their interests in securities;
- they will be a street name holder and must look to their own bank or broker for payments on the securities (or delivery of warrant property, if applicable) and protection of their legal rights relating to the securities, as explained earlier under "Description of Debt Securities—Legal Ownership; Form of Debt Securities—Street Name and Other Indirect Holders" and "Description of Warrants—Legal Ownership; Form of Warrants—Street Name and Other Indirect Holders";
- they may not be able to sell interests in the securities to some insurance companies and other institutions that are required by law to own their securities in the form of physical certificates;
- the depositary's policies will govern payments, transfers, exchange and other matters relating to their interest in the global security. We and the trustee have no responsibility for any aspect of the depositary's actions or for its records of ownership interests in the global security. We and the trustee also do not supervise the depositary in any way; and
- the depositary will require that interests in a global security be purchased or sold within its system using same-day funds.

### Special Situations When a Global Security Will Be Terminated

In a few special situations described below, the global security will terminate and interests in it will be exchanged for physical certificates representing securities. After that exchange, the choice of whether to hold the securities directly or in street name will be up to the investor. Investors must consult their own bank or brokers to find out how to have their interests in a global security transferred to their own name so that they will be direct holders. The rights of street name investors and direct holders in the securities have been previously described in the sections entitled "Description of Debt Securities—Legal Ownership; Form of Debt Securities—Street Name and Other Indirect Holders; Direct Holders" and "Description of Warrants—Legal Ownership; Form of Warrants—Street Name and Other Indirect Holders; Direct Holders."

The special situations for termination of a global security are:

- when the depositary notifies us that it is unwilling, unable or no longer qualified to continue as depositary; and
- when a Senior Event of Default, in the case of Senior Debt Securities, a Dated Subordinated Event of Default, in the case of Dated Subordinated Debt Securities, or a Warrant Event of Default in the case of warrants issued under a warrant indenture, has occurred and has not been cured. Defaults are discussed above under "Description of Debt Securities—Senior Events of Default; Dated Subordinated Enforcement Events and Remedies; Limitation on Suits" and "Description of Warrants—General Provisions of Warrant Indenture—Warrant Events of Default; Limitation of Remedies."

The prospectus supplement may also list additional situations for terminating a global security that would apply only to the particular series of securities covered by the prospectus supplement. When a global security terminates, the depositary (and not us or the trustee) is responsible for deciding the names of the institutions that will be the initial direct holders.

## CLEARANCE AND SETTLEMENT

The securities we issue may be held through one or more international and domestic clearing systems. The principal clearing systems we will use are the book-entry systems operated by DTC, in the United States, Clearstream Banking, S.A. (“Clearstream, Luxembourg”), in Luxembourg and Euroclear Bank S.A./N.V. (“Euroclear”), in Brussels, Belgium. These systems have established electronic securities and payment transfer, processing, depositary and custodial links among themselves and others, either directly or through custodians and depositaries. These links allow securities to be issued, held and transferred among the clearing systems without the physical transfer of certificates.

Special procedures to facilitate clearance and settlement have been established among these clearing systems to trade securities across borders in the secondary market. Where payments for securities we issue in global form will be made in U.S. dollars, these procedures can be used for cross-market transfers and the securities will be cleared and settled on a delivery against payment basis.

Global securities will be registered in the name of a nominee for, and accepted for settlement and clearance by, one or more of Euroclear, Clearstream, Luxembourg, DTC and any other clearing system identified in the applicable prospectus supplement or pricing supplement.

Cross-market transfers of securities that are not in global form may be cleared and settled in accordance with other procedures that may be established among the clearing systems for these securities.

Euroclear and Clearstream, Luxembourg hold interests on behalf of their participants through customers’ securities accounts in the names of Euroclear and Clearstream, Luxembourg on the books of their respective depositories, which, in the case of securities for which a global security in registered form is deposited with the DTC, in turn hold such interests in customers’ securities accounts in the depositories’ names on the books of the DTC.

The policies of DTC, Clearstream, Luxembourg and Euroclear will govern payments, transfers, exchange and other matters relating to the investor’s interest in securities held by them. This is also true for any other clearance system that may be named in a prospectus supplement or pricing supplement.

Neither we nor the trustee nor any of our or its agents has any responsibility for any aspect of the actions of DTC, Clearstream, Luxembourg or Euroclear or any of their direct or indirect participants. Neither we nor the trustee nor any of our or its agents has any responsibility for any aspect of the records kept by DTC, Clearstream, Luxembourg or Euroclear or any of their direct or indirect participants. Neither we nor the trustee nor any of our or its agents supervise these systems in any way. This is also true for any other clearing system indicated in a prospectus supplement or pricing supplement.

DTC, Clearstream, Luxembourg, Euroclear and their participants perform these clearance and settlement functions under agreements they have made with one another or with their customers. Investors should be aware that DTC, Clearstream, Luxembourg, Euroclear and their participants are not obligated to perform these procedures and may modify them or discontinue them at any time.

The description of the clearing systems in this section reflects our understanding of the rules and procedures of DTC, Clearstream, Luxembourg and Euroclear as they are currently in effect. Those systems could change their rules and procedures at any time.

### **The Clearing Systems**

#### *DTC*

DTC has advised us as follows:

- DTC is:
  - (1) a limited purpose trust company organized under the laws of the State of New York;

- (2) a “banking organization” within the meaning of New York Banking Law;
  - (3) a member of the Federal Reserve System;
  - (4) a “clearing corporation” within the meaning of the New York Uniform Commercial Code; and
  - (5) a “clearing agency” registered pursuant to the provisions of Section 17A of the Exchange Act.
- DTC was created to hold securities for its participants and to facilitate the clearance and settlement of securities transactions between participants through electronic book-entry changes to accounts of its participants. This eliminates the need for physical movement of securities.
  - Participants in DTC include securities brokers and dealers, banks, trust companies and clearing corporations and may include certain other organizations. DTC is partially owned by some of these participants or their representatives.
  - Indirect access to the DTC system is also available to banks, brokers and dealers and trust companies that have custodial relationships with participants.
  - The rules applicable to DTC and DTC participants are on file with the SEC.

Purchases of securities under the DTC system must be made by or through DTC direct participants, which will receive a credit for the securities on DTC’s records. The ownership interest of each actual purchaser of each security (“beneficial owner”) is in turn to be recorded on the DTC direct and DTC indirect participants’ records. Beneficial owners will not receive written confirmation from DTC of their purchase. Beneficial owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the DTC direct or DTC indirect participant through which the beneficial owner entered into the transaction. Transfers of ownership interests in the securities are to be accomplished by entries made on the books of direct and indirect participants acting on behalf of beneficial owners. Beneficial owners will not receive certificates representing their ownership interests in securities, except in the event that use of the book-entry system for the securities is discontinued.

To facilitate subsequent transfers, all securities deposited by DTC direct participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or any other name as may be requested by an authorized representative of DTC. The deposit of securities with DTC and their registration in the name of Cede & Co. or any other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the securities; DTC’s records reflect only the identity of the DTC direct participants to whose accounts those securities are credited, which may or may not be the beneficial owners. The DTC direct and DTC indirect participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to DTC direct participants, by DTC direct participants to DTC indirect participants, and by DTC direct participants and DTC indirect participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial owners of securities may wish to take steps to augment the transmission to them of notices of significant events with respect to the securities, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, beneficial owners of securities may wish to ascertain that the nominee holding the securities for their benefit has agreed to obtain and transmit notices to beneficial owners. In the alternative, beneficial owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

With respect to the securities that contain an option to redeem, redemption notices shall be sent to DTC. If less than all of the securities within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each DTC direct participant in the issue to be redeemed.



Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to securities unless authorized by a DTC direct participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an omnibus proxy to an issuer as soon as possible after the record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants to whose accounts securities are credited on the record date (identified in a listing attached to the omnibus proxy).

Redemption proceeds, distributions, and dividend payments on the securities will be made to Cede & Co., or any other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit DTC direct participants' accounts upon DTC's receipt of funds and corresponding detail information from issuer or agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by DTC participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of that DTC participant and not of DTC, agent, or us, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or any other nominee as may be requested by an authorized representative of DTC) is the responsibility of issuer or agent, disbursement of those payments to DTC direct participants will be the responsibility of DTC, and disbursement of those payments to the beneficial owners will be the responsibility of DTC direct and DTC indirect participants.

A beneficial owner shall give notice to elect to have its securities purchased or tendered, through its participant, to an agent, and shall effect delivery of those securities by causing the DTC direct participant to transfer the DTC participant's interest in the securities, on DTC's records, to an agent. The requirement for physical delivery of securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the securities are transferred by DTC direct participants on DTC's records and followed by a book-entry credit of tendered securities to the agent's DTC account.

DTC may discontinue providing its services as depositary with respect to the securities at any time by giving reasonable notice to issuer or agent. Under those circumstances, in the event that a successor depositary is not obtained, securities certificates are required to be printed and delivered.

We may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depositary). In that event, securities certificates will be printed and delivered to DTC.

#### *Clearstream, Luxembourg*

Clearstream, Luxembourg has advised us as follows:

- Clearstream, Luxembourg is a duly licensed bank organized as a société anonyme incorporated under the laws of Luxembourg and is subject to regulation by the Luxembourg Commission for the Supervision of the Financial Sector (*Commission de Surveillance du Secteur Financier*).
- Clearstream, Luxembourg holds securities for its customers and facilitates the clearance and settlement of securities transactions among them. It does so through electronic book-entry transfers between the accounts of its customers. This eliminates the need for physical movement of securities.
- Clearstream, Luxembourg provides other services to its customers, including safekeeping, administration, clearance and settlement of internationally traded securities and lending and borrowing of securities. It interfaces with the domestic markets in over 30 countries through established depositary and custodial relationships.
- Clearstream, Luxembourg's customers include worldwide securities brokers and dealers, banks, trust companies and clearing corporations and may include professional financial intermediaries. Its U.S. customers are limited to securities brokers and dealers and banks.



- Indirect access to the Clearstream, Luxembourg system is also available to others that clear through Clearstream, Luxembourg customers or that have custodial relationships with its customers, such as banks, brokers, dealers and trust companies.

### *Euroclear*

Euroclear has advised us as follows:

- Euroclear is incorporated under the laws of Belgium as a bank and is subject to regulation by the Belgian Financial Services and Markets Authority (*L'Autorité des Services et Marchés Financiers*) and the National Bank of Belgium (*Banque Nationale de Belgique*).
- Euroclear holds securities and book-entry interests in securities for participating organizations and facilitates the clearance and settlement of securities transactions between Euroclear participants and between Euroclear participants and participants of certain other securities settlement systems through electronic book-entry changes in accounts of such participants or through other securities intermediaries.
- Euroclear provides Euroclear participants, among other things, with safekeeping, administration, clearance and settlement, securities lending and borrowing, and related services. Euroclear participants are investment banks, securities brokers and dealers, banks, central banks, supranationals, custodians, investment managers, corporations, trust companies and certain other organizations. Certain of the managers or underwriters for an offering of securities, or other financial entities involved in such offering, may be Euroclear participants.
- Non-participants in the Euroclear system may hold and transfer book-entry interests in the securities through accounts with a participant in the Euroclear system or any other securities intermediary that holds a book-entry interest in the securities through one or more securities intermediaries standing between such other securities intermediary and Euroclear.
- Although Euroclear has agreed to the procedures provided below in order to facilitate transfers of securities among participants in the Euroclear system, and between Euroclear participants and participants of other securities settlement systems, it is under no obligation to perform or continue to perform such procedures and such procedures may be modified or discontinued at any time.
- Investors electing to acquire any securities through an account with Euroclear or some other securities intermediary must follow the settlement procedures of such an intermediary with respect to the settlement of new issues of securities. Securities to be acquired against payment through an account with Euroclear will be credited to the securities clearance accounts of the respective Euroclear participants in the securities processing cycle for the business day following the settlement date for value as of the settlement date, if against payment. For more information, reference should be made to the New Issues Distribution Guide.
- Investors electing to acquire, hold or transfer securities through an account with Euroclear or some other securities intermediary must follow the settlement procedures of such an intermediary with respect to the settlement of secondary market transactions in securities. Euroclear will not monitor or enforce any transfer restrictions with respect to the securities offered.
- Investors who are participants in the Euroclear system may acquire, hold or transfer interests in the securities by book-entry to accounts with Euroclear. Investors who are not participants in the Euroclear system may acquire, hold or transfer interests in the securities by book-entry to accounts with a securities intermediary who holds a book-entry interest in the securities through accounts with Euroclear.
- Investors that acquire, hold and transfer interests in the securities by book-entry through accounts with Euroclear or any other securities intermediary are subject to the laws and contractual provisions

governing their relationship with their intermediary, as well as the laws and contractual provisions governing the relationship between such an intermediary and each other intermediary, if any, standing between themselves and the individual securities.

- Under Belgian law, investors that are credited with securities on the records of Euroclear have a co-property right in the fungible pool of interests in securities on deposit with Euroclear in an amount equal to the amount of interests in securities credited to their accounts. In the event of the insolvency of Euroclear, Euroclear participants would have a right under Belgian law to the return of the amount and type of interests in securities credited to their accounts with Euroclear. If Euroclear did not have a sufficient amount of interests in securities on deposit of a particular type to cover the claims of all participants credited with such interests in securities on Euroclear's records, all participants having an amount of interests in securities of such type credited to their accounts with Euroclear would have the right under Belgian law to the return of their pro-rata share of the amount of interests in securities actually on deposit.
- Under Belgian law, Euroclear is required to pass on the benefits of ownership in any interests in securities on deposit with it (such as dividends, voting rights and other entitlements) to any person credited with such interests in securities on its records.

#### *Other Clearing Systems*

We may choose any other clearing system for a particular series of securities. The clearance and settlement procedures for the clearing system we choose will be described in the applicable prospectus supplement or pricing supplement.

#### **Primary Distribution**

Unless the applicable prospectus supplement or pricing supplement states otherwise, we will issue the securities in global form and the distribution of the securities will be cleared through one or more of the clearing systems that we have described above or any other clearing system that is specified in the applicable prospectus supplement or pricing supplement. Payment for securities will be made on a delivery versus payment or free delivery basis. These payment procedures will be more fully described in the applicable prospectus supplement or pricing supplement.

Clearance and settlement procedures may vary from one series of securities to another according to the currency that is chosen for the specific series of securities. Customary clearance and settlement procedures are described below.

We will submit applications to the relevant system or systems for the securities to be accepted for clearance. The clearance numbers that are applicable to each clearance system will be specified in the prospectus supplement or pricing supplement.

#### **Clearance and Settlement Procedures—DTC**

DTC participants that hold securities through DTC on behalf of investors will follow the settlement practices applicable to United States corporate debt obligations in DTC's Same-Day Funds Settlement System.

Securities will be credited to the securities custody accounts of these DTC participants against payment in same-day funds, for payments in U.S. dollars, on the settlement date. For payments in a currency other than U.S. dollars, securities will be credited free of payment on the settlement date.

#### **Clearance and Settlement Procedures—Euroclear and Clearstream, Luxembourg**

We understand that investors that hold their securities through Euroclear or Clearstream, Luxembourg accounts will follow the settlement procedures that are applicable to conventional Eurobonds in registered form for securities.

Securities will be credited to the securities custody accounts of Euroclear and Clearstream, Luxembourg participants on the business day following the settlement date, for value on the settlement date. They will be credited either free of payment or against payment for value on the settlement date.

## **Secondary Market Trading**

### *Trading Between DTC Participants*

Secondary market trading between DTC participants will occur in the ordinary way in accordance with DTC's rules. Secondary market trading will be settled using procedures applicable to United States corporate debt obligations in DTC's Same-Day Funds Settlement System for securities.

If payment is made in U.S. dollars, settlement will be in same-day funds. If payment is made in a currency other than U.S. dollars, settlement will be free of payment. If payment is made other than in U.S. dollars, separate payment arrangements outside of the DTC system must be made between the DTC participants involved.

