

NOTICE

The attached copy of Barclays Bank PLC's Pricing Supplement No. 36 dated December 28, 2012 is being re-filed to correct a typographical error in the Issue Date. The correct date is on or about January 4, 2013.

No other changes have been made to the pricing supplement.

This pricing supplement together with the short form base shelf prospectus dated April 28, 2011, to which it relates, as amended or supplemented, and each document incorporated by reference therein constitutes a public offering of securities only in the jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. **THE NOTES ARE BEING DISTRIBUTED SOLELY IN CANADA AND HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “1933 ACT”), AND MAY NOT BE OFFERED, SOLD, RESOLD OR DELIVERED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OF AMERICA, ITS TERRITORIES, ITS POSSESSIONS AND OTHER AREAS SUBJECT TO ITS JURISDICTION OR TO, OR FOR THE BENEFIT OF, A U.S. PERSON (AS DEFINED IN REGULATION S UNDER THE 1933 ACT) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENT OF THE 1933 ACT.**

**Pricing Supplement No. 36 dated December 28, 2012
(to the Short Form Base Shelf Prospectus dated April 28, 2011)**



Maximum \$10,000,000

Barclays Global Energy SuperTrack™ Notes, Series 1

(non principal protected notes)

The Prospectus, as supplemented by this pricing supplement, qualifies the distribution of Barclays Global Energy SuperTrack™ Notes, Series 1 (the “**Notes**”). The purchaser of a Note will acquire a debt security linked to the price performance of an equally weighted basket of Reference Shares (as defined below). The holders of the Notes (the “**Noteholders**”) have no ownership interest in and have no right to receive any of the Reference Shares or any dividends or distributions payable on the Reference Shares.

Issuer:	Barclays Bank PLC (the “ Company ”)
Principal Amount:	\$100 per Note. <i>All references to dollar amounts in this pricing supplement are to Canadian dollars unless otherwise indicated.</i>
Minimum Subscription:	\$5,000 (50 Notes).
Maximum Offering:	\$10,000,000 (100,000 Notes).
Issue Price:	\$100 per Note.
No Principal Protection:	The Notes do not guarantee any return of principal at maturity. At maturity you will lose some or all of your principal not previously distributed through Periodic Principal Repayments (as defined below) if the Basket Return (as defined below) is less than -4.00%. If the Basket Return is less than 0% your Notes will be fully exposed to the negative performance of the Basket. See “Risk Factors” in this pricing supplement. There is no guarantee that the Basket Return will be greater than or equal to 0% on the Valuation Date.
Issue Date:	On or about January 4, 2013.
Reference Asset:	An equally weighted basket (the “ Basket ”) consisting of the common shares or other equity securities (each, a “ Reference Share ” and, together, the “ Reference Shares ”) of the issuers listed in the following table (each, a “ Reference Share Issuer ” and, together, the “ Reference Share Issuers ”):

Reference Share Issuer	Bloomberg Ticker	Currency	Primary Exchange	Weight
Royal Dutch Shell plc	RDSA NA <Equity>	EUR	Euronext Amsterdam	10%
BP p.l.c.	BP LN <Equity>	GBP	London International Exchange	10%
Eni SpA	ENI IM <Equity>	EUR	Borsa Italiana	10%

EOG Resources, Inc.	EOG UN <Equity>	USD	New York Stock Exchange	10%
Petróleo Brasileiro S.A.— Petrobras	PBR UN <Equity>	USD	New York Stock Exchange	10%
TOTAL S.A.	FP FP <Equity>	EUR	Euronext Paris	10%
Exxon Mobil Corporation	XOM UN <Equity>	USD	New York Stock Exchange	10%
PetroChina Company Limited	857 HK <Equity>	HKD	Hong Kong Stock Exchange	10%
Chevron Corporation	CVX UN <Equity>	USD	New York Stock Exchange	10%
ConocoPhillips	COP UN <Equity>	USD	New York Stock Exchange	10%

Maturity Date: January 4, 2017 (provided that if such date is not a Business Day, it will be postponed until the next Business Day).¹

Maturity Payment Date: The Maturity Payment Date will be the later of (i) the third Business Day following the Valuation Date, and (ii) the Maturity Date.

Valuation Date: December 27, 2016 (provided that if such date is not a Business Day, it will be postponed until the next Business Day).¹

Periodic Principal Repayments: On each of January 6, 2014, January 5, 2015, January 4, 2016, and the Maturity Payment Date (provided that if any such date is not a Business Day, the applicable Periodic Principal Repayment will be postponed until the next Business Day) (each, a “**Repayment Date**”), Noteholders of record on the relevant Repayment Date will be entitled to be repaid \$1.00 of the original \$100 Principal Amount per Note (each such payment a “**Periodic Principal Repayment**”).

Remaining Principal Amount: The “**Remaining Principal Amount**” of a Note on any date means the Principal Amount of such Note not repaid through Periodic Principal Repayments on or before that date. The Remaining Principal Amount at maturity will be \$96.00.

Maximum Basket Return: 31.00%

Upside Leverage Factor: 2.00

Maturity Amount : Noteholders of record on the Valuation Date will be entitled to receive on the Maturity Payment Date, in addition to the final Periodic Principal Repayment, a cash payment for each Note held of an amount (the “**Maturity Amount**”) equal to the Remaining Principal Amount plus a variable amount, which may be positive or negative (the “**Variable Return**”). The Variable Return will be calculated as follows:

If the Basket Return is greater than or equal to 31.00%, the Variable Return will be equal to (i) an amount equal to the sum of all the Periodic Principal Repayments made on or prior to the Maturity Payment Date *plus* (ii) the product of (a) \$100, (b) the Upside Leverage Factor *and* (c) the Maximum Basket Return of 31.00% *plus* (iii) an amount equal to \$100 *multiplied by* 0.10 *multiplied by* the greater of (a) the Basket Return *minus* 62.00% and (b) 0.

If the Basket Return is greater than or equal to 0%, but less than 31.00%, the Variable Return will be equal to (i) an amount equal to the sum of all the Periodic Principal Repayments made on or prior to the Maturity Payment Date *plus* (ii) the product of (a) \$100, (b) the Upside Leverage Factor *and* (c) the Basket Return.

If the Basket Return is less than 0%, the Variable Return will be equal to (i) an amount equal to the sum of all the Periodic Principal Repayments made on or prior to the Maturity Payment Date *plus* (ii) an amount (which will be negative) equal to the product of (a) \$100 and (b) the Basket Return.

The Notes do not guarantee any return of principal at maturity. At maturity you will lose some or all of your principal not previously distributed through Periodic Principal Repayments if the Basket Return (as defined below) is less than -4.00%. If the Basket Return is less than 0% your Notes will be fully exposed to the negative performance of the Basket. See “Risk Factors” in this

¹ Subject to postponement if a Market Disruption Event occurs as described under “Specific Terms of the Notes – Market Disruption Event” in this prospectus supplement.

pricing supplement. There is no guarantee that the Basket Return will be greater than or equal to 0% on the Valuation Date.

Basket Return:	The equally weighted arithmetic average of the Reference Share Returns for each Reference Share comprising the Basket, as determined by the Calculation Agent on the Valuation Date.
Reference Share Return:	For each Reference Share, the Reference Share Return will be determined by the Calculation Agent, measured from the Closing Price of the relevant Reference Share on the Issue Date to the Closing Price of such Reference Share on the Valuation Date. The Reference Share Return for each Reference Share will be a number, expressed as a percentage, determined as follows: $\frac{\text{Final Price} - \text{Initial Price}}{\text{Initial Price}}$
Closing Price:	On any date, the official closing price of a Reference Share on that date as determined by the Calculation Agent and displayed on the Bloomberg Professional [®] service page for that Reference Share or any successor page on Bloomberg Professional [®] service or any successor service, as applicable.
Initial Price:	The Closing Price of a Reference Share on the Issue Date ¹ .
Final Price:	The Closing Price of a Reference Share on the Valuation Date ¹ .
Reference Share Adjustments:	Upon the occurrence of certain events described herein prior to the Valuation Date, the Calculation Agent will calculate a corresponding adjustment to the Initial Price or any other variable (or any combination thereof) as the Calculation Agent determines appropriate to account for these events and may accelerate the Maturity Date to provide for early maturity of the Notes. See “Specific Terms of the Notes — Reference Share Adjustments”.
Reimbursement Under Special Circumstances:	If a Special Circumstance (as defined herein) takes place prior to the Valuation Date, the Company may decide to proceed with a Reimbursement Under Special Circumstances. See “Specific Terms of the Notes — Reimbursement Under Special Circumstances”.
Business Day:	A Monday, Tuesday, Wednesday, Thursday or Friday that is not a day on which banking institutions in New York City, Toronto or London generally are authorized or obligated by law, regulation or executive order to close. Unless otherwise specified, if any day on which an action is specified to be taken in this pricing supplement in respect of the Notes falls on a day that is not a Business Day, such action will be postponed to the following Business Day.
Clearing and Settlement:	The Notes will be issued in book-entry only form and will be represented by a fully registered Global Note, registered in the name of CDS Clearing and Depository Services Inc. (“CDS”) or its nominee. The beneficial interests of investors in a Global Note will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in CDS. See “Specific Terms of the Notes – Clearing and Settlement” in this pricing supplement.
Dealer:	Macquarie Private Wealth Inc. (the “Dealer”)
Dealer’s Fee:	The Company will pay the Dealer a fee of up to \$3.50 per Note (which represents up to 3.50% of the Principal Amount per Note) of which up to \$2.00 (up to 2.00% of the Principal Amount per Note) will be payable by the Dealer to representatives of investment dealers, including representatives employed by the Dealer, whose clients purchase Notes under the offering. Noteholders choosing to sell their Notes to the Dealer prior to the Maturity Date will be subject to an Early Trading Charge commencing at 4.05% of the Principal Amount and declining daily by 0.0075% to 0% after the date that is 540 days after the Issue Date (being on or about June 28, 2014).
Listing and Secondary Market:	The Company does not intend to list the Notes on any securities exchange or quotation system. Because there is no published market through which the Notes may be sold, this may affect the pricing of the Notes in the secondary market, the transparency and availability of trading prices, the liquidity of the Notes and the extent of issuer regulation. Purchasers may not be able to resell Notes purchased under this pricing supplement. The Dealer intends to provide a secondary market for the sale of Notes to the Dealer, but reserves the right, in its sole discretion, not

¹ Subject to postponement if a Market Disruption Event occurs as described under “Specific Terms of the Notes – Market Disruption Event” in this pricing supplement.

to do so in the future, without providing any prior notice to you. No other secondary market for the Notes will be available. A Noteholder cannot elect to receive the Maturity Amount prior to the Maturity Date. The Dealer will be the only CDS participant holding interests in the Notes and the Dealer will maintain the records of beneficial ownership (including any fractional ownership interests in the Notes) of Noteholders or their nominee. The sale of a Note to the Dealer will be effected at a price equal to (i) the Dealer's bid price for the Note (which may be less than \$100 per Note), minus (ii) any applicable Early Trading Charge. Because other dealers are not likely to make a secondary market for the Notes, the price at which you may be able to trade your Notes is likely to depend on the price, if any, at which the Dealer is willing to buy the Notes. There can be no assurance that a secondary market will develop or that such market will be liquid or sustainable. Proceeds on any sale in the secondary market may be less than the Remaining Principal Amount.

Holders of Notes wishing to sell all or a part of their holdings should consult with the Dealer to determine whether the Dealer is offering to purchase the Notes on the secondary market and, if so, the bid price at which the Dealer is offering to purchase the Notes. A sale of Notes to the Dealer will be completed once the Noteholder has confirmed to the Dealer that the Noteholder wishes to proceed with a sale of the Notes at the bid price quoted by the Dealer to the Noteholder. Any such confirmation by a Noteholder will be irrevocable.

See "Risk Factors" in this pricing supplement and the Prospectus.

Early Trading Charge:

Noteholders choosing to sell their Notes to the Dealer prior to the Maturity Date will be subject to an Early Trading Charge commencing at 4.05% of the Principal Amount and declining daily by 0.0075% to 0% after the date that is 540 days after the Issue Date (being on or about June 28, 2014). The sale proceeds per Note may be less than the Principal Amount and may not reflect any appreciation of the Basket from the Issue Date to the date of such sale.

See "Risk Factors" and "Early Trading Charge" in this pricing supplement.

Calculation Agent:

Initially, the Company will serve as the Calculation Agent. The Company may replace the Calculation Agent after the Issue Date of the Notes without notice. Ordinarily, the Calculation Agent will be solely responsible for making all calculations, valuations and determinations regarding the value of the Notes and any payment in connection with the Notes, including Basket Return, Reference Share Return for each Reference Share, Closing Price for each Reference Share, Initial Price for each Reference Share, Final Price for each Reference Share, Maturity Amount, Accelerated Maturity Amount, Default Amount, Business Days, Valuation Date, Repayment Dates, Maturity Date, Maturity Payment Date, the information made available on the website www.barx-is.com in connection with the Notes (other than the daily secondary market price of the Notes) and any other calculation, valuation or determination with respect to any payment in connection with the Notes (other than the daily secondary market price), as well as for determining whether a Market Disruption Event has occurred, and for making certain other calculations, valuations and determinations with regard to the Notes, the Basket and the Reference Shares comprising the Basket.

All calculations, valuations and determinations made by the Calculation Agent will ordinarily be at its sole discretion and, absent a determination of a manifest error, all calculations, valuations and determinations of the Calculation Agent will be final and binding on the holder of a Global Note, the Noteholders and the Company, without any liability on the part of the Calculation Agent. Since initially the Company and the Calculation Agent are the same person, the Calculation Agent may have economic interests adverse to those of the Noteholders, including with respect to certain calculations, valuations and determinations that the Calculation Agent must make in determining Basket Return, Reference Share Return for each Reference Share, Closing Price for each Reference Share, Initial Price for each Reference Share, Final Price for each Reference Share, Maturity Amount, Accelerated Maturity Amount, Default Amount, Business Days, Valuation Date, Repayment Dates, Maturity Date, and Maturity Payment Date and in making certain other calculations, valuations or determinations with regard to the value of the Notes. The Calculation Agent will carry out its duties in good faith and using its commercially reasonable judgment. Neither the holder of a Global Note nor the Noteholders will be entitled to any compensation from the Company or any other party for any loss suffered as a result of any of the above calculations, valuations and determinations by the Calculation Agent.

In the circumstances described under "Appointment of an Independent Calculation Expert", the Company will retain an Independent Calculation Expert to confirm its calculations, valuations and determinations.

**CUSIP Number and
ISIN:**

CUSIP: 06739ZEB9 / ISIN: CA06739ZEB90

**Timely
Information on the
Notes:**

The Company will make available on the website www.barx-is.com certain information regarding the Notes, including:

(i) the daily secondary market price of the Dealer for the Notes (and any applicable Early Trading Charge),

(ii) the Closing Prices of the Reference Shares, and

(iii) the performance of the Basket to date,

in each case as determined by the Calculation Agent (with the exception of the daily secondary market price). These calculations, valuations and determinations are unofficial and are based on other publicly available information not produced or controlled by the Company or the Dealer. Notwithstanding any values posted on such website, the actual Maturity Amount will be determined by the Calculation Agent and the price at which the Notes may be sold prior to maturity may be significantly less than the daily secondary market price posted.

Fees and Expenses:

The fees and expenses of this offering will be borne by the Company; no fees or expenses are payable by purchasers of the Notes on the initial purchase of the Notes. Noteholders choosing to sell their Notes to the Dealer may be subject to an Early Trading Charge. See “Fees and Expenses” and “Early Trading Charge” in this pricing supplement.

See “Risk Factors” beginning on page S-9 of this pricing supplement and page 36 of the Prospectus for risks relating to an investment in the Notes.

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

Pursuant to certain decisions of the Canadian provincial securities regulatory authorities, the Company has been granted, subject to certain conditions, certain exemptions and waivers from Canadian provincial securities legislation. See “Documents Incorporated by Reference” in the Prospectus.

The Notes differ from conventional debt and fixed income investments because **they are not principal protected and a Noteholder may receive less than the Principal Amount at maturity** and the return is not determinable prior to the Valuation Date. Any payment on the Notes at maturity will depend on the price performance of the Reference Shares comprising the Basket and the Notes may return as little as none of the Remaining Principal Amount per Note at maturity.

The Notes are not suitable for investors who require a guaranteed return or who cannot withstand a loss of substantially all of their investment. The Notes are designed for investors who are prepared to hold the Notes to maturity and to assume risks with respect to a return linked to the price performance of the Reference Shares comprising the Basket.

A prospective investor should reach a decision to invest in the Notes only after carefully considering, with his or her advisors, the suitability of the Notes in light of his or her investment objectives and the information set out in this pricing supplement and the Prospectus. The Notes are not suitable for an investor who does not understand the terms of the Notes or the risks involved in holding the Notes. The Company makes no recommendation as to the suitability of the Notes for any particular investor. For more information, see “Risk Factors” in this pricing supplement.

The Dealer is conditionally offering the Notes on a principal basis, if, as and when issued by the Company and purchased by the Dealer in accordance with the conditions contained in the dealer agreement dated July 11, 2011 and an underwriting agreement to be dated on or about December 31, 2012, each between the Company and the Dealer and described herein and in the Prospectus under the heading “Plan of Distribution”.

Closing of the Note offering is expected to occur on the Issue Date. The Notes will be issued in book-entry only form and will be represented by a fully registered global security (each a “**Global Note**”), registered in the name of CDS or its nominee. The beneficial interests of investors in a Global Note will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in CDS. Subject to limited exceptions, certificates evidencing the Notes will not be available to Noteholders and registration

of beneficial interests in any Global Note will be made only through the CDS book-entry only system. Noteholders will have an indirect beneficial interest in a Global Note deposited with CDS or its nominee through an account established by the Dealer in trust for the beneficial Noteholders. All payments distributed to the Dealer will be credited to the Noteholders in accordance with the register showing records of beneficial interest in the Notes maintained by the Dealer. Upon payment of all amounts due under the Notes to CDS or its nominee, the registered owner of a Global Note, the Company will have completed its payment obligations for the Notes. See “Specific Terms of the Notes — Clearing and Settlement” in this pricing supplement.

The Notes constitute direct, unconditional, unsecured and unsubordinated debt obligations of the Company ranking *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated indebtedness, future and present, of the Company except such obligations as are preferred by operation of law. **The Notes are not deposit liabilities of the Company and are not insured by the Canada Deposit Insurance Corporation, the U.S. Federal Deposit Insurance Corporation or any other governmental agency of Canada, the United States, the United Kingdom or any other jurisdiction. See “Description of Notes and Details of the Offering” in the Prospectus.**

Barclays Bank PLC, Canada Branch is listed on Schedule III to the *Bank Act* (Canada) and is subject to regulation by the Office of the Superintendent of Financial Institutions (Canada). The Notes will be issued from the London branch of Barclays Bank PLC, and not from its Canadian branch.

CAPITALIZED TERMS USED BUT NOT OTHERWISE DEFINED HEREIN HAVE THE MEANINGS ASCRIBED TO SUCH TERMS IN THE PROSPECTUS.

PRICE: \$100 per Note
MINIMUM SUBSCRIPTION: \$5,000 (50 Notes)

	Price to Public	Dealer’s Fee⁽¹⁾⁽²⁾	Net Proceeds to the Company⁽³⁾
Per Note	\$100	\$3.50	\$96.50
Total ⁽⁴⁾	\$10,000,000	\$350,000	\$9,650,000

Notes:

- (1) The Company will pay the Dealer a fee of up to \$3.50 per Note (which represents up to 3.50% of the Principal Amount per Note) of which up to \$2.00 (up to 2.00% of the Principal Amount per Note) will be payable by the Dealer to representatives of investment dealers, including representatives employed by the Dealer, whose clients purchase Notes under the offering.
- (2) Noteholders choosing to sell their Notes to the Dealer prior to the Maturity Date will be subject to an Early Trading Charge commencing at 4.05% of the Principal Amount and declining daily by 0.0075% to 0% after the date that is 540 days after the Issue Date (being on or about June 28, 2014).
- (3) Before deducting expenses of the offering, which will be paid by the Company. See “Fees and Expenses”.
- (4) Reflects the aggregate maximum offering size. There is no minimum offering size.

The Notes are not redeemable prior to maturity, except by the Company (i) upon certain changes resulting in the Company becoming required to pay Additional Amounts (as defined in the Prospectus), see “Description of Notes and Details of the Offering – Redemption – Redemption for Tax Reasons” in the Prospectus (a “**Redemption for Tax Reasons**”); (ii) under a Reimbursement Under Special Circumstances, see “Specific Terms of the Notes – Reimbursement Under Special Circumstances” in this pricing supplement; or (iii) in connection with certain Reorganization Events or Additional Adjustment Events described under “Specific Terms of the Notes – Reference Share Adjustments” in this pricing supplement.

The Company is a major global financial services provider engaged in retail and commercial banking, credit cards, investment banking, wealth management and investment management services. The whole of the issued ordinary share capital of the Company is beneficially owned by Barclays PLC, which is the ultimate holding company of the Company.

This pricing supplement supplements the base shelf prospectus dated April 28, 2011 relating to the Global Medium-Term Notes, Series A of the Company (the “**Prospectus**”). If the information in this pricing supplement differs from the information contained in the Prospectus, Noteholders should rely on the information in this pricing supplement. Noteholders should carefully read this pricing supplement along with the Prospectus to fully

understand the information relating to the terms of the Notes and other considerations that are important to them. Both documents contain information Noteholders should consider when making their investment decision.

The Company has obtained ratings for the Global Medium-Term Notes, Series A issued under the Indenture, as defined herein, of AA- from S&P and Aa3 from Moody's. On November 29, 2011, S&P announced that it had lowered its issuer credit rating on long-term debt of the Company from AA- to A+ pursuant to its revised bank rating criteria released on November 9, 2011. On June 21, 2012, Moody's announced that it had lowered its long-term issuer rating of the Company from Aa3 to A2, outlook negative, in connection with rating actions on a number of European and North American financial institutions with global capital markets operations. An A+ rating from S&P generally indicates that a company's capacity to meet its financial commitment on long-term obligations is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, such a rating generally indicates that the company's capacity to meet its financial commitment on its obligations is still strong. Obligations rated A by Moody's are judged to be upper-medium grade and are subject to low credit risk. The modifier 2 indicates that a rating is a mid-range ranking of its generic rating category. Moody's rating outlook is an opinion regarding the likely direction of an issuer's rating over the medium term. On July 15, 2010, Moody's issued a policy statement clarifying its approach to rating debt obligations with variable promises and stating that it will now assign provisional ratings to MTN programs and definitive MTN program ratings currently outstanding will be converted to provisional ratings, but the definitive rating history of the MTN program will not be changed retroactively. Because the Company has not sought a rating from S&P or Moody's for this specific issuance, the Notes will not be rated by either rating organization. The ratings mentioned in this paragraph are subject to downward revision, suspension or withdrawal at any time by the assigning rating organization and are not a recommendation to buy, sell or hold securities. See also "Ratings" in the Prospectus.

This specific issuance of Notes will not be rated by either rating organization. The ratings mentioned in the foregoing paragraph only relate to credit-related factors such as the Company's ability to make any payments it is obligated to make under the Notes. The Principal Amount that you invest is at risk as a result of non-credit related factors, including the price performance of the Basket and the Reference Shares comprising the Basket. See also "Ratings" and "Risk Factors" in this Pricing Supplement and the Prospectus.

This pricing supplement relates only to the Notes offered hereby and does not relate to the Reference Shares or other securities of the Reference Share Issuers. The Company has derived all disclosure contained herein regarding the Reference Share Issuers from the publicly available documents of the Reference Share Issuers. Neither the Company nor the Dealer makes any representation that such publicly available documents or any other publicly available information regarding the Reference Share Issuers are accurate or complete. The Notes are not in any way sponsored, endorsed, sold or promoted by the Reference Share Issuers. See "The Reference Shares — Disclaimer". Prospective investors should independently investigate the Reference Share Issuers and decide whether an investment in the Notes is appropriate for the prospective investors.

TABLE OF CONTENTS

FEES AND EXPENSES	S-1
RATINGS.....	S-1
PRICING SUPPLEMENT SUMMARY	S-2
RISK FACTORS	S-9
THE BASKET.....	S-15
THE REFERENCE SHARES	S-16
SPECIFIC TERMS OF THE NOTES	S-26
CALCULATION AGENT	S-35
APPOINTMENT OF AN INDEPENDENT CALCULATION EXPERT	S-36
USE OF PROCEEDS AND HEDGING	S-36
CERTAIN UNITED KINGDOM TAX CONSIDERATIONS	S-37
CERTAIN CANADIAN TAX CONSIDERATIONS	S-40
ELIGIBILITY FOR INVESTMENT.....	S-42
PLAN OF DISTRIBUTION.....	S-42
SECONDARY MARKET FOR NOTES	S-43
EARLY TRADING CHARGE.....	S-44
DOCUMENTS INCORPORATED BY REFERENCE	S-45
LEGAL MATTERS	S-47
CERTIFICATE OF THE DEALER	C-1

PROSPECTUS

FORWARD-LOOKING STATEMENTS.....	3
DOCUMENTS INCORPORATED BY REFERENCE	4
PRESENTATION OF FINANCIAL INFORMATION	6
CURRENCY	6
THE BARCLAYS BANK GROUP	6
EARNINGS COVERAGE	6
RATINGS.....	6
USE OF PROCEEDS	7
DESCRIPTION OF NOTES AND DETAILS OF THE OFFERING	7
CLEARANCE AND SETTLEMENT	23
PLAN OF DISTRIBUTION.....	28
TAX CONSIDERATIONS	29
RISK FACTORS	33
WHERE YOU CAN FIND MORE INFORMATION	48
SERVICE OF PROCESS AND ENFORCEMENT OF LIABILITIES	49
VALIDITY OF SECURITIES	49
PURCHASERS' STATUTORY RIGHTS	49
EXPERTS.....	49
CERTIFICATE OF THE COMPANY	C-1

FEES AND EXPENSES

The fees and expenses of the offering will be borne by the Company out of the proceeds from the offering, including:

Dealer's Fee: The Company will pay the Dealer a fee of up to \$3.50 per Note (which represents up to 3.50% of the Principal Amount per Note) purchased by the Dealer under the offering of which up to \$2.00 (up to 2.00% of the Principal Amount per Note) will be payable by the Dealer to representatives of investment dealers, including representatives employed by the Dealer, whose clients purchase Notes under the offering.

Expenses of the Offering: The Company will pay the expenses of the offering.

The Company may benefit from the difference between the amount it is obligated to pay under the Notes and the net proceeds to the Company of the issuance of the Notes plus (or minus) the returns, net of related expenses, it may generate in hedging such obligations. See "Use of Proceeds and Hedging" and "Risk Factors — Trading, hedging and other transactions by the Company or its affiliates in instruments linked to the Reference Shares comprising the Basket may impair the market value of the Notes or the Maturity Amount" in this pricing supplement.

The Notes are designed for investors who hold the Notes to maturity. Noteholders choosing to sell their Notes to the Dealer prior to the Maturity Date will be subject to an Early Trading Charge commencing at 4.05% of the Principal Amount and declining daily by 0.0075% to 0% after the date that is 540 days after the Issue Date (being on or about June 28, 2014).

RATINGS

The Company has obtained ratings for the Global Medium-Term Notes, Series A issued under the Indenture, as defined herein, of AA- from S&P and Aa3 from Moody's. On November 29, 2011, S&P announced that it had lowered its issuer credit rating on long-term debt of the Company from AA- to A+ pursuant to its revised bank rating criteria released on November 9, 2011. On June 21, 2012, Moody's announced that it had lowered its long-term issuer rating of the Company from Aa3 to A2, outlook negative, in connection with rating actions on a number of European and North American financial institutions with global capital markets operations. An A+ rating from S&P generally indicates that a company's capacity to meet its financial commitment on long-term obligations is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, such a rating generally indicates that the company's capacity to meet its financial commitment on its obligations is still strong. Obligations rated A by Moody's are judged to be upper-medium grade and are subject to low credit risk. The modifier 2 indicates that a rating is a mid-range ranking of its generic rating category. Moody's rating outlook is an opinion regarding the likely direction of an issuer's rating over the medium term. On July 15, 2010, Moody's issued a policy statement clarifying its approach to rating debt obligations with variable promises and stating that it will now assign provisional ratings to MTN programs and definitive MTN program ratings currently outstanding will be converted to provisional ratings, but the definitive rating history of the MTN program will not be changed retroactively. Because the Company has not sought a rating from S&P or Moody's for this specific issuance, the Notes will not be rated by either rating organization. The ratings mentioned in this paragraph are subject to downward revision, suspension or withdrawal at any time by the assigning rating organization and are not a recommendation to buy, sell or hold securities. See also "Ratings" in the Prospectus.

PRICING SUPPLEMENT SUMMARY

The following is a summary of terms of the Notes, as well as a discussion of risks and other considerations you should take into account when deciding whether to invest in the Notes. The information in this section is qualified in its entirety by the more detailed explanations set forth elsewhere in this pricing supplement and the Prospectus. References to the “**Prospectus**” mean our short form base shelf prospectus dated April 28, 2011. References to “**we**”, “**our**” or the “**Company**” mean Barclays Bank PLC.

This section summarizes the following aspects of the Notes:

- What are the Notes?
- What is the Basket?
- What are some of the risks associated with an investment in the Notes?
- Is this the right investment for you?
- What are the Canadian tax consequences?
- How do the Notes perform?

What are the Notes?

The Notes are unsecured and unsubordinated debt securities linked to the performance of the Basket. The Principal Amount will be \$100 per Note, and the minimum investment will be \$5,000 or 50 Notes.

If you hold your Notes to maturity, you will receive the Periodic Principal Repayments and you may also receive a cash payment at maturity determined as described in “– Hypothetical examples” below and “Specific Terms of the Notes” in this pricing supplement.

What is the Basket?

The Basket is an equally weighted basket (the “**Basket**”) consisting of the common shares or other equity securities (each, a “**Reference Share**” and, together, the “**Reference Shares**”) of the issuers listed in the following table (each a “**Reference Share Issuer**” and, together, the “**Reference Share Issuers**”):

Reference Share Issuer	Bloomberg Ticker	Currency	Primary Exchange	Weight
Royal Dutch Shell plc	RDSA NA <Equity>	EUR	Euronext Amsterdam	10%
BP p.l.c.	BP LN <Equity>	GBP	London International Exchange	10%
Eni SpA	ENI IM <Equity>	EUR	Borsa Italiana	10%
EOG Resources, Inc.	EOG UN <Equity>	USD	New York Stock Exchange	10%
Petróleo Brasileiro S.A.—Petrobras	PBR UN <Equity>	USD	New York Stock Exchange	10%
TOTAL S.A.	FP FP <Equity>	EUR	Euronext Paris	10%
Exxon Mobil Corporation	XOM UN <Equity>	USD	New York Stock Exchange	10%
PetroChina Company Limited	857 HK <Equity>	HKD	Hong Kong Stock Exchange	10%
Chevron Corporation	CVX UN <Equity>	USD	New York Stock Exchange	10%
ConocoPhillips	COP UN <Equity>	USD	New York Stock Exchange	10%

A general description of each of the Reference Share Issuers whose shares compose the Basket is provided under “The Basket” and “The Reference Shares”.

We urge you to read carefully the more detailed explanation of risks in “Risk Factors” in this pricing supplement and in the Prospectus.

Is this the right investment for you?

The Notes may be a suitable investment for you if:

- You do not require a guaranteed return of the Principal Amount if you hold the Notes to maturity.

- You seek an investment with an enhanced return linked to the potential positive price performance of the Reference Shares comprising the Basket, and you believe the value of the Basket will increase moderately over the term of the Notes and such an increase is unlikely to exceed 62.00% (the Maximum Basket Return of 31.00% *multiplied by* the Upside Leverage Factor of 2.00).
- You are willing to hold the Notes to maturity.
- You are willing to accept the risk of fluctuations in the prices of the Reference Shares comprising the Basket.
- You are willing to accept the risk that you will lose some or all of your principal not previously distributed through Periodic Principal Repayments if the Basket Return is less than -4.00% on the Valuation Date. See “Risk Factors” in this pricing supplement.
- You believe the Basket Return will on the Valuation Date be greater than or equal to 0%.