### *Trading Between Euroclear and/or Clearstream, Luxembourg Participants*

We understand that secondary market trading between Euroclear and/or Clearstream, Luxembourg participants will occur in the ordinary way following the applicable rules and operating procedures of Euroclear and Clearstream, Luxembourg. Secondary market trading will be settled using procedures applicable to conventional Eurobonds in registered form for securities.

### *Trading Between a DTC Seller and a Euroclear or Clearstream, Luxembourg Purchaser*

A purchaser of securities that are held in the account of a DTC participant must send instructions to Euroclear or Clearstream, Luxembourg at least one business day prior to settlement. The instructions will provide for the transfer of the securities from the selling DTC participant's account to the account of the purchasing Euroclear or Clearstream, Luxembourg participant. Euroclear or Clearstream, Luxembourg, as the case may be, will then instruct the common depositary for Euroclear and Clearstream, Luxembourg to receive the securities either against payment or free of payment.

The interests in the securities will be credited to the respective clearing system. The clearing system will then credit the account of the participant, following its usual procedures. Credit for the securities will appear on the next day, European time. Cash debit will be back-valued to, and the interest on the securities will accrue from, the value date, which would be the preceding day, when settlement occurs in New York. If the trade fails and settlement is not completed on the intended date, the Euroclear or Clearstream, Luxembourg cash debit will be valued as of the actual settlement date instead.

Euroclear participants or Clearstream, Luxembourg participants will need the funds necessary to process same-day funds settlement. The most direct means of doing this is to pre-position funds for settlement, either from cash or from existing lines of credit, as for any settlement occurring within Euroclear or Clearstream, Luxembourg. Under this approach, participants may take on credit exposure to Euroclear or Clearstream, Luxembourg until the securities are credited to their accounts one business day later.

As an alternative, if Euroclear or Clearstream, Luxembourg has extended a line of credit to them, participants can choose not to pre-position funds and will instead allow that credit line to be drawn upon to finance settlement. Under this procedure, Euroclear participants or Clearstream, Luxembourg participants purchasing securities would incur overdraft charges for one business day (assuming they cleared the overdraft as soon as the securities were credited to their accounts). However, any interest on the securities would accrue from the value date. Therefore, in many cases, the investment income on securities that is earned during that one-business day period may substantially reduce or offset the amount of the overdraft charges. This result will, however, depend on each participant's particular cost of funds.

Because the settlement will take place during New York business hours, DTC participants will use their usual procedures to deliver securities to the depositary on behalf of Euroclear participants or Clearstream, Luxembourg participants. The sale proceeds will be available to the DTC seller on the settlement date. For the DTC participants, then, a cross-market transaction will settle no differently than a trade between two DTC participants.

### **Special Timing Considerations**

You should be aware that you will only be able to make and receive deliveries, payments and other communications involving the securities through Clearstream, Luxembourg and Euroclear on days when those systems are open for business. Those systems may not be open for business on days when banks, brokers and other institutions are open for business in the United States.

In addition, because of time-zone differences, there may be problems with completing transactions involving Clearstream, Luxembourg and Euroclear on the same business day as in the United States. U.S. investors who wish to transfer their interests in the securities, or to receive or make a payment or delivery of the securities, on a particular day, may find that the transactions will not be performed until the next business day in Luxembourg or Brussels, depending on whether Clearstream, Luxembourg or Euroclear is used.

## DESCRIPTION OF PREFERENCE SHARES

*The following is a summary of the general terms of the preference shares of any series we may issue under this Registration Statement. Each time we issue preference shares we will prepare a prospectus supplement, which you should read carefully. The prospectus supplement relating to a series of preference shares or to a series of debt securities that are convertible into or exchangeable for the preference shares will summarize the terms of the preference shares of the particular series. Those terms will be set out in the resolutions establishing the series that our Board of Directors or an authorized committee adopt, and may be different from those summarized below. If so, the applicable prospectus supplement will state that, and the description of the preference shares of that series contained in the prospectus supplement will apply.*

*This summary does not purport to be complete and is subject to, and qualified by, our Articles of Association and the resolutions of the Board of Directors or an authorized committee. You should read our Articles of Association as well as those resolutions, which we have filed or will file with the SEC as an exhibit to the registration statement, of which this prospectus is a part. You should also read the summary of the general terms of the deposit agreement under which American Depositary Receipts (“ADRs”) evidencing American Depositary Shares (“ADSs”) that may represent preference shares may be issued, under the heading “Description of American Depositary Shares.”*

### General

Under our Articles of Association, our Board of Directors or an authorized committee of the Board is empowered to provide for the issuance of U.S. dollar-denominated preference shares, in one or more series, if a resolution of our shareholders has authorized the allotment of such preference shares.

The resolutions providing for their issue, adopted by the Board of Directors or the authorized committee, will set forth the dividend rights, liquidation value per share, redemption provisions, voting rights, other rights, preferences, privileges, limitations and restrictions of the preference shares.

The preference shares of any series will be U.S. dollar-denominated in terms of nominal value, dividend rights and liquidation value per preference share. They will, when issued, be fully paid and non-assessable. For each preference share issued, an amount equal to its nominal value will be credited to our issued share capital account. The applicable prospectus supplement will specify the nominal value of the preference shares. The preference shares of a series deposited under the deposit agreement referred to in the section “Description of American Depositary Receipts” will be represented by ADSs of a corresponding series, evidenced by ADRs of such series. The preference shares of such series may only be withdrawn from deposit in registered form. See “Description of American Depositary Receipts.”

The preference shares of any series will have the dividend rights, rights upon liquidation, redemption provisions and voting rights described below, unless the relevant prospectus supplement provides otherwise. You should read the prospectus supplement for the specific terms of any series, including:

- the number of preference shares offered, the number of preference shares offered in the form of ADSs and the number of preference shares represented by each ADS;
- the public offering price of the series;
- the liquidation value per preference share of that series;
- the dividend rate, or the method of calculating it;
- the place where we will pay dividends;
- the dates on which dividends (if paid) will be payable;

- voting rights of that series of preference shares, if any;
- restrictions applicable to the sale and delivery of the preference shares;
- whether and under what circumstances we will pay additional amounts on the preference shares in the event of certain developments with respect to withholding tax or information reporting laws;
- any redemption, conversion or exchange provisions;
- whether the preference shares shall be issued as units with shares of a related series;
- any listing on a securities exchange; and
- any other rights, preferences, privileges, limitations and restrictions relating to the series.

The applicable prospectus supplement will also describe additional material U.S. and U.K. tax considerations that apply to any particular series of preference shares.

Preference shares will be issued in registered form and title to preference shares of a series will pass by transfer and registration on the register that the registrar shall keep at its office in the United Kingdom. For more information on such registration, you should read “—Registrar and Paying Agent.” The registrar will not charge for the registration of transfer, but the person requesting it will be liable for any taxes, stamp duties or other governmental charges.

We may issue preference shares in more than one related series if necessary to ensure that we continue to be treated as part of the Group for U.K. tax purposes. The preference shares of any two or more related series will be issued as preference share units, unless the applicable prospectus supplement specifies otherwise, so that holders of any preference share units will effectively have the same rights, preferences and privileges, and will be subject to the same limitations and restrictions. The following characteristics, however, may differ:

- the aggregate amount of dividends;
- the aggregate amounts which may be payable upon redemption;
- the redemption dates;
- the rights of holders to deposit the preference shares under the deposit agreement; and
- the voting rights of holders.

You should read the applicable prospectus supplement for the characteristics relating to any preference shares issuable in two or more related series as a unit.

Unless the applicable prospectus supplement specifies otherwise, the preference shares of each series will rank equally as to participation in our profits and assets with the preference shares of each other series.

Our affiliates may resell preferred shares after their initial issuance in market-making transactions. We describe these transactions above under “Description of Debt Securities—General—Market-Making Transactions.”

## **Dividend Rights**

The holders of the preference shares will be entitled to receive cash dividends on the dates and at the rates as described in the applicable prospectus supplement out of our “distributable profits.” Except as provided in this prospectus and in the applicable prospectus supplement, holders of preference shares will have no right to participate in our profits.

For information concerning the declaration of dividends out of our distributable profits, see “Description of Share Capital—Ordinary Shares—Dividend Rights.”

We will pay the dividends on the preference shares of a series to the record holders as they appear on the register on the record dates. A record date will be fixed by our Board of Directors or an authorized committee. Subject to applicable fiscal or other laws and regulations, each payment will be made by dollar check drawn on a bank in London or in New York City and mailed to the record holder at the holder's address as it appears on the register for the preference shares. If any date on which dividends are payable on the preference shares is not a "business day," which is a day on which banks are open for business and on which foreign exchange dealings may be conducted in London and in New York City, then payment of the dividend payable on that date will be made on the next business day. There will be no additional interest or other payment due to this type of delay.

Dividends on the preference shares of any series will be non-cumulative. If a dividend on a series is not paid, or is paid only in part, the holders of preference shares of the relevant series will have no claim in respect of such unpaid amount. We will have no obligation to pay the dividend accrued for the relevant dividend period or to pay any interest on the dividend, whether or not dividends on the preference shares of that series or any other series or class of our shares are paid for any subsequent dividend period.

No full dividends will be paid or set apart for payment on the preference shares of any series on a dividend payment date unless full dividends have been, or at the same time are, paid, or set aside for payment, on any preference shares or other class of shares ranking as to dividends in priority or equally with the preference shares and either (a) payable on that dividend payment date or (b) payable before such dividend payment date, but only if such preference shares or other class of shares carry cumulative dividend payment rights.

Except as provided in the preceding sentence, unless full dividends on all outstanding preference shares of a series have been paid for the most recently completed dividend period, no dividends will be declared or paid or set apart for payment, or other distribution made, upon our ordinary shares or other shares ranking, as to dividends or upon liquidation, equally with or below the preference shares of the series (other than a final dividend declared by Barclays PLC and paid by it to shareholders prior to the relevant dividend payment date and/or a dividend paid by Barclays Bank PLC to Barclays PLC or to another wholly owned subsidiary). In addition, we will not redeem, repurchase or otherwise acquire for consideration, or pay any money or make any money available for a sinking fund for the redemption of, any of our ordinary shares or other shares ranking equally with or below the preference shares of the series as to dividends or upon liquidation, except by conversion into, or exchange for, shares ranking below the preference shares of the series as to dividends and upon liquidation, until the earlier of (a) our resumption of payment of full dividends for four consecutive quarterly dividend periods on all outstanding preference shares of the series and (b) the date on or by which all outstanding preference shares of that series have either been redeemed in full or been purchased by or for the account of Barclays Bank PLC.

We will compute the amount of dividends payable on the preference shares of any series for each dividend period based upon the liquidation value per share of the preference shares of the series by annualizing the applicable dividend rate and dividing by the number of dividend periods in a year. However, we will compute the amount of dividends payable for any dividend period shorter than a full dividend period (a) in respect of any fixed rate dividend period, on the basis of a 360-day year divided into twelve months of 30 days each and, in the case of an incomplete month, on the basis of the actual number of days elapsed, and (b) in respect of any floating rate dividend period, on the basis of the number of days in the period divided by 360.

For the avoidance of doubt, unless the relevant prospectus supplement provides otherwise, any amounts to be paid by us on the preference shares will be paid net of any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the Code, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any FATCA Withholding Tax, and we will not be required to pay Additional Amounts on account of any FATCA Withholding Tax.



## **Rights Upon Liquidation**

If there is a return of capital in respect of our voluntary or involuntary liquidation, dissolution, winding-up or otherwise, other than in respect of any redemption or repurchase of the preference shares of a series in whole or in part permitted by our Articles of Association and under applicable law, the holders of the outstanding preference shares of a series will be entitled to receive liquidating distributions. Liquidating distributions will:

- come from the assets we have available for distribution to shareholders, before any distribution of assets is made to holders of our ordinary shares or any other class of shares ranking below the preference shares upon a return of capital; and
- be in an amount equal to the liquidation value per share of the preference shares, plus an amount equal to accrued and unpaid dividends, whether or not declared or earned, for the then-current dividend period up to and including the date of commencement of our winding-up or the date of any other return of capital, as the case may be.

If, upon a return of capital, the assets available for distribution are insufficient to pay in full the amounts payable on the preference shares and any other of our shares ranking as to any distribution equally with the preference shares, the holders of the preference shares and of the other shares will share pro rata in any distribution of our assets in proportion to the full respective liquidating distributions to which they are entitled. After payment of the full amount of the liquidating distribution to which they are entitled, the holders of the preference shares of that series will have no claim on any of our remaining assets and will not be entitled to any further participation in the return of capital. If there is a sale of all or substantially all of our assets, the distribution to our shareholders of all or substantially all of the consideration for the sale, unless the consideration, apart from assumption of liabilities, or the net proceeds consists entirely of cash, will not be deemed a return of capital in respect of our liquidation, dissolution or winding-up.

## **Redemption**

Unless the relevant prospectus supplement specifies otherwise, we may redeem the preference shares of each series, at our option, in whole or in part, at any time and from time to time on the dates and at the redemption prices and on all other terms and conditions as set forth in the applicable prospectus supplement. Preference shares comprising preference share units will be redeemed only as units.

If fewer than all of the outstanding preference shares of a series are to be redeemed, we will select by lot, in the presence of our independent auditors, which particular preference shares will be redeemed.

If we redeem preference shares of a series, we will mail a redemption notice to each record holder of preference shares to be redeemed between 30 and 60 days before the redemption date. Each redemption notice will specify:

- the redemption date;
- the particular preference shares of the series to be redeemed;
- the redemption price, specifying the included amount of accrued and unpaid dividends;
- that any dividends will cease to accrue upon the redemption of the preference shares; and
- the place or places where holders may surrender documents of title and obtain payment of the redemption price.

No defect in the redemption notice or in the giving of notice will affect the validity of the redemption proceedings.

If we give notice of redemption in respect of the preference shares of a series, then, by 12:00 noon, London time, on the redemption date, we will irrevocably deposit with the paying agent funds sufficient to pay



the applicable redemption price, including the amount of accrued and unpaid dividends (if any) for the then-current quarterly dividend period to the date fixed for redemption. We will also give the paying agent irrevocable instructions and authority to pay the redemption price to the holders of those preference shares called for redemption.

If we give notice of redemption, then, when we make the deposit with the paying agent, all rights of holders of the preference shares of the series called for redemption will cease, except the holders' right to receive the redemption price, but without interest, and these preference shares will no longer be outstanding. Subject to any applicable fiscal or other laws and regulations, payments in respect of the redemption of preference shares of a series will be made by dollar check drawn on a bank in London or in New York City against presentation and surrender of the relevant share certificates at the office of the paying agent located in the United Kingdom.

In the event that any date on which a redemption payment on the preference shares is to be made is not a business day, then payment of the redemption price payable on that date will be made on the next business day. There will be no interest or other payment due to the delay. If payment of the redemption price is improperly withheld or refused, dividends on the preference shares will continue to accrue at the then applicable rate, from the redemption date to the date of payment of the redemption price.

Subject to applicable law, including U.S. securities laws, and the prior notification of the PRA (to the extent then required under the Capital Regulations), we may purchase outstanding preference shares of any series by tender, in the open market or by private agreement. Unless we tell you otherwise in the applicable prospectus supplement, any preference shares of any series that we purchase for our own account, other than in the ordinary course of a business of dealing in securities, will be treated as canceled and will no longer be issued and outstanding.

Under the current practices of the PRA, we may not redeem any preference shares following the fifth anniversary of their date of issue unless we have given the PRA notice in writing (in the form required by the PRA) of the redemption of the preference shares at least one month before becoming committed to the redemption and have provided the PRA with certain information in connection with such repayment (to the extent then required under the Capital Regulations).

## **Voting Rights**

The holders of the preference shares of any series will not be entitled to receive notice of, attend or vote at any general meeting of our shareholders except as provided below or in the applicable prospectus supplement.