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

- You seek a guaranteed return of the Principal Amount if you hold the Notes to maturity.
- You cannot withstand a loss of substantially all of your investment.
- You do not believe the Basket Return on the Valuation Date will be greater than 0%, or you believe the Basket Return on the Valuation Date will be more than 62.00% (the Maximum Basket Return of 31.00% *multiplied by* the Upside Leverage Factor of 2.00).
- You are unable or unwilling to hold the Notes to maturity.
- You seek an investment for which there will be an active secondary market.
- You prefer the lower risk and therefore accept the potentially lower returns of fixed income investments with comparable maturities and ratings.
- You do not understand the terms of the Notes or the risks involved in holding the Notes.

We urge you to read carefully the more detailed explanation of risks in “Risk Factors” in this pricing supplement and the Prospectus.

What are the Canadian tax consequences?

A Noteholder who is an individual resident in Canada will be required to include in income for the taxation year in which the Valuation Date occurs the portion of the amount, if any, by which the Maturity Amount exceeds the Remaining Principal Amount of the Note, which accrued on the Note from the date of purchase to the end of the day immediately preceding the day in such year that falls on the same calendar day as the Issue Date; and will be required to include the balance of such amount in income for the taxation year in which the Maturity Payment Date occurs, except in each case to the extent that all or a portion of such amount has already been included in the Noteholder’s income for that or a preceding year. Periodic Principal Repayments received in respect of the Notes should not be included in the Noteholder’s income when received, but rather should reduce the Noteholder’s adjusted cost base in the Notes.

If a Note is held by a Noteholder as capital property and is disposed of to the Company for an amount less than the Noteholder’s adjusted cost base of the Note, the Noteholder will realize a capital loss. If a Note is held by a Noteholder as capital property and is disposed of other than to the Company, the Noteholder should generally realize a capital gain (or capital loss). Prospective purchasers of Notes should read the section entitled, “Certain Canadian Tax Considerations” in this pricing supplement and consult with their own tax advisors regarding the application of the law to their particular circumstances.

How do the Notes perform?

Periodic Principal Repayments

On each of January 6, 2014, January 5, 2015, January 4, 2016, and the Maturity Payment Date (provided that if any such date is not a Business Day, the applicable Periodic Principal Repayment will be postponed until the next Business Day) (each, a “**Repayment Date**”), Noteholders of record on the relevant Repayment Date will be entitled to be repaid \$1.00 of the \$100 Principal Amount of Notes (each such payment a “**Periodic Principal Repayment**”).

Payment at Maturity

Noteholders of record on the Valuation Date will be entitled to receive on the Maturity Payment Date, in addition to the final Periodic Principal Repayment, a cash payment for each Note held of an amount (the “**Maturity Amount**”) equal to the Remaining Principal Amount plus a variable amount, which may be positive or negative (the “**Variable Return**”). The Variable Return will be calculated as follows:

If the Basket Return is greater than or equal to 31.00%, the Variable Return will be equal to (i) an amount equal to the sum of all the Periodic Principal Repayments made on or prior to the Maturity Payment Date *plus* (ii) the product of (a) \$100, (b) the Upside Leverage Factor of 2.00 and (c) the Maximum Basket Return of 31.00% *plus* (iii) an amount equal to \$100 *multiplied by* 0.10 *multiplied by* the greater of (a) the Basket Return *minus* 62.00% and (b) 0.

If the Basket Return is greater than or equal to 0%, but less than 31.00%, the Variable Return will be equal to (i) an amount equal to the sum of all the Periodic Principal Repayments made on or prior to the Maturity Payment Date *plus* (ii) the product of (a) \$100, (b) the Upside Leverage Factor of 2.00 and (c) the Basket Return.

If the Basket Return is less than 0%, the Variable Return will be equal to (i) an amount equal to the sum of all the Periodic Principal Repayments made on or prior to the Maturity Payment Date *plus* (ii) an amount (which will be negative) equal to the product of (a) \$100 and (b) the Basket Return.

The Notes do not guarantee any return of principal at maturity. At maturity you will lose some or all of your principal not previously distributed through Periodic Principal Repayments if the Basket Return (as defined below) is less than -4.00%. If the Basket Return is less than 0% your Notes will be fully exposed to the negative performance of the Basket. See “Risk Factors” in this pricing supplement. There is no guarantee that the Basket Return will be greater than or equal to 0% on the Valuation Date.

The Basket Return, as determined by the Calculation Agent on the Valuation Date, will be the equally weighted arithmetic average of the Reference Share Returns for each Reference Share comprising the Basket.

For each Reference Share in the Basket, the Reference Share Return will be determined by the Calculation Agent, measured from the Closing Price of the relevant Reference Share on the Issue Date to the Closing Price of such Reference Share on the Valuation Date.

The Reference Share Return for each Reference Share in the Basket will be a number, expressed as a percentage, determined as follows:

$$\frac{\text{Final Price} - \text{Initial Price}}{\text{Initial Price}}$$

where:

- the Initial Price will be the Closing Price of a Reference Share on the Issue Date; and
- the Final Price will be the Closing Price of a Reference Share on the Valuation Date.

Hypothetical examples

Hypothetical Examples of the Calculation of the Maturity Amount

The following examples set forth below are provided for illustration purposes only. The hypothetical returns do not represent the returns of an actual investment in the Notes. The examples do not purport to be representative of every possible scenario concerning the Basket Return at the Valuation Date.

The following examples are intended to illustrate how the Notes work in general. These examples are provided for illustrative purposes only and should not be construed as an estimate or forecast of the performance of the Notes.

The table below shows the Maturity Amount per Note that a Noteholder would receive based on various hypothetical Basket Returns. **The values used below are hypothetical only and should not be construed as being indicative of the future price performance of the Basket or the Notes.**

The calculations in the table below assume the Notes are held until the Maturity Date and illustrate the potential total return over the term of the Notes based upon an initial investment of \$100 (1 Note).

Basket Return	Maturity Amount per Note		
	If the Basket Return is greater than or equal to 31.00%: Remaining Principal Amount + [Sum of Periodic Principal Repayments + (\$100.00 x Upside Leverage Factor x Maximum Basket Return) + (\$100.00 x 0.10 x (greater of Basket Return – 62.00% and 0))]		
	If the Basket Return is greater than or equal to 0%, but less than 31.00%: Remaining Principal Amount + [Sum of Periodic Principal Repayments + (\$100.00 x Upside Leverage Factor x Basket Return)]		
	If the Basket Return is less than 0%: Remaining Principal Amount + [Sum of Periodic Principal Repayments + (\$100.00 x Basket Return)]		
		Compound Annual Return on the Notes (including Periodic Principal Repayments)	Total Return on the Notes (including Periodic Principal Repayments)
80.00%	\$163.80	13.97%	67.80%
70.00%	\$162.80	13.80%	66.80%
60.00%	\$162.00	13.66%	66.00%
50.00%	\$162.00	13.66%	66.00%
35.00%	\$162.00	13.66%	66.00%
34.00%	\$162.00	13.66%	66.00%
30.00%	\$160.00	13.31%	64.00%
20.00%	\$140.00	9.66%	44.00%
10.00%	\$120.00	5.60%	24.00%
7.50%	\$115.00	4.51%	19.00%
5.00%	\$110.00	3.38%	14.00%
2.50%	\$105.00	2.21%	9.00%
0.00%	\$100.00	1.00%	4.00%
-5.00%	\$95.00	-0.25%	-1.00%
-10.00%	\$90.00	-1.56%	-6.00%
-15.00%	\$85.00	-2.92%	-11.00%
-20.00%	\$80.00	-4.34%	-16.00%
-25.00%	\$75.00	-5.82%	-21.00%
-30.00%	\$70.00	-7.38%	-26.00%
-40.00%	\$60.00	-10.77%	-36.00%
-41.00%	\$59.00	-11.13%	-37.00%
-50.00%	\$50.00	-14.59%	-46.00%
-60.00%	\$40.00	-19.02%	-56.00%

-70.00%	\$30.00	-24.34%	-66.00%
-80.00%	\$20.00	-31.14%	-76.00%

The following examples illustrate how the Maturity Amount set forth in the table above is calculated in each of three scenarios:

Example 1 - Basket Return is greater than or equal to 31.00%.

Reference Share	Initial Price	Final Price	Reference Share Return	Weight	Weighted Reference Share Return
Royal Dutch Shell plc	EUR 26.12	EUR 56.34	115.70%	10.00%	11.57%
BP p.l.c.	GBP 426.10	GBP 714.34	67.65%	10.00%	6.77%
Eni SpA	EUR 17.83	EUR 40.20	125.46%	10.00%	12.55%
EOG Resources, Inc.	USD 117.07	USD 127.40	8.82%	10.00%	0.88%
Petróleo Brasileiro S.A.— Petrobras	USD 18.99	USD 36.68	93.15%	10.00%	9.32%
TOTAL S.A.	EUR 38.64	EUR 63.26	63.74%	10.00%	6.37%
Exxon Mobil Corporation	USD 88.33	USD 146.35	65.69%	10.00%	6.57%
PetroChina Company Limited	HKD 10.70	HKD 8.07	-24.58%	10.00%	-2.46%
Chevron Corporation	USD 106.51	USD 216.15	102.94%	10.00%	10.29%
ConocoPhillips	USD 57.73	USD 142.63	147.06%	10.00%	14.71%
Basket Return					76.57%

Assumptions: Basket Return is equal to 76.57%.

Because the Basket Return is greater than 31.00%, the Maturity Amount will be calculated as follows:

Maturity Amount	=	Remaining Principal Amount + [Sum of Periodic Principal Repayments + (\$100.00 x Upside Leverage Factor x Maximum Basket Return) + (\$100.00 x 0.10 x (Basket Return – 62.00%))]
	=	\$96.00 + [\$4.00 + (\$100.00 x 2.00 x 31.00%) + (\$100.00 x 0.10 x 14.57%)]
	=	\$96.00 + \$4.00 + \$62.00 + \$1.46
	=	\$163.46
Periodic Principal Repayments	=	\$4.00
Total Return	=	67.46%

Example 2 - Basket Return is greater than or equal to 0.00% and less than or equal to 31.00%

Reference Share	Initial Price	Final Price	Reference Share Return	Weight	Weighted Reference Share Return
Royal Dutch Shell plc	EUR 26.12	EUR 24.33	-6.85%	10.00%	-0.69%
BP p.l.c.	GBP 426.10	GBP 375.97	-11.76%	10.00%	-1.18%
Eni SpA	EUR 17.83	EUR 18.87	5.83%	10.00%	0.58%
EOG Resources, Inc.	USD 117.07	USD 97.56	-16.67%	10.00%	-1.67%
Petróleo Brasileiro S.A.—Petrobras	USD 18.99	USD 27.55	45.08%	10.00%	4.51%
TOTAL S.A.	EUR 38.64	EUR 48.10	24.50%	10.00%	2.45%
Exxon Mobil Corporation	USD 88.33	USD 48.36	-45.25%	10.00%	-4.53%
PetroChina Company Limited	HKD 10.70	HKD 17.00	58.88%	10.00%	5.89%
Chevron Corporation	USD 106.51	USD 118.00	10.79%	10.00%	1.08%
ConocoPhillips	USD 57.73	USD 70.18	21.57%	10.00%	2.16%
Basket Return					8.60%

Assumptions: Basket Return is equal to 8.60%

Because the Basket Return is greater than 0.00% but less than 31.00%, the Maturity Amount will be calculated as follows:

Maturity Amount	=	Remaining Principal Amount + [Sum of Periodic Principal Repayments + (\$100.00 x Upside Leverage Factor x Basket Return)]
	=	\$96.00 + [\$4.00 + (\$100.00 x 2.00 x 8.60%)]
	=	\$96.00 + \$4.00 + \$17.20
	=	\$117.20
Periodic Principal Repayments	=	\$4.00
Total Return	=	21.20%

Example 3 - Basket Return is less than 0.00%.

Reference Share	Initial Price	Final Price	Reference Share Return	Weight	Weighted Reference Share Return
Royal Dutch Shell plc	EUR 26.12	EUR 27.40	4.90%	10.00%	0.49%
BP p.l.c.	GBP 426.10	GBP 619.04	45.28%	10.00%	4.53%
Eni SpA	EUR 17.83	EUR 19.40	8.81%	10.00%	0.88%
EOG Resources, Inc.	USD 117.07	USD 98.51	-15.85%	10.00%	-1.59%
Petróleo Brasileiro S.A.— Petrobras	USD 18.99	USD 16.57	-12.74%	10.00%	-1.27%
TOTAL S.A.	EUR 38.64	EUR 28.41	-26.47%	10.00%	-2.65%
Exxon Mobil Corporation	USD 88.33	USD 91.79	3.92%	10.00%	0.39%
PetroChina Company Limited	HKD 10.70	HKD 5.53	-48.32%	10.00%	-4.83%
Chevron Corporation	USD 106.51	USD 61.61	-42.16%	10.00%	-4.22%
ConocoPhillips	USD 57.73	USD 43.01	-25.50%	10.00%	-2.55%
Basket Return					-10.82%

Assumptions: Basket Return is -10.82%

Because the Basket Return is less than 0.00%, the Maturity Amount will be:

Maturity Amount	=	Remaining Principal Amount + [Sum of Periodic Principal Repayments + (\$100.00 x Basket Return)]
	=	\$96.00 + [\$4.00 + (\$100.00 x -10.82%)]
	=	\$96.00 + \$4.00 - \$10.82
	=	\$89.18
Periodic Principal Repayments	=	\$4.00
Total Return	=	-7.82%

RISK FACTORS

The Notes are unsecured and unsubordinated debt obligations of the Company. The Notes are riskier than ordinary unsecured debt securities in that they do not provide holders with a return at maturity calculated by reference to a fixed or floating rate of interest that is determinable prior to the Valuation Date. The amount payable to a Noteholder on the Maturity Payment Date (other than the final Periodic Principal Repayment), is linked to the price performance of the Basket on the Valuation Date, which depends on the price performance of the Reference Shares. Investing in the Notes is not equivalent to investing directly in the Reference Shares. See “— No dividend payments or voting rights” below for more information.

This section describes the most significant risks relating to an investment in the Notes. **We urge you to read carefully the following information about these risks, together with the other information in this pricing supplement and the Prospectus (including, in particular, the section entitled “Risk Factors” beginning on page 36 of the Prospectus), and you should consult with your advisors before investing in the Notes.**

Risk factors related to the offering of Notes and the Company

The Notes do not guarantee any positive return or repayment of the Remaining Principal Amount at maturity. Noteholders could lose substantially all of their investment in the Notes.

The Notes may return less than the original Principal Amount invested. Noteholders could lose substantially all of their investment in the Notes.

There can be no assurance that the Notes will provide any positive return. The value of the Notes will fluctuate during the term of the Notes. Fluctuations in the prices of the Reference Shares are unpredictable and will be influenced by factors that are beyond the control of the Company. Historical prices of the Reference Shares should not be considered as any indication of the future performance thereof.

The Notes do not guarantee any return of principal at maturity. At maturity you will lose some or all of your principal not previously distributed through Periodic Principal Repayments if the Basket Return (as defined below) is less than -4.00%. If the Basket Return is less than 0% your Notes will be fully exposed to the negative performance of the Basket. There is no guarantee that the Basket Return will be greater than or equal to 0% on the Valuation Date.

The Notes may not be a suitable investment for you.

The Notes may not be a suitable investment for you if: (i) you seek a guaranteed return of the Principal Amount if you hold the Notes to maturity; (ii) you cannot withstand a loss of substantially all of your investment; (iii) you do not believe the Basket Return on the Valuation Date will be greater than 0%, or you believe the Basket Return on the Valuation Date will be more than 62.00% (the Maximum Basket Return of 31.00% multiplied by the Upside Leverage Factor of 2.00); (iv) you are unable or unwilling to hold the Notes to maturity; (v) you seek an investment for which there will be an active secondary market; (vi) you prefer the lower risk and therefore accept the potentially lower returns of fixed income investments with comparable maturities and ratings; or (vii) you do not understand the terms of the Notes or the risks involved in holding the Notes.

The Notes are different from ordinary debt instruments.

While the Notes are debt obligations of the Company, they differ from ordinary debt instruments in that they do not provide holders with a return at maturity calculated by reference to a fixed or floating rate of interest that is determinable prior to maturity. There can be no assurance that the value of the Basket at maturity will be a value that will result in a Maturity Amount greater than or equal to the Remaining Principal Amount. The Notes may return less than the Principal Amount invested.

Changes in our ratings may affect the market value of the Notes.

Our ratings are an assessment of our ability to pay our obligations and are not indicative of the market risk associated with the Notes or the Basket. Consequently, actual or anticipated changes in our ratings may affect the market value of the Notes. However, because the return on the Notes is dependent upon certain factors in addition

to our ability to pay our obligations on the Notes, an improvement in our ratings will not reduce the other investment risks related to the Notes.

The Notes will not be insured under the Canada Deposit Insurance Corporation Act or any other deposit insurance regime.

The Notes will not constitute deposits that are insured by the Canada Deposit Insurance Corporation, the U.S. Federal Deposit Insurance Corporation or any other governmental agency of Canada, the United States, the United Kingdom or any other jurisdiction.

The payment of the Maturity Amount and the Periodic Principal Repayments is dependent upon the creditworthiness of the Company.

Because the obligation to make payments on the Notes to Noteholders is incumbent upon the Company, the likelihood that such Noteholders will receive the Maturity Amount and the Periodic Principal Repayments will be dependent upon the financial health and creditworthiness of the Company. The medium-term notes (excluding credit-linked notes and notes with variable promises) issued under the Indenture are rated A+ by S&P and Aa3 by Moody's. This specific issuance of Notes will not be rated by either rating organization. See "Ratings" in the Prospectus and in this pricing supplement.

The Notes may be redeemed prior to maturity in certain circumstances.

The Notes are not redeemable prior to maturity, except by the Company: (i) upon a Redemption for Tax Reasons, see "Description of Notes and Details of the Offering – Redemption – Redemption for tax reasons" in the Prospectus; (ii) under a Reimbursement Under Special Circumstances, see "Specific Terms of the Notes – Reimbursement Under Special Circumstances" in this pricing supplement or (iii) in connection with certain Reorganization Events or Additional Adjustment Events described under "Specific Terms of the Notes – Reference Share Adjustments".

Under such circumstances, the amount paid to a Noteholder may not fully reflect any appreciation of the Basket up to the date of such redemption. In such circumstances, no interest or premium will accrue or be payable after the date of the redemption of the Notes.

The Calculation Agent can postpone the determination of the Basket Return if a Market Disruption Event occurs on the Issue Date or the Valuation Date or is existing on such date.

The determination of the Basket Return may be postponed if the Calculation Agent determines that a Market Disruption Event with respect to any Reference Share has occurred or is continuing on the Issue Date or the Valuation Date. If such a postponement occurs, the Calculation Agent will calculate the Basket Return on the first Business Day after that day on which no Market Disruption Event occurs or is continuing. In no event, however, will the Valuation Date be postponed by more than five Business Days. As a result, the Maturity Date for the Notes could also be postponed, although not by more than five Business Days. If the Valuation Date is postponed to the last possible day, but a Market Disruption Event occurs or is continuing on that day, that day will nevertheless be the Valuation Date. In such an event, the Calculation Agent will make a good faith estimate in its sole discretion of the Closing Price of each of the affected Reference Shares that would have prevailed in the absence of the Market Disruption Event. Noteholders will not be entitled to compensation from the Company or the Calculation Agent for any loss suffered as a result of the occurrence of a Market Disruption Event, any resulting delay in payment or any change in the prices of the applicable Reference Shares after the originally scheduled Valuation Date. For more information, see "Description of the Notes—Market Disruption Event" in this pricing supplement.

There is limited anti-dilution protection.

The Calculation Agent may adjust the Initial Price or any other variable (or combination thereof) for stock splits, reverse stock splits, stock dividends, certain dividends and distributions, Extraordinary Dividends (as defined herein) and certain corporate events that affect the capital structure of the Reference Share Issuers. The Calculation Agent is not required to make an adjustment for every corporate action that affects the Reference Shares. If an event occurs that does not require the Calculation Agent to adjust the amount of the Reference Shares, the market price of the Notes and the amount payable on the Maturity Payment Date may be materially and adversely affected. For more information, see "Specific Terms of the Notes – Reference Share Adjustments".

Certain tax considerations.

You should consider the tax consequences of investing in the Notes, some aspects of which are not certain. See “Certain United Kingdom Tax Considerations” and “Certain Canadian Tax Considerations” in this pricing supplement.

Changes may be made to federal and provincial legislation, regulations or administrative positions and assessing practices with respect to taxation that could have a material adverse effect on a Noteholder. We understand that the CRA is reviewing whether the existence of a secondary market for “prescribed debt obligations” such as the Notes should be taken into consideration in determining whether interest is deemed to accrue on such obligations. This review could result in changes to the existing published administrative positions of the CRA and could result in the tax consequences to a purchaser of Notes being materially different from those described in “Certain Canadian Tax Considerations” in this pricing supplement.

The election under subsection 39(4) of the Tax Act will not apply to the Notes and there is a risk that, depending on the circumstances relevant to a particular Noteholder, the Notes will not be considered capital property to the Noteholder. Accordingly, if the Noteholder disposes of a Note prior to the Maturity Date, any gain or loss realized may be considered to be received on income account rather than as a capital gain or loss, as the case may be. Conversely, if the Notes are considered to be capital property to a Noteholder, any loss realized on a Note will be treated as a capital loss to the Noteholder whereas the excess, if any, of the Maturity Amount paid by the Company to a Noteholder at maturity over the Remaining Principal Amount will be included in the income of the Noteholder. Holders who dispose of a Note prior to the Maturity Date should consult their own tax advisors with respect to their particular circumstances.

Risk factors related to potential conflicts of interest

There may be potential conflicts of interest between you and the Calculation Agent.

We play a variety of roles in connection with the issuance of the Notes. Initially, the Company will serve as the Calculation Agent. We will, among other things, determine the amount of the return paid out to you on the Notes. For a fuller description of the Calculation Agent’s role, see “Calculation Agent” in this pricing supplement. If a Market Disruption Event occurs or if certain adjustments are required as described under “Specific Terms of the Notes – Reference Share Adjustments”, it may become difficult to determine the market value of the Notes. In such case, the Calculation Agent may be required to make an estimate of the Basket Return and/or certain other variables, including, but not limited to, Reference Share Returns, Initial Price, Final Price and Closing Price. The circumstances in which the Calculation Agent will be required to make such a determination are described more fully under “Specific Terms of the Notes – Reference Share Adjustments” 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 any of the Reference Shares in the Basket has occurred or is continuing. This determination may, in turn, depend on the Calculation Agent’s judgment as to whether the event has materially interfered with the ability of the Company or any of its affiliates to unwind their hedge positions. Since these determinations by the Calculation Agent may affect the market value of the Notes, the Calculation Agent may have a conflict of interest if it needs to make any such decision.

Since initially the Company and the Calculation Agent are the same person, the Calculation Agent may have economic interests adverse to those of the holders of Notes, including with respect to certain calculations, valuations and determinations that the Calculation Agent must make with regard to the value of the Notes. The Calculation Agent will carry out its duties and functions in good faith and using its commercially reasonable judgment.

Trading, hedging and other transactions by the Company or its affiliates in instruments linked to the Reference Shares may impair the market value of the Notes or the Maturity Amount.

As described under “Use of Proceeds and Hedging” in this pricing supplement, we or one or more of our affiliates may, but shall not be obligated to, enter into contracts to hedge our obligations under the Notes by purchasing the Reference Shares, or options on the Reference Shares, or other derivative instruments with returns linked to the performance of the Reference Shares, 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 value of the Basket and, therefore, the market value of the Notes or the Maturity Amount. 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 Notes declines.

We or one or more of our affiliates may also engage in trading in the Reference Shares comprising the Basket or options on the Reference Shares comprising the Basket, and other investments relating to Reference Shares comprising the Basket 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 value of the Basket and, therefore, the market value of the Notes or the Maturity Amount. 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 Notes. With respect to any of the activities described above, neither we nor any of our affiliates has any obligation to take the needs of any buyer, seller or holder of Notes into consideration at any time.

Our business activities may create conflicts of interest.

As noted above, we and our affiliates expect to engage in trading activities related to the Reference Shares, as applicable, or options on the Reference Shares, or other derivative instruments with returns linked to the performance of the Reference Shares that are not for the account of holders of the Notes or on their behalf. These trading activities may present a conflict between the holders' interests in the Notes 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 prices of the Reference Shares, could be adverse to the interests of the holders of the Notes. Moreover, we or our affiliates have published and in the future expect to publish research reports with respect to the Reference Shares. 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 Notes. The research should not be viewed as a recommendation or endorsement of the Notes in any way and investors must make their own independent investigation of the merits of this investment. Any of these activities by us or our affiliates may affect the value of the Basket and the prices of the Reference Shares and, therefore, the market value of the Notes. With respect to any of the activities described above, neither we nor any of our affiliates has any obligation to take the needs of any buyer, seller or holder of Notes into consideration at any time.

Public information and the Notes.

Noteholders may have no recourse against the Company or the Dealer in connection with certain publicly available information contained in this pricing supplement. We have derived all information in this pricing supplement in respect of the Reference Share Issuers from such publicly available information. Neither the Company nor the Dealer has participated and will not participate in the preparation of any of those documents, nor has the Company or the Dealer made or will they make any "due diligence" investigation or any inquiry with respect to the Reference Share Issuers in connection with the offering of the Notes. We do not make any representation that any publicly available document or any other publicly available information about the Reference Share Issuers is accurate or complete. Furthermore, we do not know whether all events occurring before the date of this pricing supplement, including events that would affect the accuracy or completeness of the publicly available documents referred to above or the prices of the Reference Shares and the value of the Basket, 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 Reference Share Issuers could affect the value you will receive at the maturity of the Notes.

Risk factors related to secondary market

Changes in interest rates are likely to affect the market value of the Notes.

We expect that the market value of the Notes, like that of a traditional debt security, will be affected by changes in interest rates, although these changes may affect the Notes and a traditional debt security to different degrees. In general, if interest rates increase, we expect that the value of the Notes will decrease and, conversely, if interest rates decrease, we expect that the value of the Notes will increase.

There may be little or no secondary market for the Notes; sales in the secondary market may result in significant losses.

The Company does not intend to list the Notes on any securities exchange or quotation system. Because there is no published market through which the Notes may be sold this may affect the pricing of the Notes in the secondary market, the transparency and availability of trading prices, the liquidity of the Notes and the extent of issuer regulation. Purchasers may not be able to resell Notes purchased under this pricing supplement. Although the Dealer intends to provide a secondary market for the sale of Notes to the Dealer, there can be no assurance that the Dealer will provide a secondary market for the Notes throughout the term of the Notes. The Dealer may cease to provide a secondary market for the Notes, in its sole discretion, at any time without any prior notice to Noteholders. Please see “Secondary Market for the Notes” for more information. A prospective investor should not base his or her decision to purchase the Notes on the availability of a secondary market or, if a secondary market is available, on the expectation that the daily secondary market price for the Notes will be equal to or greater than the Principal Amount invested by the Noteholder. Noteholders should be prepared to hold the Notes until the Maturity Date. Noteholders choosing to sell their Notes prior to the Maturity Date may be unable to sell their Notes and, if a sale is possible, may receive sales proceeds that are substantially less than the Maturity Amount that would be payable if the Notes were maturing on such day and which do not necessarily reflect any increase in the Closing Prices of the Reference Shares up to the date of such sale. Because other dealers are not likely to make a secondary market for the Notes, the price at which you may be able to trade your Notes is likely to depend on the price, if any, at which the Dealer is willing to buy the Notes. There can be no assurance that a secondary market will develop or that such market will be liquid or sustainable. Proceeds on any sale in the secondary market may be less than the Remaining Principal Amount.

Early Trading Charge.

The Notes are designed for investors who hold the Notes to maturity. Noteholders choosing to sell their Notes to the Dealer prior to the Maturity Date will be subject to an Early Trading Charge commencing at 4.05% of the Principal Amount and declining daily by 0.0075% to 0% after the date that is 540 days after the Issue Date (being on or about June 28, 2014).

If the value the Basket or the price of one or more Reference Shares changes, the market value of the Notes may not change in the same manner or the same degree.

The market value of the Notes may not have a direct relationship with the value of the Basket, and changes in the value of the Basket as well as changes in the price of one or more Reference Shares may not result in a comparable change in the market value of the Notes.

Factors affecting daily secondary market price of the Notes

The daily secondary market price at which a Noteholder will be able to sell the Notes in the secondary market to the Dealer prior to the Maturity Date may be at a discount, which could be substantial, from the Maturity Amount that would be payable if the Notes were maturing on that day. The Dealer’s daily secondary market price for the Notes will be affected by a number of complex and inter-related factors, and the effect of one factor may offset or magnify the effect of another factor, potentially resulting in unexpected and adverse movements in the daily secondary market of the Notes prior to the Maturity Date.

The daily secondary market price for a Note at any time will be dependent upon, among other things, (i) how much the Closing Prices of the Reference Shares have risen or fallen since the Issue Date, and (ii) a number of other interrelated factors, including, without limitation, changes in the level of interest rates, the Company’s rating, financial condition and results of operations, the “time value” associated with the Notes, expected volatility in the Reference Shares, the dividend yields of the Reference Shares, the Dealer’s fee, the Early Trading Charge and the Company’s expected profit on the Notes. The relationship among these factors is complex and may also be influenced by various political, economic, regulatory and other factors that can affect the daily secondary market for the Notes. In particular, the daily secondary market (a) might have a non-linear sensitivity to rises and falls in the performance of the Reference Shares (i.e., the trading price of the Notes might increase and decrease at a different rate compared to the respective percentage increases and decreases in the prices of the Reference Shares) and (b) may be substantially affected by changes in the level of interest rates independent of the volatility in the Reference Shares. Please see “Specific Terms of the Notes” and “Secondary Market for Notes” for more information.

Risk factors related to the Basket and to the Reference Shares

Changes in the Closing Prices of the Reference Shares may offset each other.

The Notes are linked to an equally weighted Basket consisting of the ten Reference Shares, as set forth in this pricing supplement. Changes in the prices of the Reference Shares from the Issue Date to the Valuation Date may result in Reference Share Returns on the Valuation Date that do not correlate with each other. The Final Prices of some Reference Shares may not increase from their respective Initial Prices by as much as the Final Prices of the other Reference Shares increase from their respective Initial Prices or may even decline. Therefore, in calculating the Basket Return, any positive contribution by a Reference Share with a positive Reference Share Return may be moderated, or completely offset, by other Reference Shares with negative Reference Share Returns. In addition, any positive contribution by one or more Reference Shares is limited in the Basket by the Maximum Basket Return. There can be no assurance that the Reference Share Return for any of the Reference Shares will be positive on the Valuation Date.

The correlation among the Reference Shares may change.

Performances among the Reference Shares may become highly correlated from time to time during the term of the Notes, including, but not limited to, a period in which there is a substantial decline in the primary markets for the Reference Shares. High correlation during periods of negative Reference Share Returns of the Reference Shares could adversely affect the market value of the Notes.

The Basket consists of the equity securities of ten companies concentrated in the energy sector.

The Basket consists of the equity securities of ten issuers concentrated in the energy sector. An investment in the Notes carries risks of the type associated with a concentrated investment in a limited number of industries or sectors. Therefore, the Basket will be less diversified than funds or portfolios investing in broader markets and, as a result, could experience greater volatility.

The prices of the Reference Shares may be highly dependent on commodity prices.

As a result of the ten Reference Share Issuers being concentrated in the energy sector, the prices of the Reference Shares may be highly dependent on commodity prices, particularly the prices of oil and natural gas. Prices of these commodities may fluctuate rapidly based on numerous factors, including changes in economic conditions; changes in supply and demand relationships; domestic and foreign political and economic events and policies; war; fiscal, monetary and exchange control programs; trade; technological developments; interest rates; and inflation rates.

No dividend payments or voting rights.

The return on the Notes will not reflect the total return an investor would realize if such investor actually owned the Reference Shares, and received the income, if any, paid on those Reference Shares. A Noteholder will not have, and the Notes will not represent, any direct or indirect ownership or other interest in the Reference Shares. Noteholders will not have any right to receive any distributions or dividends on the Reference Shares nor will Noteholders have the right to exercise any voting rights with respect to the Reference Shares.

The value of the Notes on the Maturity Date will not reflect the value of the Basket at any time prior to the Valuation Date.