### *Variation of Rights*

If applicable law permits, the rights, preferences and privileges attached to any series of preference shares may be varied or abrogated only with the written consent of the holders of at least three-quarters of the outstanding preference shares of the series or with the sanction of a special resolution passed at a separate general meeting of the holders of the outstanding preference shares of the series. A special resolution will be adopted if passed by a majority of at least three-quarters of those holders voting in person or by proxy at the meeting. The quorum required for this separate general meeting will be persons holding or representing by proxy at least one-third of the outstanding preference shares of the affected series, except that if at any adjourned meeting where this quorum requirement is not met, any two holders present in person or by proxy will constitute a quorum.

In addition to the voting rights referred to above, if any resolution is proposed for our liquidation, dissolution or winding-up, then the holders of the outstanding preference shares of each series, other than any series of preference shares which do not have voting rights, will be entitled to receive notice of and to attend the

general meeting of shareholders called for the purpose of adopting the resolution and will be entitled to vote on that resolution, but no other. When entitled to vote, each holder of preference shares of a series present in person or by proxy has one vote for each preference share held.

#### *Notices of Meetings*

A notice of any meeting at which holders of preference shares of a particular series are entitled to vote will be mailed to each record holder of preference shares of that series. Each notice will state:

- the date of the meeting;
- a description of any resolution to be proposed for adoption at the meeting on which those holders are entitled to vote; and
- instructions for the delivery of proxies.

A holder of preference shares of any series in registered form who is not registered with an address in the United Kingdom and who has not supplied an address within the United Kingdom to us for the purpose of notices is not entitled to receive notices of meetings from us. For a description of notices that we will give to the ADR depositary and that the ADR depositary will give to ADR holders, you should read “Description of American Depositary Receipts—Reports and Notices” and “Where You Can Find More Information.”

#### **Registrar and Paying Agent**

Our registrar, presently located at One Canada Square, London E14 5AL, United Kingdom, will act as registrar and paying agent for the preference shares of each series.

## DESCRIPTION OF AMERICAN DEPOSITARY SHARES

*The following is a summary of the general terms and provisions of the deposit agreement under which the ADR depositary will issue the ADRs evidencing ADSs that may represent preference shares. The deposit agreement is among us, The Bank of New York Mellon, as ADR depositary, and all holders from time to time of ADRs issued under the deposit agreement. This summary does not purport to be complete. We may amend or supersede all or part of this summary to the extent we tell you in the applicable prospectus supplement. You should read the deposit agreement, which is filed with the SEC as an exhibit to the registration statement, of which this prospectus is a part. You may also read the deposit agreement at the corporate trust office of The Bank of New York Mellon in New York City and the office of The Bank of New York Mellon in London.*

### Depository

The Bank of New York Mellon will act as the ADR depositary. The office of The Bank of New York Mellon in London will act as custodian. The ADR depositary's principal office in New York City is presently located at 101 Barclay Street, Floor 21 West, New York, New York 10286, and the custodian's office is presently located at One Canada Square, London E14 5AL, United Kingdom.

### American Depositary Receipts

An ADR is a certificate evidencing a specific number of ADSs of a specific series, each of which will represent preference shares of a corresponding series. Unless the relevant prospectus supplement specifies otherwise, each ADS will represent one preference share, or evidence of rights to receive one preference share, deposited with the London branch of The Bank of New York Mellon, as custodian. An ADR may evidence any number of ADSs in the corresponding series.

### Deposit and Issuance of ADRs

When the custodian has received preference shares of a particular series, or evidence of rights to receive preference shares, and applicable fees, charges and taxes, subject to the deposit agreement's terms, the ADR depositary will execute and deliver at its corporate trust office in New York City to the person(s) specified by us in writing, an ADR or ADRs registered in the name of such person(s) evidencing the number of ADSs of that series corresponding to the preference shares of that series.

When the ADR depositary has received preference shares of a particular series, or evidence of rights to receive preference shares, and applicable fees, charges and taxes, subject to the deposit agreement's terms, the ADR depositary will execute and deliver at its principal office to the person(s) specified by us in writing, an ADR or ADRs registered in the name of that person(s) evidencing the number of ADSs of that series corresponding to the preference shares of that series. Preference shares may be deposited under the deposit agreement as units comprising a preference share of a series and a preference share of a related series.

### Withdrawal of Deposited Securities

Upon surrender of ADRs at the ADR depositary's corporate trust office in New York City and upon payment of the taxes, charges and fees provided in the deposit agreement and subject to its terms, an ADR holder is entitled to delivery, to or upon its order, at the ADR depositary's corporate trust office in New York City or the custodian's office in London, of the amount of preference shares of the relevant series represented by the ADSs evidenced by the surrendered ADRs. The ADR holder will bear the risk and expense for the forwarding of share certificates and other documents of title to the corporate trust office of the ADR depositary.

Holders of preference shares that have been withdrawn from deposit under the deposit agreement will not have the right to redeposit the preference shares.

## **Dividends and Other Distributions**

The ADR depositary will distribute all cash dividends or other cash distributions that it receives in respect of deposited preference shares of a particular series to ADR holders, after payment of any charges and fees provided for in the deposit agreement, in proportion to their holdings of ADSs of the series representing the preference shares. The cash amount distributed will be reduced by any amounts that we or the ADR depositary must withhold on account of taxes.

If we make a non-cash distribution in respect of any deposited preference shares of a particular series, the ADR depositary will distribute the property it receives to ADR holders, after deduction or upon payment of any taxes, charges and fees provided for in the deposit agreement, in proportion to their holdings of ADSs of the series representing the preference shares. If a distribution that we make in respect of deposited preference shares of a particular series consists of a dividend in, or free distribution of, preference shares of that series, the ADR depositary may, if we approve, and will, if we request, distribute to ADR holders, in proportion to their holdings of ADSs of the relevant series, additional ADRs evidencing an aggregate number of ADSs of that series representing the amount of preference shares received as such dividend or free distribution. If the ADR depositary does not distribute additional ADRs, each ADS of that series will from then forward also represent the additional preference shares of the corresponding series distributed in respect of the deposited preference shares before the dividend or free distribution.

If the ADR depositary determines that any distribution of property, other than cash or preference shares of a particular series, cannot be made proportionately among ADR holders or, if for any other reason, including any requirement that we or the ADR depositary withhold an amount on account of taxes or other governmental charges, the ADR depositary deems that such a distribution is not feasible, the ADR depositary may dispose of all or part of the property in any manner, including by public or private sale, that it deems equitable and practicable. The ADR depositary will then distribute the net proceeds of any such sale (net of any fees and expenses of the ADR depositary provided for in the deposit agreement) to ADR holders as in the case of a distribution received in cash.

For the avoidance of doubt, unless the relevant prospectus supplement provides otherwise, any amounts to be paid by us on the ADSs will be paid net of any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the Code, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any FATCA Withholding Tax, and we will not be required to pay Additional Amounts on account of any FATCA Withholding Tax.

## **Redemption of ADSs**

If we redeem any preference shares of a particular series that are represented by ADSs, the ADR depositary will redeem, from the amounts that it receives from the redemption of deposited preference shares of that series, the relevant number of ADSs of the series representing those preference shares that corresponds to the number of deposited preference shares of that series. The ADS redemption price will correspond to the redemption price per preference share payable with respect to the redeemed preference shares. If we do not redeem all of the outstanding preference shares of a particular series, the ADR depositary will select the ADSs of the corresponding series to be redeemed, either by lot or pro rata to the number of preference shares represented.

We must give notice of redemption in respect of the preference shares of a particular series that are represented by ADSs to the ADR depositary not less than 30 days before the redemption date. The ADR depositary will promptly deliver the notice to all holders of ADRs of the corresponding series.

## **Record Date**

Whenever any dividend or other distribution becomes payable or shall be made in respect of preference shares of a particular series, or any preference shares of a particular series are to be redeemed, or the ADR

depository receives notice of any meeting at which holders of preference shares of a particular series are entitled to vote, the ADR depository will fix a record date for the determination of the ADR holders who are entitled to receive the dividend, distribution, amount in respect of redemption of ADSs of the corresponding series, or the net proceeds of their sale, or, as applicable, give instructions for the exercise of voting rights at the meeting, subject to the provisions of the deposit agreement. This record date will be as near as practicable to the corresponding record date for the underlying preference share.

### **Voting of the Underlying Deposited Securities**

When the ADR depository receives notice of any meeting or solicitation of consents or proxies of holders of preference shares of a particular series, it will, at our written request and as soon as practicable thereafter, mail to the record holders of ADRs a notice including:

- the information contained in the notice of meeting;
- a statement that the record holders of ADRs at the close of business on a specified record date will be entitled, subject to any applicable provision of English law, to instruct the ADR depository as to the exercise of any voting rights pertaining to the preference shares of the series represented by their ADSs; and
- a brief explanation of how they may give instructions, including an express indication that they may instruct the ADR depository to give a discretionary proxy to designated member or members of our board of directors if no such instruction is received.

The ADR depository has agreed that it will endeavor, insofar as practical, to vote or cause to be voted the preference shares in accordance with any written non-discretionary instructions of record holders of ADRs that it receives on or before the record date set by the ADR depository. The ADR depository will not vote the preference shares except in accordance with such instructions or deemed instructions.

If the ADR depository does not receive instructions from any ADR holder on or before the date the ADR depository establishes for this purpose, the ADR depository will deem such holder to have directed the ADR depository to give a discretionary proxy to a designated member or members of our board of directors. However, the ADR depository will not give a discretionary proxy to a designated member or members of our board of directors with respect to any matter as to which we inform the ADR depository that:

- we do not wish the proxy to be given;
- substantial opposition exists; or
- the rights of holders of the preference shares may be materially affected.

Holders of ADRs evidencing ADSs will not be entitled to vote shares of the corresponding series of preference shares directly.

### **Inspection of Transfer Books**

The ADR depository will, at its corporate trust office in New York City, keep books for the registration and transfer of ADRs. These books will be open for inspection by ADR holders at all reasonable times. However, this inspection may not be for the purpose of communicating with ADR holders in the interest of a business or object other than our business or a matter related to the deposit agreement or the ADRs.

### **Reports and Notices**

We will furnish the ADR depository with our annual reports as described under “Where You Can Find More Information” in this prospectus. The ADR depository will make available at its corporate trust office in

New York City, for any ADR holder to inspect, any reports and communications received from us that are both received by the ADR depositary as holder of preference shares and made generally available by us to the holders of those preference shares. This includes our annual report and accounts. Upon written request, the ADR depositary will mail copies of those reports to ADR holders as provided in the deposit agreement.

On or before the first date on which we give notice, by publication or otherwise, of:

- any meeting of holders of preference shares of a particular series;
- any adjourned meeting of holders of preference shares of a particular series; or
- the taking of any action in respect of any cash or other distributions, or the offering of any rights, in respect of preference shares of a particular series

we have agreed to transmit to the ADR depositary and the custodian a copy of the notice in the form given or to be given to holders of the preference shares. If requested in writing by us, the ADR depositary will, at our expense, arrange for the prompt transmittal or mailing of such notices, and any other reports or communications made generally available to holders of the preference shares, to all holders of ADRs evidencing ADSs of the corresponding series.

#### **Amendment and Termination of the Deposit Agreement**

The form of the ADRs evidencing ADSs of a particular series and any provisions of the deposit agreement relating to those ADRs may at any time and from time to time be amended by agreement between us and the ADR depositary, without the consent of holders of ADRs, in any respect which we may deem necessary or advisable. Any amendment that imposes or increases any fees or charges, other than taxes and other governmental charges, registration fees, transmission costs, delivery costs or other such expenses, or that otherwise prejudices any substantial existing right of holders of outstanding ADRs evidencing ADSs of a particular series, will not take effect as to any ADRs until 30 days after notice of the amendment has been given to the record holders of those ADRs. Every holder of any ADR at the time an amendment becomes effective, if it has been given notice, will be deemed by continuing to hold the ADR to consent and agree to the amendment and to be bound by the deposit agreement or the ADR as amended. No amendment may impair the right of any holder of ADRs to surrender ADRs and receive in return the preference shares of the corresponding series represented by the ADSs.

Whenever we direct, the ADR depositary has agreed to terminate the deposit agreement as to ADRs evidencing ADSs of a particular series by mailing a termination notice to the record holders of all ADRs then outstanding at least 30 days before the date fixed in the notice of termination. The ADR depositary may likewise terminate the deposit agreement as to ADRs evidencing ADSs of a particular series by mailing a termination notice to us and the record holders of all ADRs then outstanding if at any time 90 days shall have expired since the ADR depositary delivered a written notice to us of its election to resign and a successor ADR depositary shall not have been appointed and accepted its appointment.

If any ADRs evidencing ADSs of a particular series remain outstanding after the date of any termination, the ADR depositary will then:

- discontinue the registration of transfers of those ADRs;
- suspend the distribution of dividends to holders of those ADRs; and
- not give any further notices or perform any further acts under the deposit agreement, except those listed below, with respect to those ADRs.

The ADR depositary will, however, continue to collect dividends and other distributions pertaining to the preference shares of the corresponding series. It will also continue to sell rights and other property as

provided in the deposit agreement and deliver preference shares of the corresponding series, together with any dividends or other distributions received with respect to them and the net proceeds of the sale of any rights or other property, in exchange for ADRs surrendered to it.

At any time after the expiration of one year from the date of termination of the deposit agreement as to ADRs evidencing ADSs of a particular series, the ADR depositary may sell the preference shares of the corresponding series then held. The ADR depositary will then hold uninvested the net proceeds of any such sales, together with any other cash then held by it under the deposit agreement in respect of those ADRs, unsegregated and without liability for interest, for the pro rata benefit of the holders of ADRs that have not previously been surrendered.

### **Charges of ADR Depositary**

Unless the applicable prospectus supplement specifies otherwise, the ADR depositary will charge the party to whom it delivers ADRs against deposits, and the party surrendering ADRs for delivery of preference shares of a particular series or other deposited securities, property and cash, \$5.00 for each 100, or fraction of 100, ADSs evidenced by the ADRs issued or surrendered. We will pay all other charges of the ADR depositary and those of any registrar, co-transfer agent and co-registrar under the deposit agreement, but unless the applicable prospectus supplement specifies otherwise, we will not pay:

- taxes, including issue or transfer taxes, U.K. stamp duty or U.K. stamp duty reserve tax other than that payable on the issue of preference shares to the custodian, and other governmental charges;
- any applicable share transfer or registration fees on deposits or withdrawals of preference shares;
- cable, telex, facsimile transmission and delivery charges which the deposit agreement provides are at the expense of the holders of ADRs or persons depositing or withdrawing preference shares of any series; or
- expenses incurred or paid by the ADR depositary in conversion of foreign currency into U.S. dollars.

You will be responsible for any taxes or other governmental charges payable on your ADRs or on the preference shares underlying your ADRs. The ADR depositary may refuse to transfer your ADRs or allow you to withdraw the preference shares underlying your ADRs until such taxes or other charges are paid. It may apply payments owed to you or sell deposited preference shares underlying your ADRs to pay any taxes owed and you will remain liable for any deficiency. If the ADR depositary sells deposited preference shares, it will, if appropriate, reduce the number of ADSs to reflect the sale and pay to you any proceeds, or send to you any property, remaining after it has paid the taxes.

### **General**

Neither the ADR depositary nor we will be liable to ADR holders if prevented or forbidden or delayed by any present or future law of any country or by any governmental authority, any present or future provision of our articles of association or of the preference shares, or any act of God or war or other circumstances beyond our control in performing our obligations under the deposit agreement. The obligations of us both under the deposit agreement are expressly limited to performing our duties without gross negligence or bad faith.

If any ADSs of a particular series are listed on one or more stock exchanges in the U.S., the ADR depositary will act as registrar or, at our request or with our approval, appoint a registrar or one or more co-registrars for registration of the ADRs evidencing the ADSs in accordance with any exchange requirements. The ADR depositary may remove the registrars or co-registrars and appoint a substitute(s) if we request it or with our approval.