The return on the Notes is linked to the value of the Basket as of the Valuation Date. The Notes are designed to allow Noteholders to participate in the price performance of the Basket from the Issue Date to the Valuation Date; however, the value of the Notes on the Maturity Date will not reflect the fluctuations in the Closing Prices of the Reference Shares and the resulting Basket Return at any time prior to the Valuation Date. The Maturity Amount is based on the Basket Return on the Valuation Date and a Noteholder will not be entitled to the benefit of any prior increase in the Closing Prices of the Reference Shares if the Basket Return is negative on the Valuation Date.

Historical performance does not predict future price performance of the Basket or of the Reference Shares.

Historical performance of the Reference Shares comprising the Basket is not indicative and will not predict future price performance of the Reference Shares or the resulting Basket Return. It is not possible to predict whether the Closing Price of any of the Reference Shares will increase or decrease. The price performance of the Reference Shares comprising the Basket will be influenced by numerous factors, including changes in economic conditions, interest rates, inflation rates, industry conditions, competition, technological developments, changes in income tax, securities and other laws, political and diplomatic events and trends, war and innumerable other factors. These

factors, none of which are within the control of the Company, can affect substantially and adversely the business and prospects of the Reference Share Issuers.

The Reference Share Issuers have no obligations relating to the Notes or the Noteholders.

The Reference Share Issuers have no obligations relating to the Notes or amounts to be paid to a Noteholder, including any obligation to take the needs of the Company or of beneficial owners of the Notes into consideration for any reason. The Reference Share Issuers will not receive any of the proceeds of the offering of the Notes and are not responsible for, and have not participated in, the offering of the Notes and are not responsible for, and will not participate in, the determination or calculation of the amount receivable by beneficial owners of the Notes. Neither the Company nor any of its affiliates is affiliated with the Reference Share Issuers in any way and we have no ability to control or predict any of the actions of the Reference Share Issuers.

The Reference Share Issuers have no obligation to Noteholders to continue dissemination of information pertaining to the respective Reference Shares or to maintain the listing of the respective Reference Shares on any stock exchange. The Notes are not sponsored, endorsed, sold or promoted by the Reference Share Issuers. No inference should be drawn from the information contained in this pricing supplement or the Prospectus that the Reference Share Issuers makes any representation or warranty, implied or express, to the Company, the holders of the Notes or any member of the public regarding the advisability of investing in securities generally or in the Notes in particular or the performance of the Basket.

Changes in dividend yields of the Reference Shares included in the Basket are expected to affect the trading value of the Notes.

In general, if the dividend yields on Reference Shares included in the Basket increase, it is expected that the value of the Notes in the secondary market will decrease and, conversely, if dividend yields on the Reference Shares included in the Basket decrease, it is expected that the value of the Notes in the secondary market will increase.

Independent investigation required.

Neither the Company nor the Dealer has performed any due diligence investigation or review of the Reference Shares or the Reference Share Issuers. Any information relating to the Reference Shares and the Reference Share Issuers was derived from publicly available sources. The Company and the Dealer assume no responsibility for the adequacy of the information concerning the Reference Shares or the Reference Share Issuers contained in this pricing supplement and prospectus or that is publicly available otherwise. A prospective investor should undertake such independent investigation of the Reference Shares and the Reference Share Issuers as the investor considers necessary in order to make an informed decision as to the merits of an investment in the Notes.

THE BASKET

The Notes are designed to allow Noteholders to participate in the price performance of the Basket from the Issue Date to the Valuation Date. The performance of the Basket is the Basket Return, which will be the equally weighted arithmetic average of the Reference Share Returns for each Reference Share comprising the Basket.

The Reference Share Issuers do not have any obligation relating to the Notes or amounts to be paid to a Noteholder, including any obligation to take the needs of the Company, the Dealer or the beneficial owners of the Notes into consideration for any reason. The Reference Share Issuers will not receive any of the proceeds of the offering of the Notes and are not responsible for, and have not participated in, the offering of the Notes and are not responsible for, and will not participate in, the determination or calculation of the amount receivable by holders of the Notes.

All information in this pricing supplement relating to the Basket, the Reference Shares and the Reference Share Issuers is presented in summary form and is derived from publicly available sources and assumed to be reliable, although its accuracy and completeness cannot be guaranteed. None of the Company, the Dealer and any of their affiliates has independently verified the accuracy or completeness of that information. As such, none of the Company, the Dealer and any of their affiliates assumes any responsibility for the accuracy or completeness of such information, or accepts responsibility for the calculation or other maintenance of, or any adjustments to, the Basket, the Reference Shares and the Reference Share Issuers. Historical price performance of the each of the Reference Shares is shown below. Historical price performance of any of the Reference Shares is not indicative of, and will not necessarily predict future performance of such Reference Share, or the return payable on the Notes, if any.

All of the Reference Share Issuers have securities registered under the U.S. Securities Exchange Act of 1934, as amended (the “**Exchange Act**”). Companies with securities registered under the Exchange Act are required to file certain financial and other information specified by the U.S. Securities and Exchange Commission (“**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 the Reference Share Issuers can be located by reference to the SEC file number or CIK Code specified for each Reference Share Issuer below.

Market data for the Reference Shares can be obtained by searching the Bloomberg tickers listed on page S-2 of this pricing supplement at <http://www.bloomberg.com>.

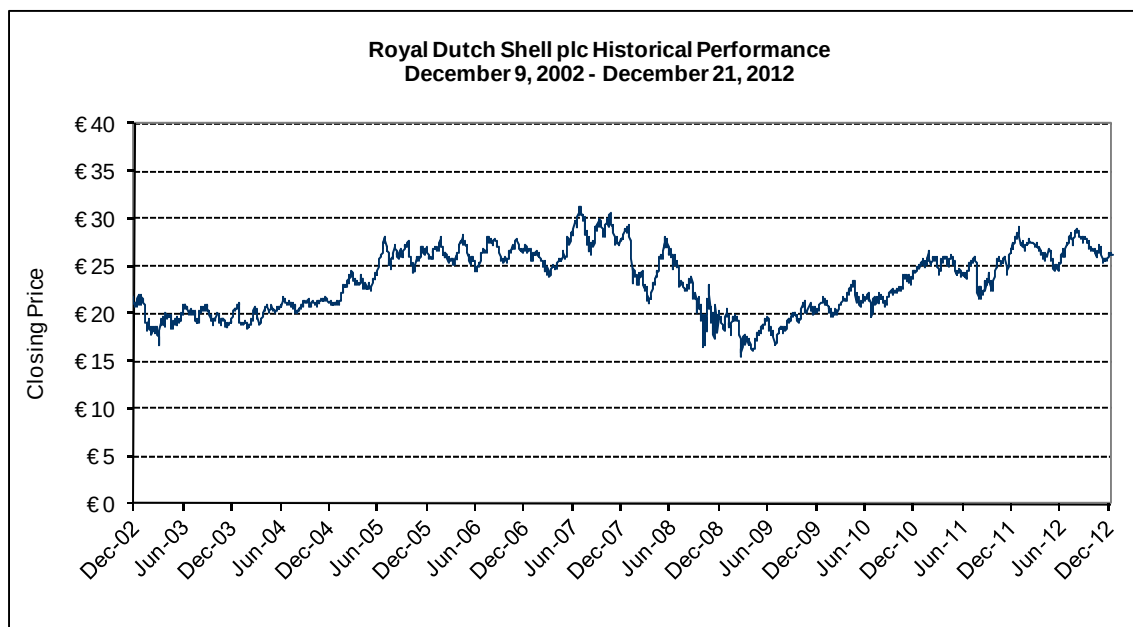
THE REFERENCE SHARES

Royal Dutch Shell plc

According to publicly available information filed with the SEC, Royal Dutch Shell plc (“**Shell**”) is one of the world’s largest independent oil and gas companies in terms of market capitalization, operating cash flow and oil and gas production. Shell is a public limited company registered in England and Wales and headquartered in The Hague, the Netherlands.

Information filed by Shell with the SEC under the Exchange Act can be located by reference to its SEC file number: 1-32575, or its CIK Code: 0001306965.

Historical Information



Source: Bloomberg

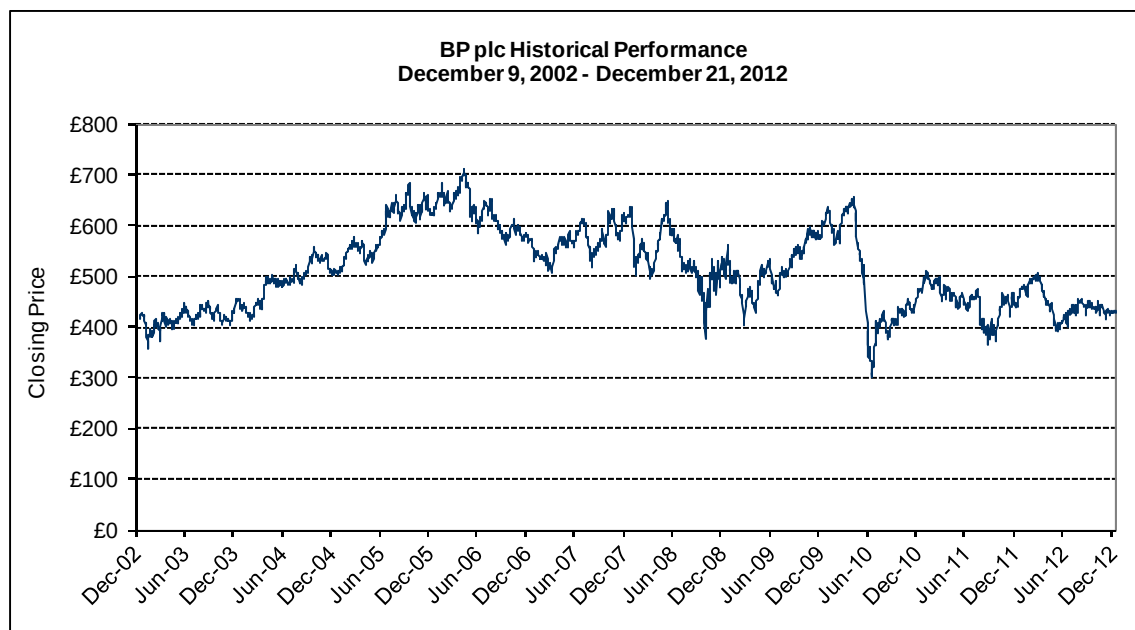
PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

BP p.l.c.

According to publicly available information filed with the SEC, BP p.l.c. (“**BP**”) is an international oil and gas company. BP provides its customers with fuel for transportation, energy for heat and light, retail services and petrochemicals products for everyday items. BP’s exploration and production activities include oil and natural gas exploration; field development and production; midstream transportation, storage and processing; and the marketing and trading of natural gas, including liquefied natural gas, together with power and natural gas liquids. BP’s refining and marketing activities include the supply and trading, refining, manufacturing, marketing and transportation of crude oil, petroleum and petrochemicals products and related services.

Information filed by BP with the SEC under the Exchange Act can be located by reference to its SEC file number: 1-6262, or its CIK Code: 0000313807.

Historical Information



Source: Bloomberg

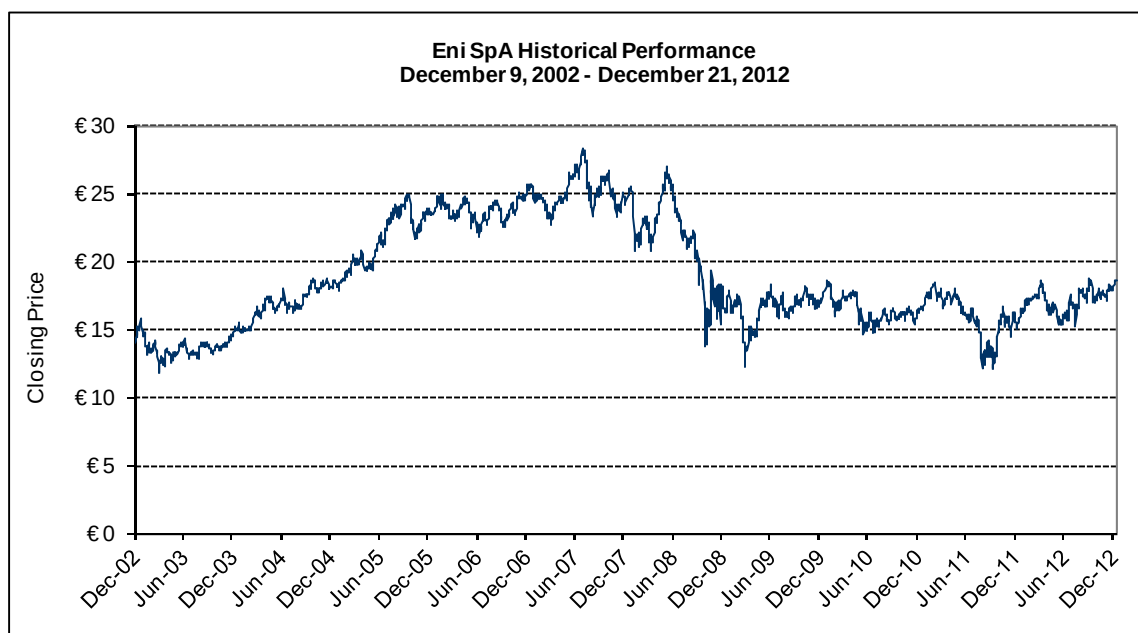
PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

Eni SpA

According to publicly available information filed with the SEC, Eni SpA (“**Eni**”) with its consolidated subsidiaries engages in the oil and gas exploration and production, gas marketing operations, management of gas infrastructures, power generation, petrochemicals, oilfield services and engineering industries. Eni had operations in 85 countries and 78,686 employees as of December 31, 2011.

Information filed by Eni with the SEC under the Exchange Act can be located by reference to its SEC file number: 1-14090, or its CIK Code: 0001002242.

Historical Information



Source: Bloomberg

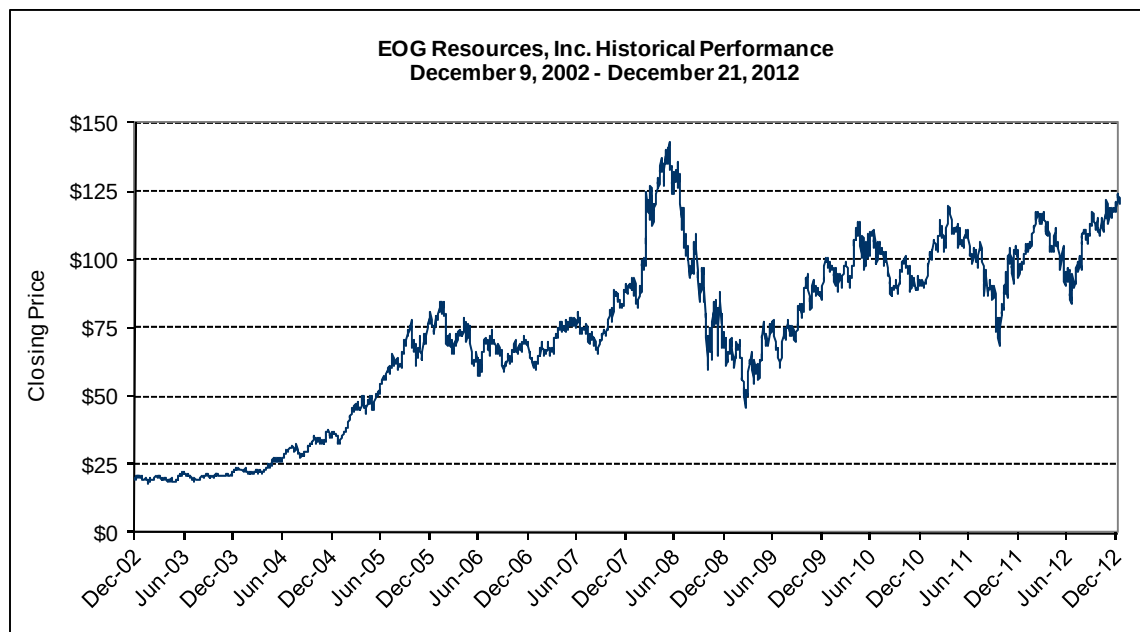
PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

EOG Resources, Inc.

According to publicly available information filed with the SEC, EOG Resources, Inc. (“**EOG**”) explores for, develops, produces and markets crude oil and natural gas primarily in major producing basins in the United States, Canada, Trinidad and Tobago, the United Kingdom, the People's Republic of China, Argentina and, from time to time, select other international areas.

Information filed by EOG with the SEC under the Exchange Act can be located by reference to its SEC file number: 1-9743, or its CIK Code: 0000821189.

Historical Information



Source: Bloomberg

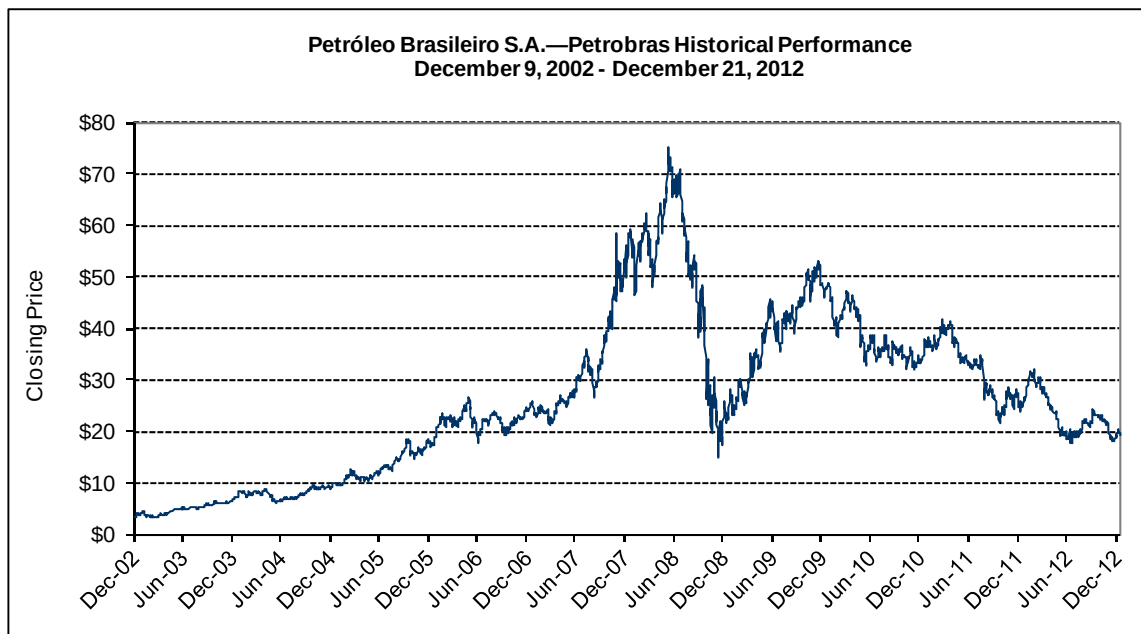
PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

Petróleo Brasileiro S.A.—Petrobras

According to publicly available information filed with the SEC, Petróleo Brasileiro S.A.—Petrobras (“**Petrobras**”) is an integrated oil and gas company that is the largest corporation in Brazil and one of the largest companies in Latin America in terms of revenue. Petrobras operates most of Brazil’s producing oil and gas fields.

Information filed by Petrobras with the SEC under the Exchange Act can be located by reference to its SEC file number: 001-15106, or its CIK Code: 0001119639.

Historical Information



Source: Bloomberg

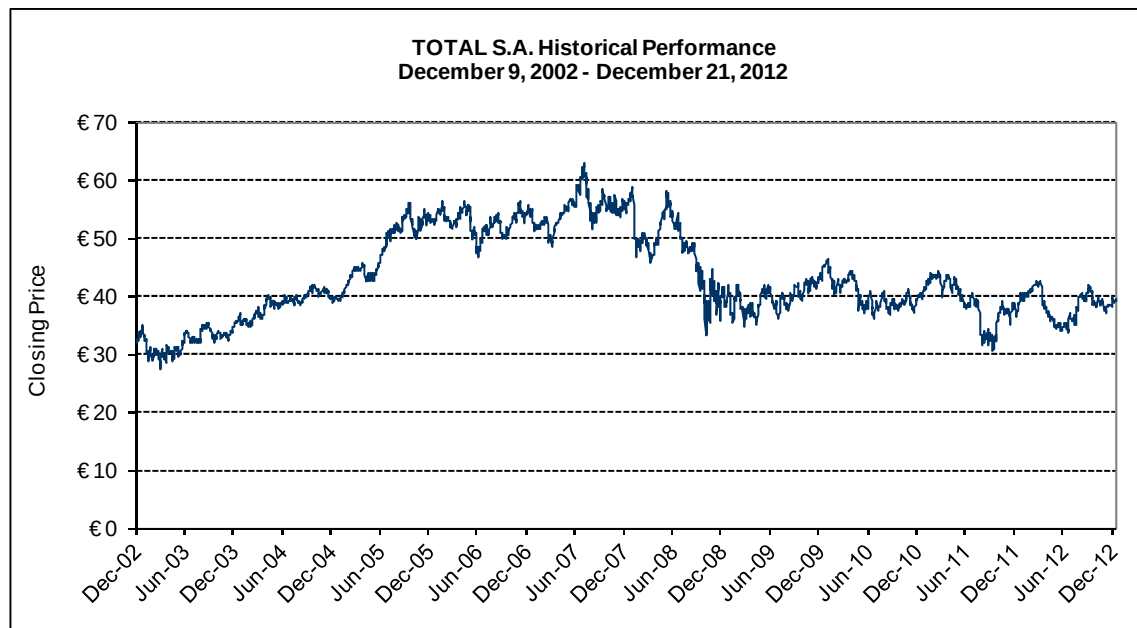
PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

TOTAL S.A.

According to publicly available information filed with the SEC, TOTAL S.A. (“**TOTAL**”) is the fifth largest publicly-traded integrated international oil and gas company in the world, based on market capitalization as of December 31, 2011. With operations in more than 130 countries, TOTAL has activities in every sector of the oil industry: in the upstream (oil and gas exploration, development and production, liquefied natural gas) and downstream (refining, petrochemicals, specialty chemicals, marketing and the trading and shipping of crude oil and petroleum products). In addition, TOTAL has equity stakes in coal mines and operates in the power generation and renewable energy sectors.

Information filed by TOTAL with the SEC under the Exchange Act can be located by reference to its SEC file number: 1-10888, or its CIK Code: 0000879764.

Historical Information



Source: Bloomberg

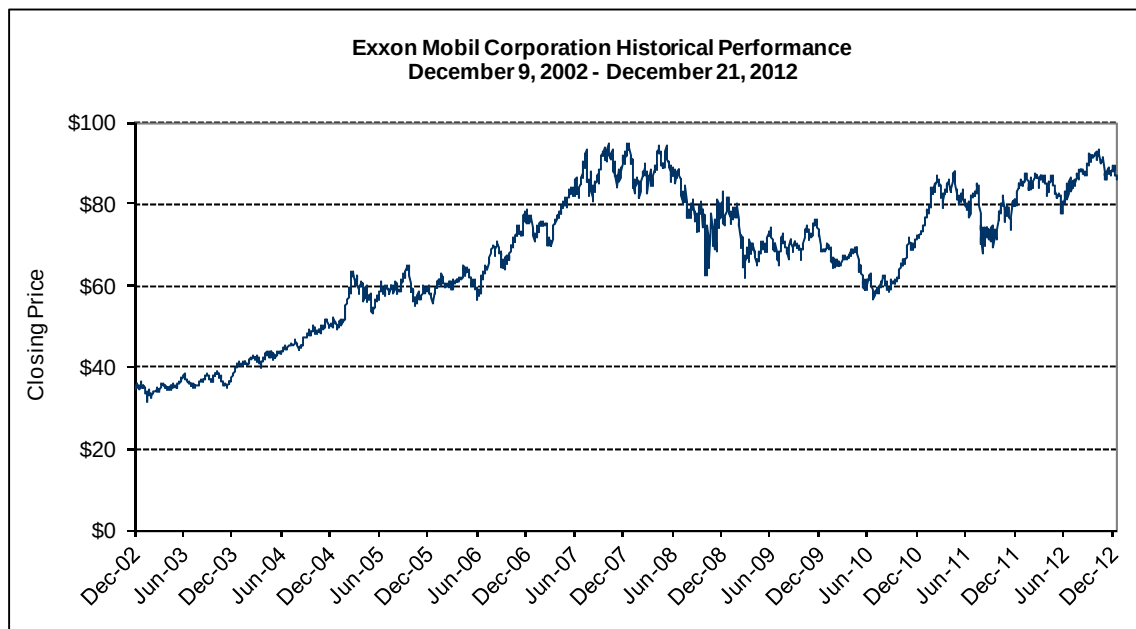
PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

Exxon Mobil Corporation

According to publicly available information filed with the SEC, Exxon Mobil Corporation (“**Exxon**”) is a corporation whose principal business is energy, involving exploration for, and production of, crude oil and natural gas, manufacture of petroleum products and transportation and sale of crude oil, natural gas and petroleum products. Exxon is a manufacturer and marketer of commodity petrochemicals, including olefins, aromatics, polyethylene and polypropylene plastics and a variety of specialty products.

Information filed by Exxon with the SEC under the Exchange Act can be located by reference to its SEC file number: 1-2256, or its CIK Code: 0000034088.

Historical Information



Source: Bloomberg

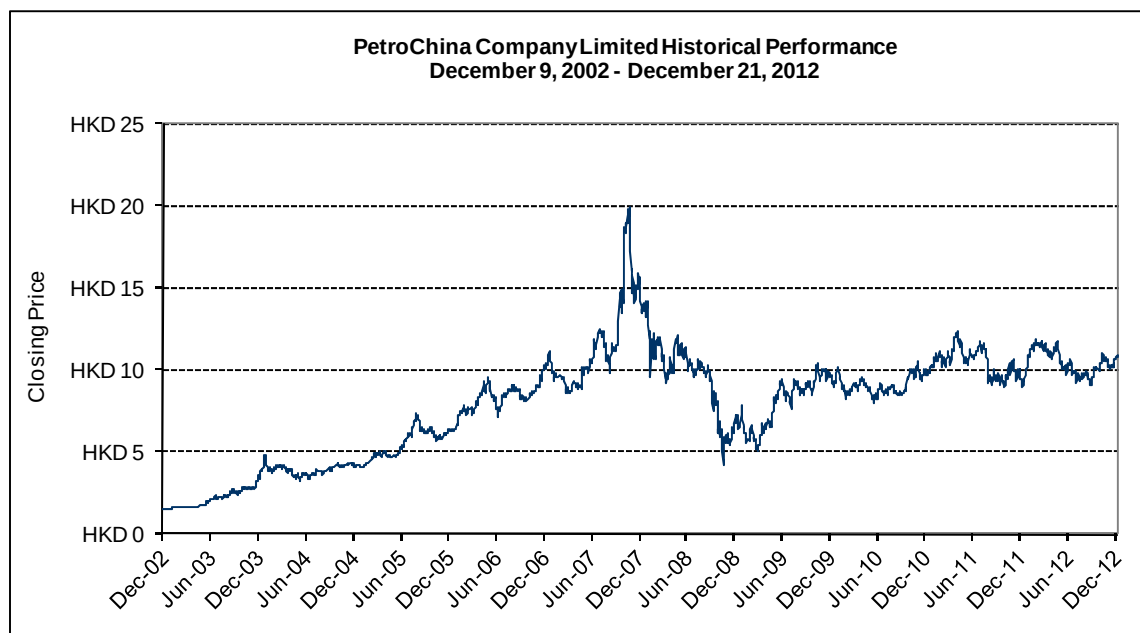
PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

PetroChina Company Limited

According to publicly available information filed with the SEC, PetroChina Company Limited (“**PetroChina**”) engages in a broad range of petroleum and natural gas related activities including the exploration, development, production and sale of crude oil and natural gas; the refining of crude oil and petroleum products, as well as the production and marketing of basic petrochemical products, derivative chemical products and other chemical products; the marketing and trading of refined oil products; and the transmission of natural gas, crude oil and refined oil products as well as the sale of natural gas.

Information filed by PetroChina with the SEC under the Exchange Act can be located by reference to its SEC file number: 1-15006, or its CIK Code: 0001108329.

Historical Information



Source: Bloomberg

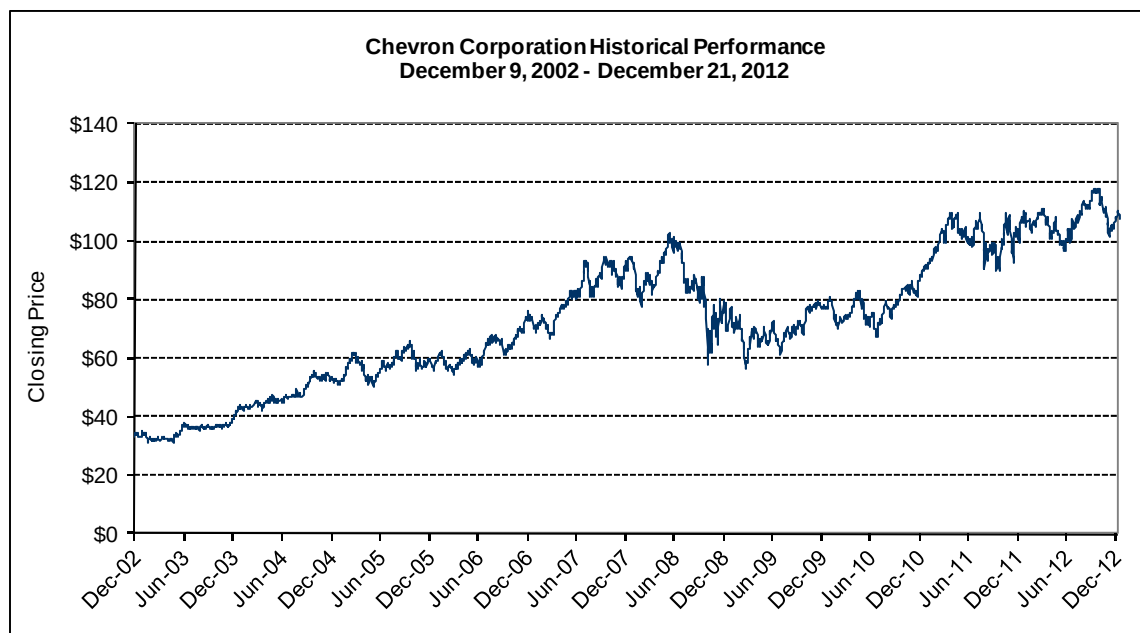
PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

Chevron Corporation

According to information filed with the SEC, Chevron Corporation (“**Chevron**”) provides administrative, financial, management and technology support to U.S. and international subsidiaries that engage in fully integrated petroleum operations, chemicals operations, mining operations, power generation and energy services. Upstream operations consist primarily of exploring for, developing and producing crude oil and natural gas; processing, liquefaction, transportation and regasification associated with liquefied natural gas; transporting crude oil by major international oil export pipelines; transporting, storage and marketing of natural gas; and a gas-to-liquids project. Downstream operations consist primarily of refining crude oil into petroleum products; marketing of crude oil and refined products; transporting crude oil and refined products by pipeline, marine vessel, motor equipment and rail car; and manufacturing and marketing of commodity petrochemicals, plastics for industrial uses and fuel and lubricant additives.

Information filed by Chevron with the SEC U under the Exchange Act can be located by reference to its SEC file number: 001-00368, or its CIK Code: 0000093410.