The ADRs evidencing ADSs of any series are transferable on the books of the ADR depositary or its agent. However, the ADR depositary may close the transfer books as to ADRs evidencing ADSs of a particular



series at any time when it deems it expedient to do so in connection with the performance of its duties or at our request. As a condition precedent to the execution and delivery, registration of transfer, split-up, combination or surrender of any ADR or withdrawal of any preference shares of the corresponding series, the ADR depositary or the custodian may require the person presenting the ADR or depositing the preference shares to pay a sum sufficient to reimburse it for any related tax or other governmental charge and any share transfer or registration fee and any applicable fees payable as provided in the deposit agreement. The ADR depositary may withhold any dividends or other distributions, or may sell for the account of the holder any part or all of the preference shares evidenced by the ADR, and may apply those dividends or other distributions or the proceeds of any sale in payment of the tax or other governmental charge. The ADR holder will remain liable for any deficiency.

Any ADR holder may be required from time to time to furnish the ADR depositary or the custodian with proof satisfactory to the ADR depositary of citizenship or residence, exchange control approval, information relating to the registration on our books or those that the registrar maintains for us for the preference shares in registered form of that series, or other information, to execute certificates and to make representations and warranties that the ADR depositary deems necessary or proper. Until those requirements have been satisfied, the ADR depositary may withhold the delivery or registration of transfer of any ADR or the distribution or sale of any dividend or other distribution or proceeds of any sale or distribution or the delivery of any deposited preference shares or other property related to the ADR. The delivery, transfer and surrender of ADRs of any series may be suspended during any period when the transfer books of the ADR depositary are closed or if we or the ADR depositary deem it necessary or advisable.

The deposit agreement and the ADRs are governed by and construed in accordance with the laws of the State of New York.



## DESCRIPTION OF SHARE CAPITAL

*The following is a summary of general information about our share capital and some provisions of our Articles of Association. This summary does not purport to be complete. It is subject to, and qualified by reference to, our Articles of Association, which you should read. We have included a copy of our Articles of Association with the SEC as an exhibit to the registration statement of which this prospectus forms a part.*

### General

As of December 31, 2018, 2,342,558,515 ordinary shares of £1 each were in issue (all of which were beneficially held by Barclays PLC); 58,133 U.S. dollar-denominated preference shares of \$100 each; 31,856 euro-denominated preference shares of €100 each; and 1,000 sterling-denominated preference shares of £1 each (all of which were beneficially held by Barclays PLC).

### Ordinary Shares

#### *Dividend Rights*

Holders of ordinary shares are entitled to receive, according to the amounts paid up on the shares and apportioned and paid proportionately to the amount paid up on the shares, any dividends that we may declare at a general meeting of shareholders, but no dividends are payable in excess of the amount that our Board of Directors recommends. The Board of Directors may declare and pay to the holders of ordinary shares interim dividends if, in the opinion of our Board, our distributable reserves justify such payment.

Dividends on ordinary shares, as well as on dollar-denominated preference shares of any series, may only be declared and paid out of our “distributable profits.” Rules prescribed by the U.K. Companies Act 2006 (the “Companies Act”) determine how much of our funds represent distributable profits. In broad outline, dividend distributions may only be made out of accumulated realized profits, so far as not previously utilized by distribution or capitalization, less its accumulated, realized losses, so far as not previously written off in a reduction or reorganization of capital duly made.

So long as dollar-denominated preference shares of any series are outstanding and full dividends on them have not been paid (or a sum has not been set aside in full) for any dividend period, no interim dividends may be declared or paid, or other distribution made, upon our ordinary shares. We may, however, pay dividends on our ordinary shares or other shares ranking below the dollar-denominated preference shares of those series as to dividends upon liquidation. In addition, we may not redeem, repurchase or otherwise acquire for any consideration, or pay or make any moneys available for a sinking fund for the redemption of these shares, except by conversion into or exchange for our shares ranking below the dollar-denominated preference shares as to dividends and upon liquidation, until we have resumed the payment of full dividends (or a sum set aside in full) on all outstanding dollar-denominated preference shares or redeem the relevant preference shares in full.

#### *Rights upon Liquidation*

If there is a return of capital on our winding-up or otherwise, after payment of all liabilities, and after paying or setting apart for payment the full preferential amounts to which the holders of all outstanding dollar-denominated preference shares of any series and any other of our shares ranking senior to the ordinary shares upon liquidation are entitled, our remaining assets will be divided among the holders of ordinary shares pro rata according to the number of ordinary shares held by them.

#### *Voting Rights*

Every holder present (not being present by proxy) and entitled to vote on the resolution has one vote on a show of hands. Every proxy present who has been appointed by just one holder entitled to vote on the resolution has one vote on a show of hands, while every proxy who has been appointed by more than one holder

entitled to vote on the resolution has one vote for each way directed by the holders, that is one vote affirming the resolution (if one or more holders direct or have granted the proxy discretion in how to vote) and one vote opposing the resolution (if one or more holders direct or have granted the proxy discretion in how to vote). On a poll, every holder present in person or by proxy and entitled to vote has one vote in respect of each £1 nominal capital held by the relevant holder. Voting at any general meeting of shareholders is by show of hands unless a poll is demanded. A poll may be demanded by the chairman of the meeting or by any shareholder present in person or by proxy and entitled to vote.

### **Miscellaneous**

Holders of ordinary shares and dollar-denominated preference shares have no pre-emptive rights under our Articles of Association. However, except in some cases, English law restricts the ability of our Board of Directors, without appropriate authorization from the holders of our ordinary shares at a general meeting, to:

- allot any shares or rights to subscribe for, or to convert any security into, any of our shares; or
- issue for cash ordinary shares or rights to subscribe for, or to convert any security into, ordinary shares other than through rights to existing holders of ordinary shares.

## TAX CONSIDERATIONS

### U.S. Taxation

This section describes the material U.S. federal income tax consequences of owning preference shares, ADSs or debt securities. It applies to you only if you acquire your preference shares, ADSs or debt securities in an offering and you hold your preference shares, ADSs or debt securities as capital assets for U.S. federal income tax purposes. The U.S. federal income tax consequences of owning warrants will be described in the applicable pricing supplement.

This section does not apply to you if you are a member of a class of holders subject to special rules, including:

- a dealer in securities;
- a trader in securities that elects to use a mark-to-market method of accounting for your securities holdings;
- a tax-exempt organization;
- an insurance company;
- a person that holds preference shares, ADSs or debt securities as part of a straddle or a hedging or conversion transaction for tax purposes or as part of a “synthetic security” or other integrated financial transaction;
- a person that purchases or sells preference shares, ADSs or debt securities as part of a wash sale for tax purposes;
- a U.S. holder (as defined below) whose functional currency for tax purposes is not the U.S. dollar;
- a bank;
- entities taxed as partnerships or the partners therein;
- regulated investment companies;
- nonresident alien individuals present in the United States for more than 182 days in a taxable year;
- U.S. expatriates;
- a person liable for alternative minimum tax; or
- a person that actually or constructively owns 10% or more of the combined voting power of our voting stock or of the total value of our stock.

This summary does not address state, local or foreign taxes, the U.S. federal estate and gift taxes or the Medicare contribution tax applicable to net investment income of certain non-corporate U.S. Holders.

This section is based on the Code, its legislative history, existing and proposed regulations, published rulings and court decisions, as well as on the income tax convention between the United States of America and the United Kingdom (the “Treaty”). These laws are subject to change, possibly on a retroactive basis. If you hold ADRs evidencing ADSs, you will in general be treated as the beneficial owner of the preference shares represented by those ADSs.

*You should consult your own tax advisor regarding the U.S. federal, state and local and other tax consequences of owning and disposing of preference shares, ADSs or debt securities in your particular circumstances.*

### ***U.S. Holders***

This subsection describes the U.S. federal income tax consequences to a U.S. holder of owning preference shares, ADSs or debt securities. You are a U.S. holder if you are a beneficial owner of preference shares, ADSs or debt securities and you are, for U.S. federal income tax purposes:

- a citizen or resident of the United States;
- a domestic corporation; or
- otherwise subject to U.S. federal income taxation on a net income basis in respect of the preference shares, ADSs or debt securities.

If you are not a U.S. holder, this subsection does not apply to you, and you should refer to “—Taxation of Non-U.S. Holders” below.

### ***Taxation of Debt Securities***

This subsection deals only with debt securities denominated in U.S. dollars that are due to mature 30 years or less from the date on which they are issued. The U.S. federal income tax consequences of owning debt securities that are denominated in a currency other than the U.S. dollar (or that make payments that are determined by reference to a currency other than the U.S. dollar) as well as the U.S. federal income tax consequences of owning debt securities that are due to mature more than 30 years from their date of issue will be discussed in an applicable prospectus supplement. In addition, this subsection does not address the U.S. federal income tax consequences of owning convertible or exchangeable debt securities; the U.S. federal income tax consequences of owning convertible or exchangeable debt securities will be addressed in the applicable prospectus supplement. This subsection also does not address the U.S. federal income tax consequences of owning bearer debt securities. U.S. holders of certain bearer debt securities may be subject to additional, adverse U.S. federal income tax rules. Dated Subordinated Debt Securities may be subject to additional U.S. federal income tax rules which will be discussed in the relevant pricing supplement.

U.S. holders that use an accrual method of accounting for tax purposes generally will be required to include certain amounts in income no later than the time such amounts are reflected on certain financial statements. The application of this rule thus may require the accrual of income earlier than would be the case under the general tax rules described below. It is not clear to what types of income this rule applies, or, in some cases, how the rule is to be applied if it is applicable. U.S. holders that use an accrual method of accounting should consult with their tax advisors regarding the potential applicability of this rule to their particular situation.

### **Payments of Interest**

Except as described below in the case of interest on a “discount debt security” that is not “qualified stated interest”, each as defined below under “—Original Issue Discount—General,” you will be taxed on any interest on your debt securities, excluding any pre-issuance accrued interest, as ordinary income at the time you receive the interest or when it accrues, depending on your method of accounting for tax purposes.

Interest paid by us on the debt securities and original issue discount, or OID, if any, accrued with respect to the debt securities (as described below under “Original Issue Discount”) and any additional amounts paid with respect to withholding tax on the debt securities, including withholding tax on payments of such additional amounts (“additional amounts”), is income from sources outside the United States and will generally be “passive” income for purposes of computing the foreign tax credit.

## Original Issue Discount

*General.* If you own a debt security, other than a short-term debt security with a term of one year or less, it will be treated as a discount debt security issued with OID if the amount by which the debt security's stated redemption price at maturity exceeds its issue price is more than a de minimis amount. Generally, a debt security's issue price will be the first price at which a substantial amount of debt securities included in the issue of which the debt security is a part is sold to persons other than bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers. A debt security's stated redemption price at maturity is the total of all payments provided by the debt security that are not payments of qualified stated interest. Generally, an interest payment on a debt security is qualified stated interest if it is one of a series of stated interest payments on a debt security that are unconditionally payable at least annually at a single fixed rate, with certain exceptions for lower rates paid during some periods, applied to the outstanding principal amount of the debt security. There are special rules for variable rate debt securities that are discussed under "—Variable Rate Debt Securities."

In general, your debt security is not a discount debt security if the amount by which its stated redemption price at maturity exceeds its issue price is less than 1/4 of 1% of its stated redemption price at maturity multiplied by the number of complete years to its maturity. Your debt security will have de minimis OID if the amount of the excess is less than this amount. If your debt security has de minimis OID, you must include the de minimis OID in income as stated principal payments are made on the debt security, unless you make the election described below under "—Election to Treat All Interest as Original Issue Discount." You can determine the includible amount with respect to each such payment by multiplying the total amount of your debt security's de minimis OID by a fraction equal to:

- the amount of the principal payment made divided by:
- the stated principal amount of the debt security.

Generally, if your discount debt security matures more than one year from its date of issue, you must include OID in income before you receive cash attributable to that income. The amount of OID that you must include in income is calculated using a constant-yield method, and generally you will include increasingly greater amounts of OID in income over the life of your debt security. More specifically, you can calculate the amount of OID that you must include in income by adding the daily portions of OID with respect to your discount debt security for each day during the taxable year or portion of the taxable year that you hold your discount debt security. You can determine the daily portion by allocating to each day in any accrual period a pro rata portion of the OID allocable to that accrual period. You may select an accrual period of any length with respect to your discount debt security and you may vary the length of each accrual period over the term of your discount debt security. However, no accrual period may be longer than one year and each scheduled payment of interest or principal on the discount debt security must occur on either the first or final day of an accrual period.

You can determine the amount of OID allocable to an accrual period by:

- multiplying your discount debt security's adjusted issue price at the beginning of the accrual period by your debt security's yield to maturity, and then
- subtracting from this figure the sum of the payments of qualified stated interest on your debt security allocable to the accrual period.

You must determine the discount debt security's yield to maturity on the basis of compounding at the close of each accrual period and adjusting for the length of each accrual period. Further, you determine your discount debt security's adjusted issue price at the beginning of any accrual period by:

- adding your discount debt security's issue price and any accrued OID for each prior accrual period; and then
- subtracting any payments previously made on your discount debt security that were not qualified stated interest payments.

If an interval between payments of qualified stated interest on your discount debt security contains more than one accrual period, then, when you determine the amount of OID allocable to an accrual period, you must allocate the amount of qualified stated interest payable at the end of the interval, including any qualified stated interest that is payable on the first day of the accrual period immediately following the interval, pro rata to each accrual period in the interval based on their relative lengths. In addition, you must increase the adjusted issue price at the beginning of each accrual period in the interval by the amount of any qualified stated interest that has accrued prior to the first day of the accrual period but that is not payable until the end of the interval. You may compute the amount of OID allocable to an initial short accrual period by using any reasonable method if all other accrual periods, other than a final short accrual period, are of equal length.

The amount of OID allocable to the final accrual period is equal to the difference between:

- the amount payable at the maturity of your debt security, other than any payment of qualified stated interest; and
- your debt security's adjusted issue price as of the beginning of the final accrual period.

*Acquisition Premium.* If you purchase your debt security for an amount that is less than or equal to the sum of all amounts, other than qualified stated interest, payable on your debt security after the purchase date but is greater than the amount of your debt security's adjusted issue price, as determined above under "—General," the excess is acquisition premium. If you do not make the election described below under "—Election to Treat All Interest as Original Issue Discount," then you must reduce the daily portions of OID by a fraction equal to:

- the excess of your adjusted basis in the debt security immediately after purchase over the adjusted issue price of the debt security;

divided by:

- the excess of the sum of all amounts payable, other than qualified stated interest, on the debt security after the purchase date over the debt security's adjusted issue price.

*Variable Rate Debt Securities.* A floating rate debt security generally will be treated as a "variable rate debt instrument" under applicable Treasury regulations. Accordingly, the stated interest on a floating rate debt security generally will be treated as "qualified stated interest" and such debt security will not have OID solely as a result of the fact that it provides for interest at a variable rate. If a floating rate debt security qualifying as a "variable rate debt instrument" is a discount debt security, for purposes of determining the amount of OID allocable to each accrual period under the rules above, the debt security's "yield to maturity" and "qualified stated interest" will generally be determined as though the debt security bore interest in all periods at a fixed rate determined at the time of issuance of the debt security. Additional rules may apply if interest on a floating rate debt security is based on more than one interest index. If a floating rate debt security does not qualify as a "variable rate debt instrument," the debt security will be subject to special rules that govern the tax treatment of contingent payment obligations.

*Debt Securities Subject to Contingencies, Including Optional Redemption.* Your debt security is subject to a contingency if it provides for an alternative payment schedule or schedules applicable upon the occurrence of a contingency or contingencies, other than a remote or incidental contingency, whether such contingency relates to payments of interest or of principal. In such a case, you must determine the yield and maturity of your debt security by assuming that the payments will be made according to the payment schedule most likely to occur if:

- the timing and amounts of the payments that comprise each payment schedule are known as of the issue date; and
- one of such schedules is significantly more likely than not to occur.

If there is no single payment schedule that is significantly more likely than not to occur, other than because of a mandatory sinking fund, and the debt security is not subject to other rules for debt securities with contingent payments, you must include income on your debt security in accordance with the general rules that govern contingent payment obligations. If applicable, these rules will be discussed in the prospectus supplement.

Notwithstanding the general rules for determining yield and maturity, if your debt security is subject to contingencies, and either you or we have an unconditional option or options that, if exercised, would require payments to be made on the debt security under an alternative payment schedule or schedules, then:

- in the case of an option or options that we may exercise, we will be deemed to exercise or not to exercise an option or a combination of options in the manner that minimizes the yield on your debt security; and,
- in the case of an option or options that you may exercise, you will be deemed to exercise or not to exercise an option or a combination of options in the manner that maximizes the yield on your debt security.

If both you and we hold options described in the preceding sentence, those rules will apply to each option in the order in which they may be exercised. You may determine the yield on your debt security for the purposes of those calculations by using any date on which your debt security may be redeemed or repurchased as the maturity date and the amount payable on the date that you chose in accordance with the terms of your debt security as the principal amount payable at maturity.

If a contingency, including the exercise of an option, actually occurs or does not occur contrary to an assumption made according to the above rules then, except to the extent that a portion of your debt security is repaid as a result of this change in circumstances and solely to determine the amount and accrual of OID, you must redetermine the yield and maturity of your debt security by treating your debt security as having been retired and reissued on the date of the change in circumstances for an amount equal to your debt security's adjusted issue price on that date.

*Election to Treat All Interest as Original Issue Discount.* You may elect to include in gross income all interest that accrues on your debt security using the constant-yield method described above under “—General,” with the modifications described below. For purposes of this election, interest will include stated interest, OID, de minimis OID, market discount, de minimis market discount and unstated interest, as adjusted by any amortizable bond premium, described below under “—Debt Securities Purchased at a Premium,” or acquisition premium.

If you make this election for your debt security, then, when you apply the constant-yield method:

- the issue price of your debt security will equal your cost;
- the issue date of your debt security will be the date you acquired it; and
- no payments on your debt security will be treated as payments of qualified stated interest.

Generally, this election will apply only to the debt security for which you make it; however, if the debt security has amortizable bond premium, you will be deemed to have made an election to apply amortizable bond premium against interest for all debt instruments with amortizable bond premium, other than debt instruments the interest on which is excludible from gross income, that you hold as of the beginning of the taxable year to which the election applies or any taxable year thereafter. Additionally, if you make this election for a market discount debt security, you will be treated as having made the election discussed below under “—Market Discount” to include market discount in income currently over the life of all debt instruments having market discount that you acquire on or after the first day of the first taxable year to which the election applies. You may not revoke any election to apply the constant-yield method to all interest on a debt security or the deemed elections with respect to amortizable bond premium or market discount debt securities without the consent of the Internal Revenue Service.



*Short-Term Debt Securities.* In general, if you are an individual or other cash basis U.S. holder of a short-term debt security, you are not required to accrue OID, as specially defined below for the purposes of this paragraph, for U.S. federal income tax purposes unless you elect to do so (generally you will be required to include any stated interest in income as you receive it). If you are an accrual basis taxpayer, a taxpayer in a special class, including, but not limited to, a regulated investment company, common trust fund, or a certain type of pass-through entity, or a cash basis taxpayer who so elects, you will be required to accrue OID on short-term debt securities on either a straight-line basis or under the constant-yield method, based on daily compounding. If you are not required and do not elect to include OID in income currently, any gain you realize on the sale or retirement of your short-term debt security will be ordinary income to the extent of the accrued OID, which will be determined on a straight-line basis unless you make an election to accrue the OID under the constant-yield method, through the date of sale or retirement. However, if you are not required and do not elect to accrue OID on your short-term debt securities, you will be required to defer deductions for interest on borrowings allocable to your short-term debt securities in an amount not exceeding the deferred income until the deferred income is realized.

When you determine the amount of OID subject to these rules, you must include all interest payments on your short-term debt security, including stated interest, in your short-term debt security's stated redemption price at maturity.

Alternatively, a U.S. holder of a short-term debt security can elect to accrue the "acquisition discount," if any, with respect to the short-term debt security on a current basis. If such an election is made, the OID rules will not apply to the short-term debt security. Acquisition discount is the excess of the short-term debt security's stated redemption price at maturity over the purchase price. Acquisition discount will be treated as accruing ratably or, at the election of the U.S. holder, under a constant-yield method based on daily compounding.

#### Market Discount

You will be treated as if you purchased your debt security, other than a short-term debt security, at a market discount, and your debt security will be a market discount debt security if:

- you purchase your debt security for less than its issue price as determined above under "Original Issue Discount—General"; and
- the difference between the debt security's stated redemption price at maturity or, in the case of a discount debt security, the debt security's adjusted issue price, and the price you paid for your debt security is equal to or greater than 1/4 of 1% of your debt security's stated redemption price at maturity or adjusted issue price, respectively, multiplied by the number of complete years to the debt security's maturity. To determine the adjusted issue price of your debt security for these purposes, you generally add any OID that has accrued on your debt security to its issue price.

If your debt security's stated redemption price at maturity or, in the case of a discount debt security, its adjusted issue price, exceeds the price you paid for the debt security by less than 1/4 of 1% multiplied by the number of complete years to the debt security's maturity, the excess constitutes de minimis market discount, and the rules discussed below are not applicable to you.

You must treat any gain you recognize on the maturity or disposition of your market discount debt security as ordinary income to the extent of the accrued market discount on your debt security. Alternatively, you may elect to include market discount in income currently over the life of your debt security. If you make this election, it will apply to all debt instruments with market discount that you acquire on or after the first day of the first taxable year to which the election applies. You may not revoke this election without the consent of the Internal Revenue Service. If you own a market discount debt security and do not make this election, you will generally be required to defer deductions for interest on borrowings allocable to your debt security in an amount not exceeding the accrued market discount on your debt security until the maturity or disposition of your debt security.



You will accrue market discount on your market discount debt security on a straight-line basis unless you elect to accrue market discount using a constant-yield method. If you make this election, it will apply only to the debt security with respect to which it is made and you may not revoke it. You would, however, not include accrued market discount in income unless you elect to do so as described above.

#### Debt Securities Purchased at a Premium

If you purchase your debt security for an amount in excess of its principal amount (or, in the case of a discount debt security, in excess of the sum of all amounts payable on the debt security after the acquisition date (other than payments of qualified stated interest)), you may elect to treat the excess as amortizable bond premium. If you make this election, you will reduce the amount required to be included in your income each accrual period with respect to interest on your debt security by the amount of amortizable bond premium allocable to that accrual period, based on your debt security's yield to maturity.

If the amortizable bond premium allocable to an accrual period exceeds your interest income from your debt security for such accrual period, this excess is first allowed as a deduction to the extent of interest included in your income in respect of the debt security in previous accrual periods and is then carried forward to your next accrual period. If the amortizable bond premium allocable and carried forward to the accrual period in which your debt security is sold, retired or otherwise disposed of exceeds your interest income for such accrual period, you would be allowed an ordinary deduction equal to this excess.

If you make an election to amortize bond premium, it will apply to all debt instruments, other than debt instruments the interest on which is excludible from gross income, that you hold at the beginning of the first taxable year to which the election applies or that you thereafter acquire, and you may not revoke it without the consent of the Internal Revenue Service. See also "Original Issue Discount—Election to Treat All Interest as Original Issue Discount."

With respect to a U.S. holder that does not elect to amortize bond premium, the amount of bond premium will be included in the U.S. holder's tax basis when the debt security matures or is disposed of by the U.S. holder. Therefore, a U.S. holder that does not elect to amortize such premium and holds the debt security to maturity will generally be required to treat the premium as a capital loss at maturity.

#### Purchase, Sale and Retirement of the Debt Securities

Your tax basis in your debt security will generally be your cost of your debt security adjusted by:

- adding any OID, de minimis OID, market discount or de minimis market discount previously included in income with respect to your debt security; and then
- subtracting any payments on your debt security that are not qualified stated interest payments and any amortizable bond premium to the extent that such premium either reduced interest income on your debt security or gave rise to a deduction on your debt security.

You will generally recognize gain or loss on the sale or retirement of your debt security equal to the difference between the amount you realize on the sale or retirement, excluding any amounts attributable to accrued but unpaid interest (which will be treated as interest payments), and your tax basis in your debt security.

You will recognize capital gain or loss when you sell or retire your debt security, except to the extent described above under "Original Issue Discount—Short-Term Debt Securities" or "Market Discount."

Capital gain of a non-corporate U.S. holder is generally taxed at preferential rates where the holder has a holding period of greater than one year. Such gain or loss will generally be income or loss from sources within the United States for foreign tax credit limitation purposes.

## Other Debt Securities

The applicable prospectus supplement will discuss any special U.S. federal income tax rules with respect to debt securities the payments on which are determined by reference to any reference asset, debt securities that are denominated in a currency other than the U.S. dollar and other debt securities that are subject to the rules governing contingent payment obligations.

## *Taxation of Preference Shares and ADSs*

### Dividends

Under the U.S. federal income tax laws, if you are a U.S. holder, the gross amount of any dividend paid by us out of our current or accumulated earnings and profits (as determined for U.S. federal income tax purposes) is subject to U.S. federal income taxation. Subject to the discussion below under the heading “Passive Foreign Investment Company Considerations,” if you are a non-corporate U.S. holder, dividends paid to you that constitute qualified dividend income will be taxable to you at the preferential rates applicable to long-term capital gains provided that you meet certain holding period requirements. Dividends we pay with respect to the preference shares or ADSs generally will be qualified dividend income. The dividend must be included in income when you, in the case of preference shares, or the ADR depositary, in the case of ADSs, receive the dividend, actually or constructively. The dividend will not be eligible for the dividends-received deduction generally allowed to U.S. corporations in respect of dividends received from other U.S. corporations. Distributions in excess of current and accumulated earnings and profits, as determined for U.S. federal income tax purposes, will be treated as a non-taxable return of capital to the extent of your basis in the preference shares or ADSs and thereafter as capital gain. However, we do not expect to calculate earnings and profits in accordance with U.S. federal income tax principles. Accordingly, you should expect to generally treat distributions we make as dividends. For foreign tax credit purposes, dividends will generally be income from sources outside the United States and will generally be “passive” income for purposes of computing the foreign tax credit allowable to you.

If you are a U.S. holder, dividends paid in a currency other than U.S. dollars generally will be includible in your income in a U.S. dollar amount calculated by reference to the exchange rate in effect on the day you receive the dividends, in the case of the preference shares, or the date the depositary receives the dividends, in the case of ADSs. U.S. holders should consult their own tax advisers regarding the treatment of foreign currency gain or loss, if any, on any foreign currency received that is converted into U.S. dollars after it is received.

### Capital Gains

Subject to the discussion below under the heading “Passive Foreign Investment Company Considerations,” if you are a U.S. holder and you sell or otherwise dispose of your preference shares or ADSs, you will recognize capital gain or loss for U.S. federal income tax purposes equal to the difference between the amount that you realize and your tax basis in your preference shares or ADSs. Capital gain of a non-corporate U.S. holder is generally taxed at preferential rates where the holder has a holding period of greater than one year. The gain or loss will generally be income or loss from sources within the United States for foreign tax credit limitation purposes.

### Passive Foreign Investment Company Considerations

A non-United States corporation will be a passive foreign investment company (a “PFIC”) for any taxable year if either (1) 75% or more of its gross income in the taxable year is passive income or (2) 50% or more of the average value of its assets in the taxable year produces, or is held for the production of, passive income. Based upon certain management estimates and proposed Treasury regulations, we believe that we were not a PFIC for the 2018 taxable year and do not expect that we will be a PFIC in subsequent taxable years. However, since our status as a PFIC for any taxable year depends on the composition of our income and assets

(and the market value of such assets) from time to time, there can be no assurance that we will not be considered a PFIC for any taxable year. If we were considered a PFIC for any taxable year during which you hold preference shares or ADSs, you could be subject to unfavorable tax consequences, including significantly more tax upon a disposition of such preference shares or ADSs or upon receipt of certain dividends from us. In addition, U.S. persons who own PFIC stock generally must annually file IRS form 8621, and may be required to file other IRS forms.. A failure to file one or more of these forms as required may toll the running of the statute of limitations in respect of each of the taxable years for which such form is required to be filed. As a result, the taxable years with respect to which the U.S. person fails to file the form may remain open to assessment by the IRS indefinitely, until the form is filed.

### ***Non-U.S. Holders***

This subsection describes the tax consequences to a non-U.S. holder of owning and disposing of preference shares, ADSs or debt securities. You are a U.S. alien holder if you are a beneficial owner of a preference share, ADS or debt security and you are, for U.S. federal income tax purposes:

- an individual;
- a corporation; or
- an estate or trust, that in each case is not a U.S. holder.

*Interest on Debt Securities and Dividends on Preference Shares or ADSs.* If you are a non-U.S. holder, subject to the discussions below under “—Information Reporting and Backup Withholding” and “—FATCA,” interest paid to you with respect to debt securities and dividends paid to you in respect of your preference shares or ADSs will not be subject to U.S. federal income tax, including withholding tax. However, to receive this exemption a non-U.S. holder may be required to satisfy certification requirements, described below under “—Information Reporting and Backup Withholding,” to establish that it is not a U.S. holder.

*Disposition of the Preference Shares, ADSs or Debt Securities.* If you are a non-U.S. holder, subject to the discussions below under “—Information Reporting and Backup Withholding,” you generally will not be subject to U.S. federal income tax on gain realized on the sale, exchange or retirement of your preference share, ADS or debt security.

### ***Information with Respect to Foreign Financial Assets***

Owners of “specified foreign financial assets” with an aggregate value in excess of \$50,000 (and in some circumstances, a higher threshold) may be required to file an information report with respect to such assets with their tax returns. “Specified foreign financial assets” may include financial accounts maintained by foreign financial institutions, as well as the following, but only if they are held for investment and not held in accounts maintained by financial institutions: (i) stocks and securities issued by non-U.S. persons, (ii) financial instruments and contracts that have non-U.S. issuers or counterparties, and (iii) interests in foreign entities. The understatement of income attributable to “specified foreign financial assets” in excess of \$5,000 extends the statute of limitations with respect to the tax return to six years after the return was filed. U.S. holders who fail to report the required information could be subject to substantial penalties. The preference shares, ADSs and debt securities may be subject to these rules. Holders are urged to consult their tax advisors regarding the application of this reporting requirement to their ownership of the preference shares, ADSs and debt securities.

### ***Foreign Account Tax Compliance Withholding***

Certain non-U.S. financial institutions must comply with information reporting requirements or certification requirements in respect of their direct and indirect United States shareholders and/or United States accountholders to avoid becoming subject to withholding on certain payments. We and other non-U.S. financial

institutions may accordingly be required to report information to the Internal Revenue Service regarding the holders of preference shares, ADSs and debt securities and to withhold at a 30% rate on a portion of payments under the preference shares, ADSs and debt securities to certain holders that fail to comply with the relevant information reporting requirements (or hold the preference shares, ADSs and/or debt securities directly or indirectly through certain non-compliant intermediaries), if those payments are treated as “foreign passthru payments.” Under current regulations, the term “foreign passthru payments” is not defined, and it is not clear whether or to what extent payments on under the preference shares, ADSs and debt securities may be subject to this withholding tax. However, the IRS has indicated that it will not apply withholding tax to any foreign passthru payments made prior to two years after the date on which final regulations on this issue are published. Moreover, in the case of debt securities, such withholding would only apply to securities issued at least six months after the date on which final regulations implementing such rule are enacted.

If such withholding is required, we will not be required to pay any additional amounts with respect to any such amounts withheld. Holders are urged to consult their tax advisers regarding the application of such withholding tax to their ownership of the preference shares, ADSs or debt securities.

### ***Information Reporting and Backup Withholding***

In general, if you are a non-corporate U.S. holder, information reporting requirements, on Internal Revenue Service Form 1099, generally will apply to payments of principal, any premium and interest, and the accrual of OID on a debt security and dividends or other taxable distributions with respect to a preference share or an ADS within the United States, and the payment of proceeds to you from the sale of preference shares, ADSs or debt securities effected at a U.S. office of a broker.

Additionally, backup withholding may apply to such payments if you fail to comply with applicable certification requirements or (in the case of interest or dividend payments) are notified by the Internal Revenue Service that you have failed to report all interest and dividends required to be shown on your federal income tax returns.