Historical Information



Source: Bloomberg

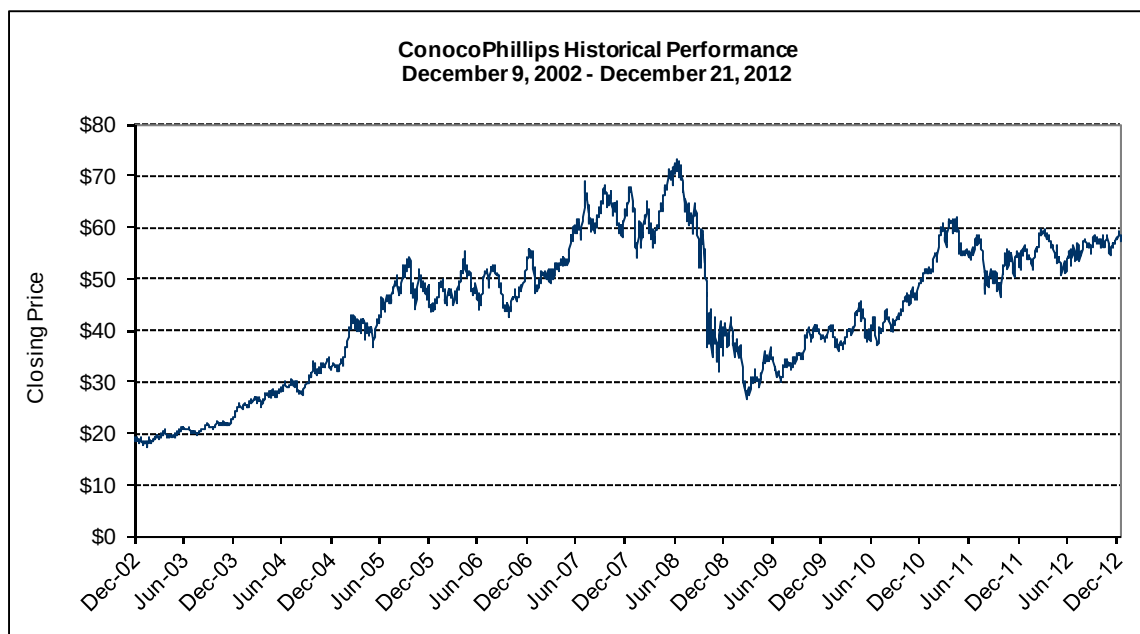
PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

ConocoPhillips

According to information filed with the SEC, ConocoPhillips (“**Conoco**”) is an international, integrated energy company that operates among six segments: Exploration and Production, Midstream, Refining and Marketing, Lukoil Investment, Chemicals, and Emerging Businesses.

Information filed by Conoco with the SEC under the Exchange Act can be located by reference to its SEC file number: 001-32395, or its CIK Code: 0001163165.

Historical Information



Source: Bloomberg

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

Disclaimer

This pricing supplement relates only to the Notes offered hereby and does not relate to the Reference Shares or other securities of the Reference Share Issuers. The Company has derived all disclosure contained in this pricing supplement regarding the Reference Share Issuers from the publicly available documents described in this section of the pricing supplement. Further, neither the Company nor the Dealer has had an opportunity to verify the accuracy or completeness of any information contained in such documents or to determine if there has been any omission by the Reference Share Issuers to disclose any facts, information or events which may have occurred prior to or subsequent to the date as of which any information contained in such documents has been furnished by the Reference Share Issuers or which may affect the significance or accuracy of any information contained in any such reports and documents and summarized herein. Neither the Company nor the Dealer has participated in the preparation of such documents or made any due diligence inquiry with respect to the Reference Share Issuers in connection with the Note offering. Neither the Company nor the Dealer makes any representation that such publicly available documents or any other publicly available information regarding the Reference Share Issuers are accurate or complete. Furthermore, neither the Company nor the Dealer can give any assurance that all events occurring prior to the date hereof (including events that would affect the accuracy or completeness of the publicly available documents described in this section) that would affect the trading price of the Reference Shares that comprise the Basket (and therefore the Initial Price, the Final Price, the Reference Share Return, the Basket Return and the Maturity Amount) have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning the Reference Share Issuers could affect the value received on any date with respect to the Notes and, therefore, the trading prices of the Notes.

The Reference Share Issuers are not affiliates of the Company and/or its affiliates. The Reference Share Issuers have not participated in the preparation of this pricing supplement, have no responsibility and have assumed no liability with respect to the accuracy or completeness of any information contained herein and have made no representation regarding the advisability of purchasing the Notes. The Notes are not sponsored, endorsed, sold or promoted by the Reference Share Issuers. The Reference Share Issuers are not responsible for and have not participated in the

determination of the timing, pricing or number of Notes to be issued. The Reference Share Issuers do not have any statutory liability with respect to the accuracy or completeness of any of the information contained in this pricing supplement and have no obligation or liability in connection with the administration, marketing or trading of the Notes. Investing in the Notes is not equivalent to investing in the Reference Shares comprising the Basket. The issuance of the Notes is not a financing for the benefit of the Reference Share Issuers or any insiders of the Reference Share Issuers.

SPECIFIC TERMS OF THE NOTES

The Notes are part of a series of debt securities entitled “Global Medium-Term Notes, Series A” (the “**medium-term notes**”) that the Company may issue under the indenture dated September 16, 2004 (the “**Indenture**”), between the Company and The Bank of New York Mellon, as trustee, from time to time. This pricing supplement summarizes specific financial and other terms that apply to the Notes. Terms that apply generally to all medium-term notes are described in “Description of Notes and Details of the Offering” in the Prospectus. The terms described in this pricing supplement supplement those described in the Prospectus and, if the terms described here are inconsistent with those described in the Prospectus, the terms described here are controlling.

In this section, references to “holders” mean those who own the Notes registered in their own names, on the books that we or the trustee maintain for this purpose, and not those who own beneficial interests in the Notes registered in street name or in the Notes issued in book-entry form through CDS. Owners of beneficial interests in the Notes should read “— Clearing and Settlement” below.

General

This offering consists of Notes at a price of \$100 each. The minimum subscription price for each purchaser is \$5,000 (50 Notes). The aggregate maximum offering is \$10,000,000 (100,000 Notes).

Periodic Principal Repayments

On each of January 6, 2014, January 5, 2015, January 4, 2016, and the Maturity Payment Date (provided that if any such date is not a Business Day, the applicable Periodic Principal Repayment will be postponed until the next Business Day) (each, a “**Repayment Date**”), Noteholders of record on the relevant Repayment Date will be entitled to be repaid \$1.00 of the original \$100 Principal Amount of Notes (each such payment a “**Periodic Principal Repayment**”).

Payment at Maturity

Noteholders of record on the Valuation Date will be entitled to receive on the Maturity Payment Date, in addition to the final Periodic Principal Repayment, a cash payment for each Note held of an amount (the “**Maturity Amount**”) equal to the Remaining Principal Amount plus a variable amount, which may be positive or negative (the “**Variable Return**”). The Variable Return will be calculated as follows:

If the Basket Return is greater than or equal to 31.00%, the Variable Return will be equal to (i) an amount equal to the sum of all the Periodic Principal Repayments made on or prior to the Maturity Payment Date *plus* (ii) the product of (a) \$100, (b) the Upside Leverage Factor of 2.00 and (c) the Maximum Basket Return of 31.00% *plus* (iii) an amount equal to \$100 *multiplied by* 0.10 *multiplied by* the greater of (a) the Basket Return *minus* 62.00% and (b) 0.

If the Basket Return is greater than or equal to 0%, but less than 31.00%, the Variable Return will be equal to (i) an amount equal to the sum of all the Periodic Principal Repayments made on or prior to the Maturity Payment Date *plus* (ii) the product of (a) \$100, (b) the Upside Leverage Factor of 2.00 *and* (c) the Basket Return.

If the Basket Return is less than 0%, the Variable Return will be equal to (i) an amount equal to the sum of all the Periodic Principal Repayments made on or prior to the Maturity Payment Date *plus* (ii) an amount (which will be negative) equal to the product of (a) \$100 and (b) the Basket Return.

The Notes do not guarantee any return of principal at maturity. At maturity you will lose some or all of your principal not previously distributed through Periodic Principal Repayments if the Basket Return (as defined below) is less than -4.00%. If the Basket Return is less than 0% your Notes will be fully exposed to the negative

performance of the Basket. See “Risk Factors” in this pricing supplement. There is no guarantee that the Basket Return will be greater than or equal to 0% on the Valuation Date. The Basket Return, as determined by the Calculation Agent on the Valuation Date, will be the equally weighted arithmetic average of the Reference Share Returns for each Reference Share.

For each Reference Share, the Reference Share Return will be determined by the Calculation Agent, measured from the Closing Price of the relevant Reference Share on the Issue Date to the Closing Price of such Reference Share on the Valuation Date.

The Reference Share Return for each Reference Share will be a number, expressed as a percentage, determined as follows:

$$\frac{\text{Final Price} - \text{Initial Price}}{\text{Initial Price}}$$

where:

- the Initial Price will be the Closing Price of a Reference Share on the Issue Date; and
- the Final Price will be the Closing Price of a Reference Share on the Valuation Date.

The return on the Notes will not reflect the total return that a Noteholder would receive if such Noteholder owned the Reference Shares. A Noteholder will not have, and the Notes will not represent, any direct or indirect ownership or other interest in the Reference Shares. Noteholders will not have any right to receive any distributions or dividends on the Reference Shares nor will Noteholders have the right to exercise any voting rights for the Reference Shares and will only have a right against the Company to be paid the Maturity Amount and the final Periodic Principal Repayment at maturity. The Maturity Amount will be a function of the return of the Basket, which will not take into consideration dividends or other distributions on the Reference Shares that comprise the Basket.

The Company will make available on the website www.barx-is.com certain information regarding the Notes, including (i) the daily secondary market price of the Dealer for the Notes (and any applicable Early Trading Charge), (ii) the Closing Prices of the Reference Shares and the performance of the Basket, in each case as determined by the Calculation Agent (with the exception of the daily secondary market price). These calculations, valuations and determinations are unofficial and are based on other publicly available information not produced or controlled by the Company or the Dealer. Notwithstanding any values posted on such website, the actual Maturity Amount will be determined by the Calculation Agent and the price at which the Notes may be sold prior to maturity may be significantly less than the daily secondary market price posted.

Payment of the Maturity Amount

Subject to certain exceptions, on the Maturity Payment Date, the Company will be required to make available to the Noteholders of record on the Valuation Date funds in an amount sufficient to pay the Maturity Amount. Subject to certain exceptions, the Maturity Payment Date will be the Maturity Date. The Valuation Date will be the third Business Day prior to the Maturity Date, provided that it may be postponed if there is a Market Disruption Event on such date, up to a maximum of five Business Days.

The Maturity Amount will be paid to Noteholders through CDS or its nominee to the Dealer as a CDS Participant (as defined below under “– Clearing and Settlement – About CDS”), and will then be credited by the Dealer to Noteholders in accordance with the register showing records of beneficial interests in a Global Note maintained by the Dealer. See “– Clearing and Settlement – CDS Procedures” below.

No Early Retraction by the Noteholders

The Notes are not retractable at the option of the Noteholders.

No Early Redemption by the Company

The Notes are not redeemable prior to maturity, except by the Company: (i) upon certain changes resulting in the Company becoming required to pay Additional Amounts (as defined in the Prospectus) (a “**Redemption for Tax**

Reasons”), see “Description of Notes and Details of the Offering – Redemption – Redemption for Tax Reasons” in the Prospectus; (ii) under a Reimbursement Under Special Circumstances, see “– Reimbursement Under Special Circumstances” below; or (iii) in connection with certain Reorganization Events or Additional Adjustment Events described under “– Reference Share Adjustments” below.

Reimbursement Under Special Circumstances

In the event of a Special Circumstance, all of the outstanding Notes may be redeemed, at the option of the Company (a “**Reimbursement Under Special Circumstances**”), upon 10 days’ prior notice furnished in writing by the Company to holders.

A “**Special Circumstance**” shall be deemed to have occurred where, in the opinion of the Company acting reasonably and in good faith, an amendment or a change is made, or is expected to be made, to a statute or regulation, to taxation practices, policies or administration, to the interpretation of a statute or regulation or taxation practice, or an event occurs, or is expected to occur, caused by circumstances beyond the control of the Company, making it, or operating to make it, illegal or disadvantageous, from a legislative or regulatory point-of-view, or disadvantageous, from a financial point-of-view, for the Company to allow the Notes to remain outstanding.

In the event of a Special Circumstance for which the Company determines to make a Reimbursement Under Special Circumstances, the Company, acting in good faith, will set a date for the reimbursement of the Notes (the “**Special Reimbursement Date**”). In such event, a holder of record on such date shall be entitled to receive from the Company an amount per Note equal to the value of a Note as established by the Calculation Agent acting in good faith in accordance with industry-accepted methods based on the relevant factors and the Company will appoint an Independent Calculation Expert to confirm the calculations of the Calculation Agent. See “Appointment of an Independent Calculation Expert” below.

The Company will make available to holders of Notes, no later than 4:15 p.m. (Eastern Time) on the fifth Business Day following the Special Reimbursement Date, the amount payable pursuant to such redemption.

The Company’s right to redeem the Notes in the event of a Special Circumstance is in addition to the Company’s right to redeem the Notes as described under “Description of Notes and Details of the Offering — Redemption — Redemption for Tax Reasons” in the Prospectus on not less than 35 nor more than 60 days notice.

Market Disruption Event

If the Calculation Agent determines that one or more Market Disruption Events (as defined below) has occurred and is continuing on the Issue Date or the date that but for that event would be the Valuation Date, then the applicable Closing Price will be determined on, and, in the case of a Market Disruption Event with respect to the Valuation Date, the Valuation Date will be postponed to, the immediately following Scheduled Trading Day (as defined below) on which there is no Market Disruption Event in effect in respect of the Reference Shares.

However, there will be a limit on the postponement of the Valuation Date. If on the fifth Scheduled Trading Day following the date originally scheduled as the Valuation Date, the Valuation Date has not occurred, then despite the occurrence of any Market Disruption Event on or after such fifth Scheduled Trading Day:

- (i) such fifth Scheduled Trading Day shall be the relevant Valuation Date, and
- (ii) where on that fifth Scheduled Trading Day a Market Disruption Event has occurred and is continuing with respect to a Reference Share, the Closing Price for the Valuation Date used for determining the Reference Share Return for that Reference Share will be determined by the Calculation Agent as at such Valuation Date as the mean of the bid prices for one share of that Reference Share for such date obtained from recognized dealers in that Reference Share (not exceeding three dealers) who make such bid prices available to the Calculation Agent. Bids of any affiliates of the Company may be included in the calculation of such mean, but only to the extent that any such bid is the highest of the bids obtained. If no bid prices are provided from any third party dealers for any such Reference Share, the Calculation Agent in its sole and absolute discretion (acting in good faith) will determine the Closing Price for that Reference Share that would have prevailed on that fifth Scheduled Trading Day in the absence of the Market Disruption

Event, taking into account all relevant market circumstances. In making such determination, the Calculation Agent may take into account any information that it deems relevant.

In the circumstances described in the paragraph above, if a Market Disruption Event occurs and is continuing, the Company will appoint an Independent Calculation Expert to confirm the calculations of the Calculation Agent in the event that no bid prices are provided from any third party dealers. See “Appointment of an Independent Calculation Expert” below.

Any of the following will be a “**Market Disruption Event**” with respect to one or more of the Reference Shares:

- (a) a suspension, absence or limitation of trading, as determined by the Calculation Agent in its sole discretion, in (1) the relevant Reference Share in its primary market, as determined by the Calculation Agent, or (2) futures or options contracts relating to the relevant Reference Share in the primary market for those contracts, as determined by the Calculation Agent, 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 such market;
- (b) any event that disrupts or impairs, as determined by the Calculation Agent in its sole discretion, the ability of market participants in general to (1) effect transactions in, or obtain market values for, the relevant Reference Share in its primary market, as determined by the Calculation Agent, or (2) effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Reference Share in the primary market for those contracts, as determined by the Calculation Agent, 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 such market;
- (c) the closure on any Scheduled Trading Day of the primary market for the relevant Reference Share, as determined by the Calculation Agent, 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 the 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 such primary market on such Scheduled Trading Day for such 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 such Scheduled Trading Day for such primary market;
- (d) any Scheduled Trading Day on which (1) the primary market for the relevant Reference Share, as determined by the Calculation Agent, or (2) the exchanges or quotation systems, if any, on which futures or options contracts relating to the relevant Reference Share are traded, fails to open for trading during its regular trading session; or
- (e) any other event, if the Calculation Agent determines in its sole discretion that such event interferes with the Company’s ability or the ability of any of its affiliates to effect or unwind all or a portion of a hedge with respect to the securities that the Company or its affiliates have effected or may effect as described below under “Use of Proceeds and Hedging” in this pricing supplement;

and, in any of these events, the Calculation Agent determines in its sole discretion, acting in good faith, that the event was material to the determination of the value of the Notes or the Company’s ability or the ability of any of its affiliates to effect or unwind all or a portion of a hedge described in paragraph (e) above.

For this purpose, an “absence of trading” in the primary market on which one or more of the Reference Shares is traded, or on which futures or options contracts related to the Reference Shares are traded, will not include any time when that market is itself closed for trading under ordinary circumstances.

In contrast, a suspension or limitation of trading in one or more of the Reference Shares or in futures or options contracts related to the relevant Reference Shares in their primary markets, 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 relevant Reference Shares or those futures and options contracts in the relevant markets.