If you are a non-U.S. holder, you are generally exempt from backup withholding and information reporting requirements with respect to payments made to you outside the United States by us or another non-U.S. payor. You are also generally exempt from backup withholding and information reporting requirements in respect of payments made within the United States and the payment of the proceeds from the sale of preference shares, ADSs or debt securities effected at a U.S. office of a broker, as long as either (i) the payor or broker does not have actual knowledge or reason to know that you are a U.S. person and you have furnished a valid Internal Revenue Service Form W-8 or other documentation upon which the payor or broker may rely to treat the payments as made to a non-U.S. person, or (ii) you otherwise establish an exemption.

Payment of the proceeds from the sale of preference shares, ADSs or debt securities effected at a foreign office of a broker generally will not be subject to information reporting or backup withholding. However, a sale effected at a foreign office of a broker could be subject to information reporting in the same manner as a sale within the United States (and in certain cases may be subject to backup withholding as well) if (i) the broker has certain connections to the United States, (ii) the proceeds or confirmation are sent to the United States or (iii) the sale has certain other specified connections with the United States.

You generally may obtain a refund of any amounts withheld under the backup withholding rules that exceed your income tax liability by filing a refund claim with the U.S. Internal Revenue Service.

## **United Kingdom Taxation of Debt Securities**

### ***Introduction***

The following is a summary of the United Kingdom withholding and other tax considerations at the date hereof with respect to the acquisition, ownership and disposition of the Debt Securities by persons who are

the absolute beneficial owners of their Debt Securities and who are neither (a) resident in the United Kingdom for United Kingdom tax purposes nor (b) hold the Securities in connection with any trade or business carried on in the United Kingdom through any branch, agency or permanent establishment in the United Kingdom. It is based upon the opinion of Clifford Chance LLP, our United Kingdom solicitors. This summary relates only to the position of persons who are absolute beneficial owners of the Debt Securities and may not apply to certain classes of persons, such as dealers in securities.

The summary is based on current law and the practice of Her Majesty's Revenue and Customs ("HMRC") which may be subject to change, sometimes with retrospective effect.

The following is a general guide for information purposes and should be treated with appropriate caution. It is not intended as tax advice and it does not purport to describe all of the tax considerations that may be relevant to a prospective purchaser. If you are in any doubt as to your tax position you should consult professional advisers. You should consult your own tax advisors concerning the consequences of acquiring, owning and disposing of the Debt Securities in your particular circumstances, including the applicability and effect of the Treaty. You should be aware that the particular terms of any particular series of Debt Securities as specified in the applicable prospectus supplement may affect the tax treatment of those Debt Securities.

This summary assumes that the Debt Securities will not be issued or transferred to any depository receipt system.

The following summary of the United Kingdom withholding tax position assumes that the Debt Securities are not hybrid capital instruments and does not consider the tax consequences of payments in connection with the hybrid capital instruments. If any Debt Securities issued are expected to constitute hybrid capital instruments, the tax treatments will be disclosed in the relevant supplemental prospectus.

### ***Payments of Interest***

Where interest on the Debt Securities has a United Kingdom source for United Kingdom tax purposes, Debt Securities that carry a right to interest will constitute "quoted Eurobonds" within the meaning of Section 987 of the Income Tax Act 2007 (the "ITA") or admitted to trading on a "multilateral trading facility" operated by an EEA regulated stock exchange (within the meaning of section 987 of the Act). Whilst the Debt Securities are and continue to be quoted Eurobonds, payments of interest by the Issuer on the Debt Securities may be made without withholding or deduction for or on account of United Kingdom income tax.

The NYSE is a "recognized stock exchange" for these purposes and accordingly the Debt Securities will constitute quoted Eurobonds provided that they are and continue to be listed officially in the United States and are admitted to trading on the main market of the NYSE.

In addition to the exemption described above, interest on the Debt Securities may be paid without withholding or deduction for or on account of United Kingdom income tax so long as:

- (i) the issuer of the Debt Securities is authorized for the purposes of the United Kingdom Financial Services and Markets Act 2000 ("FSMA") and its business consists wholly or mainly of dealing in financial instruments (as defined by section 984 of the ITA) as principal and so long as such payments are made by the issuer of the Debt Securities in the ordinary course of that business. Barclays Bank PLC is currently authorized for the purposes of FSMA.
- (ii) the interest on the Debt Securities is paid by a "bank" (as defined in section 991 of the ITA) in the ordinary course of its business. Barclays Bank PLC is currently a "bank" for the purposes of Section 991 of the ITA.

In all cases falling outside the above, interest on the Debt Securities may fall to be paid under deduction of United Kingdom income tax at the basic rate (currently 20%). However, such withholding or

deduction will not apply if the relevant interest is paid on Debt Securities with a maturity of less than one year from the date of issuance and which are not issued under a scheme of arrangements the effect or intention of which is, to render such Debt Securities part of a borrowing with a total term of a year or more.

Where interest has been paid under deduction of United Kingdom income tax, holders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.

Payments made in respect of the Debt Securities may be subject to United Kingdom tax by direct assessment even where such payments are paid without withholding or deduction. However, as regards a holder of Debt Securities who is not resident in the United Kingdom for United Kingdom tax purposes, payments made in respect of the Debt Securities without withholding or deduction will generally not be subject to United Kingdom tax provided that the relevant holder does not carry on a trade, profession or vocation in the United Kingdom through a branch or agency or (in the case of a company) carry on a trade or business in the United Kingdom through any permanent establishment in the United Kingdom in each case in connection with which the interest is received or to which the Debt Securities are attributable, in which case (subject to exemptions for interest received by certain categories of agent) United Kingdom tax may be levied on the United Kingdom branch or agency, or permanent establishment.

The references to “interest” above mean “interest” as understood in United Kingdom tax law. The statements above do not take any account of any different definitions of “interest” or “principal” which may prevail under any other law or which may be created by the terms and conditions of the Debt Securities or any related documentation. Holders should seek their own professional advice as regards the withholding tax treatment of any payment on the Debt Securities which does not constitute “interest” or “principal” as those terms are understood in United Kingdom tax law. Where a payment on a security does not constitute (or is not treated as) interest for United Kingdom tax purposes, and the payment has a United Kingdom source, it would potentially be subject to United Kingdom withholding tax if, for example, it constitutes (or is treated as) an annual payment or a manufactured payment for United Kingdom tax purposes (which will be determined by, amongst other things, the terms and conditions specified by the particular terms of a particular series of Debt Securities). In such a case, the payment may fall to be made under deduction of United Kingdom tax (the rate of withholding depending on the nature of the payment), subject to such relief as may be available.

Where Debt Securities are issued at an issue price of less than 100 per cent of their principal amount, any discount element on any such Debt Securities will not generally be subject to any United Kingdom withholding tax pursuant to the provisions mentioned above.

The above description of the United Kingdom withholding tax position assumes that there will be no substitution of an issuer and does not consider the tax consequences of any such substitution.

### ***Disposal (Including Redemption)***

A holder of Debt Securities who is not resident in the United Kingdom will not be liable to United Kingdom taxation in respect of a disposal (including redemption) of the Debt Securities, any gain accrued in respect of the Debt Securities or any change in the value of the Debt Securities unless the holder carries on a trade, profession or vocation in the United Kingdom through a branch or agency or, in the case of a company, through a permanent establishment and the Debt Securities were used in or for the purposes of this trade, profession or vocation or acquired for the use by or for the purposes of the branch or agency or permanent establishment.

Where Debt Securities are to be, or may fall to be, redeemed at a premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest. Payments of interest are subject to United Kingdom withholding tax as outlined above.



### ***Inheritance tax***

Where the Debt Securities are not situate in the United Kingdom, beneficial owners of such Debt Securities who are individuals not domiciled in the United Kingdom will not be subject to United Kingdom inheritance tax in respect of the Debt Securities. “Domicile” usually has an extended meaning in respect of United Kingdom inheritance tax, so that a person who has been resident for tax purposes in the United Kingdom for a certain period of time will be regarded as domiciled in the United Kingdom.

Where the Debt Securities are situate in the United Kingdom, beneficial owners of such Debt Securities who are individuals may be subject to United Kingdom inheritance tax in respect of such Debt Securities on the death of the individual or, in some circumstances, if the Debt Securities are the subject of a gift, including a transfer at less than full market value, by that individual. United Kingdom inheritance tax is not generally chargeable on gifts to individuals made more than seven years before the death of the donor. Subject to limited exclusions, gifts to settlements (which would include, very broadly, private trust arrangements) or to companies may give rise to an immediate United Kingdom inheritance tax charge. Debt Securities held in settlements may also be subject to United Kingdom inheritance tax charges periodically during the continuance of the settlement, on transfers out of the settlement or on certain other events. Investors should take their own professional advice as to whether any particular arrangements constitute a settlement for United Kingdom inheritance tax purposes.

Exemption from or reduction in any United Kingdom inheritance tax liability may be available for U.S. holders under the double tax convention between the United Kingdom and the U.S. on taxes on estates, gifts and inheritance (the “Estate Tax Treaty”) made between the United Kingdom and the United States.

Generally under United Kingdom domestic law a registered security is situate where it is registered and a bearer security is situate where the bearer security is located. However, this is subject to provisions of any applicable double tax treaty. You should consult professional advisers if you are in any doubt as to your liability to United Kingdom inheritance tax.

### ***Stamp Duty***

#### *Issue of securities*

No United Kingdom stamp duty will generally be payable on the issue of Debt Securities provided that, in the case of bearer Debt Securities, a statutory exemption applies, such as the exemption for the Debt Securities which constitute “loan capital” for the purposes of section 78(7) of the Finance Act 1986 (see below) or which are denominated in a currency other than sterling.

#### *Transfers of securities*

No liability for United Kingdom stamp duty will arise on a transfer of, or an agreement to transfer, full legal and beneficial ownership of the Debt Securities, provided that the Debt Securities constitute “exempt loan capital.” Broadly, “exempt loan capital” is “loan capital” for the purposes of section 78(7) of the Finance Act 1986 which does not carry or (in the case of (ii), (iii) and (iv) below) has not at any time prior to the relevant transfer or agreement carried any of the following rights:

- (i) a right of conversion into shares or other securities, or to the acquisition of shares or other securities, including loan capital of the same description;
- (ii) a right to interest the amount of which exceeds a reasonable commercial return on the nominal amount of the capital;
- (iii) a right to interest the amount of which falls or has fallen to be determined to any extent by reference to the results of, or of any part of, a business or to the value of any property; or

(iv) a right on repayment to an amount which exceeds the nominal amount of the capital and is not reasonably comparable with what is generally repayable (in respect of a similar nominal amount of capital) under the terms of issue of loan capital listed in the Official List of the FCA.

Even if a security does not constitute exempt loan capital (a “Non-Exempt Security”), no United Kingdom stamp duty will arise on transfer of the security if the security is held within a clearing system and the transfer is effected by electronic means, without executing any written transfer of, or written agreement to transfer, the security.

Where a Non-Exempt Security is transferred by means of a written instrument, or a written agreement is entered into to transfer an interest in the security where such interest falls short of full legal and beneficial ownership of the security, the relevant instrument or agreement may be liable to United Kingdom stamp duty (at the rate of 0.5% of the consideration, rounded up if necessary to the nearest multiple of £5). If the relevant instrument or agreement is executed and retained outside the United Kingdom at all times, no United Kingdom stamp duty should, in practice, need to be paid on such document.

However, in the event that the relevant document is executed in or brought into the United Kingdom for any purpose, then United Kingdom stamp duty may be payable. Interest may also be payable on the amount of such stamp duty, unless the document is duly stamped within thirty (30) days after the day on which it was executed. Penalties for late stamping may also be payable on the stamping of such document (in addition to interest) unless the document is duly stamped within thirty (30) days after the day on which it was executed or, if the instrument was executed outside the United Kingdom, within thirty (30) days of it first being brought into the United Kingdom.

However, no United Kingdom stamp duty will be payable on any such written transfer, or written agreement to transfer, if the amount or value of the consideration for the transfer is £1,000 or under, and the document contains a statement that the transfer does not form part of a larger transaction or series of transactions in respect of which the amount or value, or aggregate amount or value, of the consideration exceeds £1,000.

In addition to the above, if a Non-Exempt Security is in registered form, and the security is transferred, or agreed to be transferred, to a clearance service provider or its nominee, United Kingdom stamp duty may be chargeable (at the rate of 1.5% of the consideration for the transfer or, if none, of the value of the relevant security, rounded up if necessary to the nearest multiple of £5) on any document effecting, or containing an agreement to effect, such a transfer (although see below, under “—Court of Justice of the European Union Decision”).

If a document is subject to stamp duty, it may not be produced in civil proceedings in the United Kingdom, and may not be available for any other purpose in the United Kingdom, until the United Kingdom stamp duty (and any interest and penalties for late stamping) have been paid.

#### *Redemption of securities*

No United Kingdom stamp duty will generally be payable on the redemption of the Debt Securities, provided no issue or transfer of shares or other securities is effected upon or in connection with such redemption.

#### *Stamp Duty Reserve Tax*

##### *Issue of securities*

No United Kingdom stamp duty reserve tax will be payable on the issue of the Debt Securities unless the Debt Securities are issued directly to the provider of a clearance service or its nominee. In that case, United Kingdom stamp duty reserve tax may be chargeable at the rate of 1.5% of the issue price of the Debt Securities



(although see below, under “—Court of Justice of the European Union Decision”). This charge may arise unless either (a) a statutory exemption is available or (b) the clearance service has made an election under section 97A of Finance Act 1986 which applies to the Debt Securities. A statutory exemption from the charge will be available:

- (i) if the securities constitute “exempt loan capital”; or
- (ii) for certain bearer securities provided certain conditions are satisfied.

If this charge arises, the clearance service operator or its nominee will strictly be accountable for the stamp duty reserve tax, but in practice it will generally be reimbursed by participants in the clearance service.

#### *Transfers of securities*

No United Kingdom stamp duty reserve tax will be chargeable on the transfer of, or on an agreement to transfer, full legal and beneficial ownership of a security which constitutes “exempt loan capital.”

If a Debt Security is a “Non-Exempt Security,” United Kingdom stamp duty reserve tax (at the rate of 0.5% of the consideration) may be chargeable on an unconditional agreement to transfer the Debt Security. An exemption from the charge is available for certain securities in bearer form, provided certain conditions are satisfied. In addition, an exemption from the charge will be available if the Debt Securities are held within a clearance service, provided the clearance service has not made an election pursuant to section 97A of the Finance Act 1986 which applies to the relevant Debt Securities.

Any liability to United Kingdom stamp duty reserve tax which arises on such an agreement may be removed if a transfer is executed pursuant to the agreement and either no United Kingdom stamp duty is chargeable on that transfer or the transfer is duly stamped within the prescribed time limits. Where United Kingdom stamp duty reserve tax arises, subject to certain exceptions, it is normally the liability of the purchaser or transferee of the Debt Securities. In addition to the above, stamp duty reserve tax may be chargeable (at the rate of 1.5% of the consideration for the transfer or, if none, of the value of the relevant security) on the transfer of a Non-Exempt Security to the provider of a clearance service or its nominee (although see below, under “—Court of Justice of the European Union Decision”). This charge will arise unless either (a) a statutory exemption is available or (b) the clearance service has made an election under section 97A of Finance Act 1986 which applies to the relevant Debt Securities. If this charge arises, the clearance service operator or its nominee will strictly be accountable for the stamp duty reserve tax, but in practice it will generally be reimbursed by participants in the clearance service.

#### *Redemption of securities*

No United Kingdom stamp duty reserve tax will generally be payable on the redemption of the Debt Securities, provided no issuance or transfer of shares or other securities is effected upon or in connection with such redemption.

#### *Court of Justice of the European Union Decision*

The Court of Justice of the European Union (“CJEU”) gave its decision in the case of HSBC Holdings plc, Vidacos Nominees Ltd v. The Commissioners of Her Majesty’s Revenue & Customs (Case C – 596/07) on October 1, 2009. In summary, it stated that the 1.5% charge to United Kingdom stamp duty reserve tax on the issuance of shares to a clearance service is incompatible with the Council Directive 69/335/EEC (the “EC Capital Duty Directive”).

On April 27, 2012, following the decision of the First Tier Tribunal (Tax Chamber) in HSBC Holdings PLC and The Bank of New York Mellon Corporation v. The Commissioners for Her Majesty’s Revenue &

Customs [2012] UKFTT 163 (TC), HMRC announced that the 1.5% stamp duty reserve tax charge is no longer applicable to the issuance of United Kingdom shares and securities to clearance services or depositary receipt systems anywhere in the world.

The CJEU made no express comment with respect to the compatibility with EC law of the 1.5% United Kingdom stamp duty reserve tax charge on the transfer of existing securities to (as opposed to issuance of new securities into) a clearance system. The position, in this regard, is therefore unclear, although HMRC's view is that both the 1.5% United Kingdom stamp duty and depositary receipt systems charges continue to apply to the transfer of shares and securities to clearance services that are not an integral part of an issuance of share capital.

On 22 November 2017 the U.K. Government in the Autumn Budget announced that it does not propose to reintroduce the 1.5% charge following the U.K.'s exit from the EU; accordingly any changes to the stamp duty reserve tax regime described here in relation to the 1.5% seem unlikely.

Specific professional advice should be sought before paying the 1.5% United Kingdom stamp duty reserve tax charge in any circumstances.

### **United Kingdom Taxation of Preference Shares and ADSs**

The following is a summary of the United Kingdom withholding and other tax considerations at the date hereof with respect to the acquisition, ownership and disposition of the preference shares and ADSs described in this prospectus by persons who are the absolute beneficial owners of their preference shares or ADSs (as the case may be) and who are neither (a) resident in the United Kingdom for United Kingdom tax purposes nor (b) hold the preference shares or ADSs in connection with any trade or business carried on in the United Kingdom through any branch, agency or permanent establishment in the United Kingdom. It is based upon the opinion of Clifford Chance LLP, our United Kingdom solicitors. This summary relates only to the position of persons who are absolute beneficial owners of the preference shares or ADSs and may not apply to certain classes of persons.

The summary is based on current law and the practice of Her Majesty's Revenue and Customs ("HMRC") which may be subject to change, sometimes with retrospective effect.

The following is a general guide for information purposes and should be treated with appropriate caution. It is not intended as tax advice and it does not purport to describe all of the tax considerations that may be relevant to a prospective purchaser. If you are in any doubt as to your tax position you should consult professional advisers. You should consult your own tax advisors concerning the consequences of acquiring, owning and disposing of the preference shares or ADSs in your particular circumstances, including the applicability and effect of the Treaty. You should be aware that the particular terms of any preference shares or ADSs as specified in the applicable prospectus supplement may affect the tax treatment of those preference shares or ADSs.

*Dividends.* No withholding or deduction for or on account of United Kingdom tax will be made from payments of dividends on the preference shares or ADSs.

Holders of preference shares or ADSs who (a) are not resident in the United Kingdom for United Kingdom tax purposes and (b) who do not carry on a trade, profession or vocation in the United Kingdom or, in the case of companies, carry on a trade or business in the United Kingdom through a permanent establishment in the United Kingdom in connection with which the dividend is received or to which the preference shares or ADSs are attributable in the United Kingdom and who receive a dividend from us will not have any further United Kingdom tax to pay in respect of such dividend.

*Disposals.* Holders of preference shares or ADSs who are not resident in the United Kingdom will not normally be liable for United Kingdom tax on income or chargeable gains (or for any other United Kingdom tax

upon a disposal or deemed disposal of or other return from preference shares or ADSs) unless they carry on a trade, profession or vocation in the United Kingdom through a branch or agency or, in the case of a company, through a permanent establishment, and the preference shares or ADSs are or have been used or held by or for the purposes of this trade, profession or vocation or acquired for the use and used by or for the purposes of the branch or agency or permanent establishment, in which case such holders of preference shares or ADSs might, depending on individual circumstances, be liable to United Kingdom tax on chargeable gains on any disposal (or deemed disposal) of preference shares or ADSs.

*Inheritance Tax.* It is not clear whether the situs of an ADS for United Kingdom inheritance tax purposes is determined by the place where the depositary is established and records the entitlements of the depositors, or by the situs of the underlying share which the ADS represents. Where the preference shares or ADSs are not situated in the United Kingdom, beneficial owners of such preference shares or ADSs who are individuals not domiciled in the United Kingdom will not be subject to United Kingdom inheritance tax in respect of such preference shares or ADSs. “Domicile” usually has an extended meaning in respect of United Kingdom inheritance tax, so that a person who has been resident for tax purposes in the United Kingdom for a certain period of time will be regarded as domiciled in the United Kingdom. Where the preference shares or ADSs are situated in the United Kingdom, beneficial owners of such preference shares or ADSs who are individuals may be subject to United Kingdom inheritance tax in respect of such preference shares or ADSs on the death of the individual or, in some circumstances, if the preference shares or ADSs are the subject of a gift, including a transfer at less than full market value, by that individual.

United Kingdom inheritance tax is not generally chargeable on gifts to individuals made more than seven years before the death of the donor.

Subject to limited exclusions, gifts to settlements (which would include, very broadly, private trust arrangements) or to companies may give rise to an immediate inheritance tax charge. Preference shares or ADSs held in settlements may also be subject to inheritance tax charges periodically during the continuance of the settlement, on transfers out of the settlement or on certain other events. Investors should take their own professional advice as to whether any particular arrangements constitute a settlement for inheritance tax purposes.

Exemption from or reduction in any United Kingdom inheritance tax liability may be available for U.S. holders under the Estate Tax Treaty made between the United Kingdom and the United States.

*Stamp Duty and Stamp Duty Reserve Tax.* Any documentary transfer of, or documentary agreement to transfer, any preference share or any interest in any preference share will generally be liable to United Kingdom stamp duty, generally at the rate of 0.5% of the amount or value of the consideration for the transfer (rounded up to the next multiple of £5). United Kingdom stamp duty will not be chargeable on any document effecting a transfer, or document containing an agreement to transfer the preference shares where the amount or value of the consideration for the transfer is £1,000 or under £1,000, and the document effecting the transfer contains a statement that the transfer does not form part of a larger transaction or series of transactions in respect of which the amount or value, or the aggregate amount or value, of the consideration exceeds £1,000. United Kingdom stamp duty is usually the liability of the purchaser or transferee of the shares. An unconditional agreement to transfer such preference shares will also generally be subject to United Kingdom stamp duty reserve tax, generally at the rate of 0.5% of the amount or value of the consideration for the transfer, but such liability will be cancelled, or, if already paid, will generally be refunded, if the agreement is completed by a duly stamped transfer within six years of the agreement having become unconditional. United Kingdom Stamp duty reserve tax is normally the liability of the purchaser or transferee of the shares.

Where we issue preference shares, or a holder of preference shares transfers such preference shares, to an ADR issuer, a liability for United Kingdom stamp duty or stamp duty reserve tax at the rate of 1.5% (rounded up to the next multiple of £5 in the case of stamp duty) of either the issue price or, in the case of a transfer, the

amount or value of the consideration for the transfer, or the value of the preference shares, may arise. Any such liability for United Kingdom stamp duty or stamp duty reserve tax will strictly be the liability of the ADR issuer (or their nominee or agent). However, in practice, (i) where preference shares are issued to an ADR issuer, we will reimburse the ADR issuer or otherwise bear the cost and (ii) where preference shares are transferred to an ADR issuer, the liability for payment of the United Kingdom stamp duty or stamp duty reserve tax will depend on the arrangements in place between the seller, the ADR issuer and the purchaser.

Where we issue preference shares, or a holder of preference shares transfers such preference shares, to a person providing clearance services (or their nominee or agent) and where the person providing clearance services has not made an election under section 97A Finance Act 1986, a liability for United Kingdom stamp duty or stamp duty reserve tax at the rate of 1.5% (rounded up to the next multiple of £5 in the case of stamp duty) of either the issue price or, in the case of a transfer, the amount or value of the consideration for the transfer, or the value of the preference shares, may arise (although see below, under “—Stamp Duty Reserve Tax—Recent Court of Justice of the European Union Decision”). Any such liability for United Kingdom stamp duty or stamp duty reserve tax will strictly be the liability of the person providing clearance services (or their nominee or agent). However, in practice, (i) where preference shares are issued to a person providing clearance services (or their nominee or agent), we will reimburse the person providing clearing services or otherwise bear the cost and (ii) where preference shares are transferred to a person providing clearance services (or their nominee or agent), the liability for payment of the United Kingdom stamp duty or stamp duty reserve tax will depend on the arrangements in place between the seller, the person providing clearance services and the purchaser. Transfers of preference shares within a clearance system are generally outside the scope of stamp duty as long as there is no instrument of transfer, and are exempt from stamp duty reserve tax.

Where we issue preference shares, or a holder of preference shares transfers such preference shares, to a person providing clearance services (or their nominee or agent), and that person has made an election under section 97A Finance Act 1986, there will be no liability for United Kingdom stamp duty or stamp duty reserve tax at the rate of 1.5% of either the issue price or, in the case of a transfer, the amount or value of the consideration for the transfer, or the value of the preference shares. However, in such case, a liability for United Kingdom stamp duty or stamp duty reserve tax at a rate of 0.5% may arise on the transfer of, or agreement to transfer, preference shares within the clearance system (as set out in the first paragraph under the sub-section “—Stamp Duty and Stamp Duty Reserve Tax”).

No liability for United Kingdom stamp duty or stamp duty reserve tax will arise on a transfer of ADSs, provided that any document that effects such transfer is not executed in the United Kingdom and that it remains at all subsequent times outside the United Kingdom. An agreement to transfer ADSs will not give rise to a liability for stamp duty reserve tax.

*Stamp Duty Reserve Tax—Recent Court of Justice of the European Union Decision.* The Court of Justice of the European Union (“CJEU”) gave its decision in the case of *HSBC Holdings plc, Vidacos Nominees Ltd v. The Commissioners of Her Majesty’s Revenue & Customs* (Case C—596/07) on October 1, 2009. In summary, it stated that the 1.5% charge to United Kingdom stamp duty reserve tax on the issue of shares to a clearance service is incompatible with the EC Capital Duty Directive.

On April 27, 2012, following the decision of the First-tier Tribunal (Tax Chamber) in *HSBC Holdings PLC and The Bank of New York Mellon Corporation v. The Commissioners for Her Majesty’s Revenue & Customs* [2012] UKFTT 163 (TC), HMRC announced that the 1.5% stamp duty reserve tax charge is no longer applicable to the issue of United Kingdom shares and securities to clearance services or depositary receipt systems anywhere in the world.

The CJEU made no express comment with respect to the compatibility with EC law of the 1.5% United Kingdom stamp duty reserve tax charge on the transfer of existing securities to (as opposed to issue of new securities into) a clearance system. The position, in this regard, is therefore unclear, although HMRC’s view is

that both the 1.5% United Kingdom stamp duty and depositary receipt systems charges continue to apply to the transfer of shares and securities to clearance services that are not an integral part of an issue of share capital.

On November 22, 2017 the U.K. Government in the Autumn Budget announced that it does not propose to reintroduce the 1.5% charge following the U.K.'s exit from the EU; accordingly any changes to the stamp duty reserve tax regime described in relation to the 1.5% seem unlikely.

Specific professional advice should be sought before paying the 1.5% United Kingdom stamp duty reserve tax charge in any circumstances.

### **United Kingdom Taxation of Warrants**

Certain United Kingdom tax considerations with respect to the warrants will be described in the applicable prospectus supplement.

## EMPLOYEE RETIREMENT INCOME SECURITY ACT

Each fiduciary of a pension, profit-sharing or other employee benefit plan (a “Plan”) subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), should consider the fiduciary standards of ERISA in the context of the Plan’s particular circumstances before authorizing an investment in the securities. Among other factors, the fiduciary should consider whether the investment would satisfy the prudence and diversification requirements of ERISA and would be consistent with the documents and instruments governing the plan, and whether the investment would involve a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code.

Section 406 of ERISA and Section 4975 of the Code prohibit Plans, as well as individual retirement accounts, Keogh plans and any other plans subject to Section 4975 of the Code (also “Plans”) from engaging in certain transactions involving “plan assets” with persons who are “parties in interest” under ERISA or “disqualified persons” under the Code with respect to the Plan. A violation of these prohibited transaction rules may result in civil penalties or other liabilities under ERISA and/or an excise tax under Section 4975 of the Code for those persons and the Plan fiduciary, unless relief is available under an applicable statutory or administrative exemption. Employee benefit plans and arrangements that are governmental plans (as defined in section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and foreign plans (as described in Section 4(b)(4) of ERISA) (“Non-ERISA Arrangements”) are not subject to the requirements of ERISA or Section 4975 of the Code but may be subject to similar provisions under applicable federal, state, local, non-U.S. or other regulations, rules or laws (“Similar Laws”).

Barclays Bank PLC, Barclays Capital Inc. and certain of their affiliates, among others, may each be considered a party in interest or a disqualified person with respect to many Plans. The acquisition or holding of the securities by a Plan or any entity whose underlying assets include “plan assets” by reason of any Plan’s investment in the entity (a “Plan Asset Entity”) with respect to which Barclays Bank PLC, Barclays Capital Inc. or certain of their affiliates is or becomes a party in interest or disqualified person may constitute or result in prohibited transaction under ERISA or Section 4975 of the Code, unless those securities are acquired and held pursuant to an applicable statutory or administrative exemption.

The U.S. Department of Labor has issued five prohibited transaction class exemptions, or “PTCEs,” that may provide exemptive relief if required for direct or indirect prohibited transactions that may arise from the purchase or holding of the securities. These exemptions are:

- (1) PTCE 84-14, an exemption for certain transactions determined or effected by independent qualified professional asset managers;
- (2) PTCE 90-1, an exemption for certain transactions involving insurance company pooled separate accounts;
- (3) PTCE 91-38, an exemption for certain transactions involving bank collective investment funds;
- (4) PTCE 95-60, an exemption for transactions involving certain insurance company general accounts; and
- (5) PTCE 96-23, an exemption for plan asset transactions managed by in-house asset managers.

In addition, ERISA Section 408(b)(17) and Section 4975(d)(20) of the Code provide an exemption for the acquisition and disposition of the securities, provided that neither Barclays Bank PLC, Barclays Capital Inc. nor any of their affiliates have or exercise any discretionary authority or control or render any investment advice with respect to the assets of any Plan involved in the transaction, and provided further that the Plan pays no more and receives no less than “adequate consideration” in connection with the transaction (the “service provider exemption”). There can be no assurance that all of the conditions of any of the above exemptions (or any other exemption) will be satisfied.



Because of the foregoing, the securities should not be acquired or held by any person investing “plan assets” of any Plan, Plan Asset Entity or Non-ERISA Arrangement, unless the acquisition, holding and disposition of the securities (including through redemption) will not constitute a non-exempt prohibited transaction under ERISA and the Code or similar violation of any applicable Similar Laws.

Any purchaser or holder of the securities or any interest in the securities (as well as any person directing such purchaser or holder) will be deemed to have represented by such purchase and holding of the securities that such purchase or holder either (i) is not a Plan, a Plan Asset Entity or a Non-ERISA Arrangement and is not purchasing those securities on behalf of or with “plan assets” of any Plan, Plan Asset Entity or Non-ERISA Arrangement or (ii) any purchase, holding or disposition (including through redemption) will not result in a non-exempt prohibited transaction under the rules described above or a violation of any applicable Similar Laws. Further, any person acquiring or holding the securities on behalf of any Plan or with any plan assets of a Plan shall be deemed to represent on behalf of itself and such Plan that (x) the Plan is paying no more than, and is receiving no less than, adequate consideration within the meaning of Section 408(b)(17) of ERISA in connection with the transaction or any redemption of the securities, (y) neither Barclays Bank PLC, Barclays Capital Inc., or any placement agent, nor any of their affiliates directly or indirectly exercises any discretionary authority or control or renders investment advice or otherwise acts in a fiduciary capacity with respect to the “plan assets” of the Plan involved in the transaction or redemption and (z) in making the foregoing representations and warranties, such person has applied sound business principles in determining whether fair market value will be paid, and has made such determination acting in good faith.

Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is important that fiduciaries or other persons considering purchasing the securities on behalf of or with “plan assets” of any Plan, Plan Asset Entity or Non-ERISA Arrangement consult with their counsel regarding the availability of exemptive relief under any of the PTCEs listed above, the service provider exemption, or any other applicable exemption, or the potential consequences of any purchase or holding under applicable Similar Laws.

Purchasers of the securities have exclusive responsibility for ensuring that their acquisition, holding and disposition (including through redemption) of the securities do not violate the fiduciary or prohibited transaction rules of ERISA or the Code or any similar provisions of Similar Laws. The sale of any security to a Plan or a Non-ERISA Arrangement is in no respect a representation by Barclays Bank PLC, Barclays Capital Inc. or any of their affiliates that the investment meets all relevant legal requirements with respect to investments by Plans or Non-ERISA Arrangements generally or any particular Plan or Non-ERISA Arrangement, or that the investment is appropriate for a Plan or a Non-ERISA Arrangement generally or any particular Plan or Non-ERISA Arrangement.

*If you are an insurance company or the fiduciary of a pension plan or an employee benefit plan, and propose to invest in the securities, you should consult your legal counsel.*

*The applicable prospectus supplement and pricing supplement may contain a further discussion of ERISA and Similar Laws.*

## PLAN OF DISTRIBUTION (CONFLICTS OF INTEREST)

### Initial Offering and Issue of Securities

We may issue all or part of the securities from time to time, on terms determined at that time, through underwriters, dealers and/or agents, directly to purchasers or through a combination of any of these methods. We will set forth in the applicable prospectus supplement:

- the terms of the offering of the securities;
- the names of any underwriters, dealers or agents involved in the sale of the securities;
- the principal amounts of securities any underwriters will subscribe for; and
- our net proceeds.

If we use underwriters in the issue, they will acquire the securities for their own account and they may effect distribution of the securities from time to time in one or more transactions. These transactions may be at a fixed price or prices, which they may change, or at prevailing market prices, or related to prevailing market prices, or at negotiated prices. The securities may be offered to the public either through underwriting syndicates represented by managing underwriters or underwriters without a syndicate. Unless the applicable prospectus supplement specifies otherwise, the underwriters' obligations to subscribe for the securities will depend on certain conditions being satisfied. If the conditions are satisfied, the underwriters will be obligated to subscribe for all of the securities of the series, if they subscribe for any of them. The initial public offering price of any securities and any discounts or concessions allowed or reallocated or paid to dealers may change from time to time.

If we use dealers in the issue, unless the applicable prospectus supplement specifies otherwise, we will issue the securities to the dealers as principals. The dealers may then sell the securities to the public at varying prices that the dealers will determine at the time of sale.

We may also issue securities through agents we designate from time to time, or we may issue securities directly. The applicable prospectus supplement will name any agent involved in the offering and issue of the securities, and will also set forth any commissions that we will pay. Unless the applicable prospectus supplement indicates otherwise, any agent will be acting on a best efforts basis for the period of its appointment. Agents through whom we issue securities may enter into arrangements with other institutions with respect to the distribution of the securities, and those institutions may share in the commissions, discounts or other compensation received by our agents, may be compensated separately and may also receive commissions from the purchasers for whom they may act as agents.

In connection with the issue of securities, underwriters may receive compensation from us or from subscribers of securities for whom they may act as agents. Compensation may be in the form of discounts, concessions or commissions. Underwriters may sell securities to or through dealers, and these dealers may receive compensation in the form of discounts, concessions or commissions from the underwriters. Dealers may also receive commissions from the subscribers for whom they may act as agents. Underwriters, dealers and agents that participate in the distribution of securities may be deemed to be underwriters, and any discounts or commissions received by them from us and any profit on the sale of securities by them may be deemed to be underwriting discounts and commissions under the Securities Act. The prospectus supplement will identify any underwriter or agent, and describe any compensation that we provide.

If the applicable prospectus supplement so indicates, we will authorize underwriters, dealers or agents to solicit offers to subscribe the securities from institutional investors. In this case, the prospectus supplement will also indicate on what date payment and delivery will be made. There may be a minimum amount which an institutional investor may subscribe, or a minimum portion of the aggregate principal amount of the securities



which may be issued by this type of arrangement. Institutional investors may include commercial and savings banks, insurance companies, pension funds, investment companies, educational and charitable institutions and any other institutions we may approve. The subscribers' obligations under delayed delivery and payment arrangements will not be subject to any conditions; however, the institutional investors' subscription of particular securities must not at the time of delivery be prohibited under the laws of any relevant jurisdiction in respect, either of the validity of the arrangements, or the performance by us or the institutional investors under the arrangements.

We may enter into agreements with the underwriters, dealers and agents who participate in the distribution of the securities that may fully or partially indemnify them against some civil liabilities, including liabilities under the Securities Act. Underwriters, dealers and agents may be customers of, engage in transactions with, or perform services for, or be affiliates of Barclays PLC and the Barclays Bank Group in the ordinary course of business.

### **Conflicts of Interest**

Barclays Capital Inc., an affiliate of Barclays PLC, may participate in one or more offerings of our securities and, as such, may be deemed to have a "conflict of interest" in any such offerings within the meaning of Rule 5121 of the consolidated rulebook of the Financial Industry Regulatory Authority ("FINRA") (or any successor rule thereto) ("Rule 5121"). Rule 5121 imposes certain requirements when a FINRA member, such as Barclays Capital Inc., distributes an affiliated company's securities, such as our securities. Barclays Capital Inc. has advised us that each particular offering of securities in which it participates will be conducted in compliance with the provisions of Rule 5121. Barclays Capital Inc. is not permitted to sell securities in any such offering to an account over which it exercises discretionary authority without the prior specific written approval of the account holder.

### **Selling Restrictions**

#### *Selling Restrictions Addressing United Kingdom Securities Laws*

Unless otherwise specified in any agreement between us and the underwriters, dealers and/or agents in relation to the distribution of the securities or any investments representing securities, including ADSs or ADRs, of any series and subject to the terms specified in the agreement, any underwriter, dealer or agent in connection with an offering of securities or any investments representing securities, including ADSs or ADRs, of any series will confirm and agree that:

- it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any securities or any investments representing securities, including ADSs or ADRs, in circumstances in which Section 21(1) of the FSMA would not, if we were not an "authorized person" under the FSMA, apply to us; and
- it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the securities, or any investments representing securities, including ADSs and ADRs in, from or otherwise involving the United Kingdom.

#### *Prohibition of Sales to EEA Retail Investors*

Unless otherwise specified in any agreement between us and the underwriters, dealers and/or agents, any underwriter, dealer or agent in connection with an offering of securities or any investments representing securities of any series will represent, warrant and agree that it has not offered, sold or otherwise made available, and will not offer, sell or otherwise make available any securities to any retail investor in the European Economic

Area. For the purposes of this provision, the expression “retail investor” means a person who is one (or more) of the following:

- a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); or
- a customer within the meaning of Directive 2002/92/EC (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
- not a qualified investor as defined in the Prospectus Directive (as defined below); and

the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe for the securities.

#### *Public Offer Selling Restriction Under The Prospectus Directive*

If the relevant agreement between us and the underwriters, dealers and/or agents in connection with an offering of securities or any investments representing securities of any series specifies that the restriction set out under “Prohibition of Sales to EEA Retail Investors” above does not apply, and unless otherwise specified in any agreement between us and the underwriters, dealers and/or agents in relation to the distribution of the securities or any investments representing securities, including ADSs or ADRs, of any series and subject to the terms specified in the agreement, in relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”), any underwriter, dealer or agent in connection with an offering of securities or any investments representing securities, including ADSs or ADRs, of any series will represent, warrant and agree that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “relevant implementation date”) it has not made and will not make an offer of any securities or any investments representing securities which are the subject of the offering contemplated by the prospectus as completed by the prospectus supplement in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the relevant implementation date, make an offer of the securities to the public in that Relevant Member State:

- at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant underwriter or underwriters nominated by Barclays Bank PLC for any such offer; or
- at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of securities referred to in the bullet points above shall require us or any underwriter, dealer and/or agent to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

The expression “an offer of any securities or any investments representing securities to the public” in relation to such securities or investments in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the securities or investments to be offered so as to enable an investor to decide to purchase or subscribe the securities or investments, as the same may be varied in that member state by any measure implementing the Prospectus Directive in that member state and the expression “Prospectus Directive” means Directive 2003/71/EC (as amended including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

#### **Market-Making Resales**

This prospectus may be used by an affiliate of Barclays Bank PLC in connection with offers and sales of the securities in market-making transactions. In a market-making transaction, such affiliate may resell a

security it acquires from other holders, after the original offering and sale of the security. Resales of this kind may occur in the open market or may be privately negotiated, at prevailing market prices at the time of resale or at related or negotiated prices. In these transactions, such affiliate may act as principal, or agent, including as agent for the counterparty in a transaction in which such affiliate acts as principal, or as agent for both counterparties in a transaction in which such affiliate does not act as principal. Such affiliate may receive compensation in the form of discounts and commissions, including from both counterparties in some cases.

The indeterminate aggregate initial offering price relates to the initial offering of the securities described in the prospectus supplement. This amount does not include securities sold in market-making transactions. The latter include securities to be issued after the date of this prospectus, as well as securities previously issued.

Barclays Bank PLC may receive, directly or indirectly, all or a portion of the proceeds of any market-making transactions by its affiliates.

Information about the trade and settlement dates, as well as the purchase price, for a market-making transaction will be provided to the purchaser in a separate confirmation of sale.

***Unless we or an agent informs you in your confirmation of sale that your security is being purchased in its original offering and sale, you may assume that you are purchasing your security in a market-making transaction.***

#### **Matters Relating to Initial Offering and Market-Making Resales**

Each series of securities will be a new issue, and there will be no established trading market for any security prior to its original issue date. We may choose not to list a particular series of securities on a securities exchange or quotation system. We have been advised by Barclays Capital Inc. that it intends to make a market in the securities, and any underwriters to whom we sell securities for public offering or broker-dealers may also make a market in those securities. However, neither Barclays Capital Inc. nor any underwriter or broker-dealer that makes a market is obligated to do so, and any of them may stop doing so at any time without notice. We cannot give any assurance as to the liquidity of the trading market for the securities.

Unless otherwise indicated in the applicable prospectus supplement or confirmation of sale, the purchase price of the securities will be required to be paid in immediately available funds in New York City.

In this prospectus or any accompanying prospectus supplement, the terms “this offering” means the initial offering of securities made in connection with their original issuance. This term does not refer to any subsequent resales of securities in market-making transactions.

#### **SERVICE OF PROCESS AND ENFORCEMENT OF LIABILITIES**

We are an English public limited company. Substantially all of our directors and executive officers and a number of the experts named in this document are non-residents of the United States. All or a substantial portion of the assets of those persons are located outside the United States. Most of our assets are located outside of the United States. As a result, it may not be possible for you to effect service of process within the United States upon those persons or to enforce against them judgments of U.S. courts based upon the civil liability provisions of the federal securities laws of the United States. We have been advised by our English solicitors, Clifford Chance LLP, that there is doubt as to the enforceability in the United Kingdom, in original actions or in actions for enforcement of judgments of U.S. courts, of liabilities based solely upon the federal securities laws of the United States.

## **WHERE YOU CAN FIND MORE INFORMATION**

We are subject to the information requirements of the Exchange Act. Accordingly, we file reports and other information with the SEC.

The SEC maintains an internet site at <http://www.sec.gov> that contains reports and other information we file electronically with the SEC. These reports and other information may also be inspected and copied at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005, on which some of our securities are listed.

We will furnish to the debt trustee and warrant trustee referred to under “Description of Debt Securities” and “Description of Warrants” annual reports, which will include a description of operations and annual audited consolidated financial statements prepared in accordance with IFRS. We will also furnish to the debt trustee and warrant trustee interim reports that will include unaudited interim summary consolidated financial information prepared in accordance with IFRS. We will furnish to the debt trustee and warrant trustee all notices of meetings at which holders of securities are entitled to vote, and all other reports and communications that are made generally available to those holders.

## **FURTHER INFORMATION**

We have filed with the SEC a registration statement on Form F-3 with respect to the securities offered with this prospectus. This prospectus is a part of that registration statement and it omits some information that is contained in the registration statement. You can access the registration statement together with exhibits on the internet site maintained by the SEC at <http://www.sec.gov> in order to obtain that additional information about us and about the securities offered with this prospectus.

## **VALIDITY OF SECURITIES**

If stated in the prospectus supplement applicable to a specific issuance of debt securities or warrants, the validity of such securities under New York law may be passed upon for us by our U.S. counsel, Cleary Gottlieb Steen & Hamilton LLP. If stated in the prospectus supplement applicable to a specific issuance of debt securities or warrants, the validity of such securities under English law may be passed upon by our English solicitors, Clifford Chance LLP. Cleary Gottlieb Steen & Hamilton LLP may rely on the opinion of Clifford Chance LLP as to all matters of English law and Clifford Chance LLP may rely on the opinion of Cleary Gottlieb Steen & Hamilton LLP as to all matters of New York law. If this prospectus is delivered in connection with an underwritten offering, the validity of the debt securities or warrants may be passed upon for the underwriters by United States and English counsel for the underwriters specified in the related prospectus supplement.

## **EXPERTS**

The consolidated financial statements as of and for the years ended December 31, 2018 and December 31, 2017 of Barclays Bank PLC, incorporated in this prospectus by reference to the Annual Report on Form 20-F of Barclays Bank PLC for the year ended December 31, 2018, have been so incorporated in reliance on the report of KPMG LLP (“KPMG”), an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

The KPMG report in the consolidated financial statements for the year ended December 31, 2018 (the “KPMG report”) refers to the audit of the adjustments described in Note 3 that were applied to the consolidated financial statements of Barclays Bank PLC for the year ended December 31, 2016 (the “2016 consolidated

financial statements”) to retrospectively reflect the disposal of the UK banking business. However, KPMG were not engaged to audit, review, or apply any procedures to the 2016 consolidated financial statements of Barclays Bank PLC other than with respect to the adjustments. The KPMG report also refers to a change in accounting for financial instruments in 2018 due to the adoption of International Financial Reporting Standard 9 Financial Instruments.

The 2016 consolidated financial statements, incorporated in this prospectus by reference to the Annual Report on Form 20-F of Barclays Bank PLC for the year ended December 31, 2018, have been so incorporated in reliance on the report (which contains an explanatory paragraph regarding the adjustments to retrospectively reflect the disposal of the UK banking business described in Note 3) of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

## **EXPENSES OF ISSUANCE AND DISTRIBUTION**

The following is a statement of the expenses (all of which are estimated), other than any underwriting discounts and commission and expenses reimbursed by us, to be incurred in connection with a distribution of an assumed amount of \$1,000,000,000 of securities registered under this Registration Statement:

|   |                         |
|---|-------------------------|
| Securities and Exchange Commission registration fee | \$121,200               |
| Printing expenses                                   | 15,000                  |
| Legal fees and expenses                             | 120,000                 |
| Accountants' fees and expenses                      | 50,000                  |
| Trustee fees and expenses                           | 15,000                  |
| Miscellaneous                                       | <u>15,000</u>           |
| Total   | <u><u>\$336,200</u></u> |



**\$3,500,000,000 iPath<sup>®</sup> Bloomberg Commodity Index Total Return<sup>SM</sup> ETN**

**\$200,000,000 iPath<sup>®</sup> Bloomberg Cocoa Subindex Total Return<sup>SM</sup> ETN**

**\$125,000,000 iPath<sup>®</sup> Bloomberg Lead Subindex Total Return<sup>SM</sup> ETN**

**GLOBAL MEDIUM-TERM NOTES, SERIES A**

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**Pricing Supplement dated October 14, 2020**

**(to Prospectus dated August 1, 2019,  
Prospectus Supplement dated August 1, 2019 and Prospectus Addendum dated  
May 11, 2020)**