“Scheduled Trading Day” means any day on which the primary market for the Reference Shares, as determined by the Calculation Agent, is scheduled to be open for trading for its regular trading session.

The following events will not be Market Disruption Events:

- a limitation on the hours or numbers of days of trading, 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 the futures or options contracts relating to the Reference Shares.

Reference Share Adjustments

Anti-dilution Adjustments

The Calculation Agent may adjust any variable or combination thereof described in this pricing supplement, including but not limited to any price (including but not limited to the relevant Initial Price, Final Price, Reference Share Return and the Basket Return), if an event described below occurs on or before the Valuation Date and the Calculation Agent determines that the event has a diluting or concentrative effect on the theoretical value of any of the Reference Shares.

The Calculation Agent will also determine the effective date of that adjustment. The Calculation Agent will make all determinations with respect to anti-dilution adjustments, including any determination as to whether an event requiring adjustment has occurred, as to the nature of the adjustment required and how it will be made.

The occurrence of the following events with respect to any Reference Share may require an anti-dilution adjustment, in each case, if that event becomes effective after the Issue Date and on or before the Valuation Date:

- (a) a subdivision, consolidation or reclassification of the shares (or other equity securities) of the relevant Reference Share 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;
- (b) a distribution or dividend to existing holders of the relevant Reference Share of:
 - shares,
 - other equity securities or securities granting the right to payment of dividends and/or proceeds of a liquidation of the Reference Share Issuer equally or proportionately with such payments to holders of the shares,
 - equity securities or other securities of another issuer acquired or owned (directly or indirectly) by the Reference Share Issuer 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;
- (c) the declaration by the relevant Reference Share Issuer of an Extraordinary Dividend or special dividend or other distribution whether in cash or shares or other assets;
- (d) a call by the relevant Reference Share Issuer in respect of shares that are not fully paid;
- (e) in respect of the relevant Reference Share Issuer, 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 relevant Reference Share Issuer 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 shall be readjusted upon any redemption of such rights;

- (f) a repurchase by the relevant Reference Share Issuer of its common shares (or other equity securities) whether out of profits or capital and whether the consideration for that repurchase is cash, securities or otherwise; or
- (g) any other similar event that the Calculation Agent determines in its sole discretion may have a diluting or concentrative effect on the theoretical value of the relevant Reference Share.

If an adjustment is required as a result of the event listed in paragraph (g) above, the Company will appoint an Independent Calculation Expert to confirm the calculations of the Calculation Agent. See “Appointment of an Independent Calculation Expert” below.

Stock Splits

A stock split is an increase in the number of a Reference Share Issuer’s outstanding shares without any change in its shareholders’ equity. Each outstanding share is worth less as a result of a stock split.

The relevant Initial Price and any other variable that the Calculation Agent determines is appropriate to account for the related dilutive or concentrative effect of a stock split with respect to any Reference Share will also be adjusted as described above.

Reverse Stock Splits

A reverse stock split is a decrease in the number of a Reference Share Issuer’s outstanding shares without any change in its stockholders’ equity. Each outstanding share is worth more as a result of a reverse stock split.

The relevant Initial Price and any other variable that the Calculation Agent determines is appropriate to account for the related dilutive or concentrative effect of a reverse stock split with respect to any Reference Share will also be adjusted as described above.

Extraordinary Dividends

A dividend or other distribution with respect to any Reference Share will be deemed to be an “**Extraordinary Dividend**” if, as determined by the Calculation Agent, it is (1) a payment by the relevant Reference Share Issuer to holders of the Reference Share that such issuer announces will be an extraordinary dividend; (2) a payment by the relevant Reference Share Issuer to holders of the Reference Share 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 Reference Share which is, by its terms or declared intent, declared and paid outside the normal operations or normal dividend procedures of the relevant Reference Share Issuer. The date of the occurrence of any Extraordinary Dividend is the first day on which the Reference Share trades 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. If an Extraordinary Dividend occurs after the Issue Date and on or before the Valuation Date and the Calculation Agent determines that such event has a diluting or concentrative effect on the theoretical value of the Basket or the Reference Shares, the Calculation Agent will adjust any variables it determines appropriate to account for that diluting or concentrative effect.

Reorganization Events

Each of the following is a “**Reorganization Event**” in respect of any Reference Share, provided that, in each case, the closing date of the event occurs on or before the Valuation Date:

- (a) any reclassification or change of the Reference Share that results in the transfer of or an irrevocable commitment to transfer all of the outstanding shares comprising the Reference Share to another person or entity;

- (b) the Reference Share has 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 relevant Reference Share Issuer is the surviving entity and which does not result in the reclassification or change of all of the outstanding shares of the Reference Share Issuer;
- (c) 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 of the relevant Reference Share Issuer (other than shares of the equity securities already 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
- (d) any consolidation, amalgamation, merger or binding share exchange of the relevant Reference Share Issuer or its subsidiaries with or into another entity in which the Reference Share Issuer is the continuing entity and which does not result in a reclassification or change of all such outstanding shares of the Reference Share Issuer but results in such 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 such outstanding shares immediately following that event.

Adjustments for Reorganization Events

If a Reorganization Event occurs with respect to one or more of the Reference Shares and the consideration for such Reference Share 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, the American Stock Exchange or the NASDAQ (or their respective successors) or other exchange that the Calculation Agent determines would provide a satisfactory trading market for such shares, then the relevant Reference Share will be adjusted to comprise the new number of shares to which a holder of one Reference Share immediately prior to the occurrence of the Reorganization Event would be entitled upon consummation of that Reorganization Event, and the Calculation Agent shall adjust any variable that the Calculation Agent determines appropriate to account for the Reorganization Event.

If the new shares offered as consideration for such Reference Share are not publicly quoted, traded or listed on any of the New York Stock Exchange, the American Stock Exchange, the NASDAQ (or their respective successors) or other exchange that the Calculation Agent determines would provide a satisfactory trading market for such shares, then the Calculation Agent shall accelerate the Maturity Date and the Maturity Payment Date to the day which is four Business Days after the Approval Date (as defined below) and the Calculation Agent shall calculate the amount payable on the Notes (inclusive of the value of the imbedded options) that would preserve for the Noteholders the economic equivalent of any remaining payment obligations with respect to the Notes hereunder. For purposes of calculating the Maturity Amount, the Final Price for such Reference Share will be determined by the Calculation Agent and will be deemed to be the value of all consideration received (or that would be received) in respect of that Reorganization Event and the Valuation Date will be deemed to occur on the Approval Date. The “**Approval Date**” shall mean the closing date with respect to each of the Reorganization Events described in paragraphs (a), (b) and (d) 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 Reorganization Event described in paragraph (c) above, as the case may be.

If a Reorganization Event occurs and the consideration for one or more of the Reference Shares consists (1) solely of cash and assets and other securities (other than new shares as discussed above), or (2) of new shares plus cash and assets, then the Calculation Agent shall accelerate the Maturity Date and the Maturity Payment Date to the day which is four Business Days after the Approval Date and the Calculation Agent shall calculate the amount payable on the Notes (inclusive of the value of the imbedded options) that would preserve for the Noteholder the economic equivalent of any remaining payment obligations with respect to the Notes hereunder. For purposes of calculating the Maturity Amount, the Final Price for such Reference Share, the Reference Share Return for such Reference Share and the Basket Return will be determined by the Calculation Agent and will be deemed to be the value of all consideration received (or that would be received) in respect of that Reorganization Event and the Valuation Date will be deemed to be the Approval Date.

The amount payable on an acceleration of the Maturity Payment Date as described above, or as a consequence of an Additional Adjustment Event as described below, is referred to herein as the “**Accelerated Maturity Amount**”.

If a Reorganization Event requiring adjustment occurs, the Calculation Agent will make any adjustments with a view to offsetting, to the extent practical, any change in the Noteholders' economic position relative to the Notes, that results solely from that event. The Calculation Agent may modify any adjustments as necessary to ensure an equitable result.

Additional Adjustment Events

Each of the following is an “**Additional Adjustment Event**” in respect of one or more of the Reference Shares, provided that, in each case, the event occurs on or before the Valuation Date:

- (a) all the assets or substantially all the assets of the relevant Reference Share Issuer are nationalized, expropriated or are otherwise required to be transferred to any governmental agency, authority or entity;
- (b) by reason of the voluntary or involuntary liquidation, bankruptcy or insolvency of, or any analogous proceeding, involving the relevant Reference Share Issuer (1) all of the shares of the relevant Reference Share Issuer are required to be transferred to a trustee, liquidator or other similar official or (2) holders of the shares of the relevant Reference Share Issuer become legally prohibited from transferring those shares; and
- (c) the primary exchange, as determined by the Calculation Agent, on which the shares of the relevant Reference Share 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, the American Stock Exchange or the NASDAQ (or their respective successors) or other exchange that the Calculation Agent determines would provide a satisfactory trading market for the Relevant Reference Shares.

If an Additional Adjustment Event relating to one or more of the Reference Shares occurs on or before the Valuation Date, the Calculation Agent may accelerate the Maturity Date and the Maturity Payment Date to the day which is four Business Days after the Announcement Date (as defined below). In the event of such an acceleration, on the Maturity Payment Date so accelerated, the Company shall pay the Accelerated Maturity Amount payable in respect of the Notes. For purposes of calculating the Accelerated Maturity Amount payable at maturity, the Final Price for such Reference Share, the Reference Share Return for such Reference Share and the Basket Return will be determined by the Calculation Agent and the Valuation Date will be deemed to be the Business Day immediately prior to the Announcement Date. The “**Announcement Date**” means (1) in the case of the Additional Adjustment Event described in paragraph (a) above, the day of the first public announcement by the relevant government authority that all or substantially all of the assets of the relevant Reference Share Issuer are to be nationalized, expropriated or otherwise transferred to any governmental agency, authority or entity, (2) in the case of the Additional Adjustment Event described in paragraph (b) above, the day of the first public announcement of the institution of a proceeding or presentation of a petition or passing of a resolution (or other analogous procedure in any jurisdiction) that leads to an insolvency with respect to the relevant Reference Share Issuer, or (3) in the case of the Additional Adjustment Event described in paragraph (c) above, the day of the first public announcement by the relevant exchange that the relevant Reference Shares will cease to trade or be publicly quoted on that exchange. The Calculation Agent shall then calculate the Accelerated Maturity Amount payable on the Notes (inclusive of the value of the imbedded options) that would preserve for the Noteholder the economic equivalent of any remaining payment obligations with respect to the Notes hereunder.

In the case where an Additional Adjustment Event relating to one or more of the Reference Shares occurs on or before the Valuation Date and the Calculation Agent does not accelerate the Maturity Date, the Calculation Agent may adjust any variable the Calculation Agent determines appropriate to account for that Additional Adjustment Event.

Certain Adjustment Mechanics

If more than one event requiring adjustment (a “**Reference Share Adjustment**”) occurs as described above under the heading “Reference Share Adjustments”, the Calculation Agent will make such an adjustment for each event, so long as the Notes remain outstanding, in the order in which the events occur, and on a cumulative basis. Thus, 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 the required adjustments cumulatively.

For any adjustment described above, the Calculation Agent is not required to adjust any variable unless the adjustment would result in a change of at least 0.1% of the unadjusted amount. The values of variables resulting from any adjustment will be rounded up or down, as appropriate, in the case of any price, the nearest cent, and in the case of any percentages, the nearest hundredth of a percent, with one half cent and five hundredth of a percent being rounded upward.

Upon making any such adjustment(s) described under this section, the Calculation Agent will provide written notice to CDS as registered holder of the Global Note, stating the adjustment(s) made.

Clearing and Settlement

Book-Entry Only Securities

Upon issuance, the Notes will be issued in book-entry form and will be represented by a fully registered global security (“**Book-Entry Securities**”) evidenced by a global medium-term note. Each Book-Entry Security will be held by, or on behalf of, CDS or such other entity designated in writing by the Company to act as depository. The Book-Entry Securities will be registered in the name of CDS or its nominee. Except as described below under “—Exchange for Securities in Certificated Form”, no Book-Entry Security may be transferred except as a whole by the depository to a nominee of the depository or by a nominee of the depository to the depository, or another nominee of the depository, or by the depository or any such nominee to a successor of the depository, or a nominee of the successor.

Ownership of the Notes will be constituted through beneficial interests in the Book-Entry Securities, and will be represented through book-entry accounts of institutions, as direct and indirect participants of the depository, acting on behalf of the beneficial owners of such securities. Each purchaser of a Note represented by a Book-Entry Security will receive a customer confirmation of purchase from the investment dealer from whom the Note is purchased in accordance with practices and procedures of such investment dealer.

CDS Procedures

The following is based on information provided by CDS:

Upon the issuance by the Company of Book-Entry Securities represented by a certificate in global form (a “**Global Security**” or a “**Global Note**”), the depository will credit, on its book-entry registration and transfer system, the respective principal amounts of the Book-Entry Securities represented by such Global Security to the accounts of its participants. The accounts to be credited shall be designated by the Dealer. Ownership of beneficial interests in a Global Security will be limited to participants or persons that hold interests through participants. Ownership of beneficial interests in Book-Entry Securities represented by a Global Security or Global Securities will be shown on, and the transfer of that ownership will be effected only through, records maintained by the depository (with respect to interests of participants in the depository), or by participants in the depository or persons that may hold interests through such participants (with respect to persons other than participants in the depository).

So long as the depository for a Global Security, or its nominee, is the registered owner of the Global Security, the depository or its nominee, as the case may be, will be considered the sole owner or holder of the Book-Entry Securities represented by such Global Security. Except as provided below, owners of beneficial interests in Book-Entry Securities represented by such Global Security or Global Securities will not be entitled to have Book-Entry Securities represented by such Global Security registered in their names, will not receive or be entitled to receive physical delivery of Book-Entry Securities in definitive form and will not be considered the registered owners or holders thereof.

Accordingly, each person owning a beneficial interest in a Global Security must rely on the procedures of the depository and, if such person is not a participant, on the procedures of the participant through which such person owns its interest, to exercise any rights of a holder under a Global Security. The Company understands that under existing policies of the depository and industry practices, if the Company requests any action of holders or if an owner of a beneficial interest in such a Global Security desires to give any notice or take any action which a holder is entitled to give or take under a Global Security, the depository would authorize the participants holding the relevant beneficial interests to give such notice or take such action. Any beneficial owner that is not a participant must rely on the contractual arrangements it has directly, or indirectly through its financial intermediary, with a participant to give such notice or take such action.

Payments of interest or principal on the Book-Entry Securities represented by a Global Security registered in the name of the depository or its nominee will be made by the Company (or a paying agent, if specified by the Company) to the depository or its nominee, as the case may be, as the registered owner of a Global Security. None of the Company, the paying agent (if any) or any other agent of the Company will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests of a Global Security or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. Except in the circumstance described in the following paragraph, the Company expects that the depository or its nominee, upon receipt of any payment of interest or principal on a Global Security will immediately credit the accounts of the related participants with payment in amounts proportionate to their respective holdings in principal amount of beneficial interests in such Global Security as shown on the records of the depository. The Company also expects that payments by participants to owners of beneficial interests in a Global Security will be governed by standing customer instructions and customary practices as is now the case with securities held for the accounts of customers in bearer form or registered in “street name” and will be the responsibility of such participants.

Exchange for Securities in Certificated Form

If an event of default has occurred or if the depository is at any time unwilling or unable to continue as depository for the Notes and a successor depository is not appointed by the Company within 60 days, the Company will issue certificated Notes in exchange for all outstanding Global Securities. In addition, the Company may at any time determine not to have Book-Entry Securities represented by Global Securities and, in such event, will issue certificated Notes in exchange for all Global Securities. In either instance, an owner of a beneficial interest in a Global Security will be entitled to have certificated Notes equal in principal amount to such beneficial interest registered in its name and will be entitled to physical delivery of such certificated Notes. Such certificated Notes shall be registered in such name or names as the depository shall instruct the Company or its paying agent. It is expected that such instructions may be based upon directions received by the depository from participants with respect to beneficial interests in such Global Securities. Certificated Notes so issued will be issued in such denominations as the Company may determine from time to time and will be issued in registered form only. No service charge will be made for any transfer or exchange of such certificated Notes, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

About CDS

CDS is Canada’s national securities clearing and depository services organization and provides a variety of computer-automated services for financial institutions and investment dealers active in domestic and international capital markets. CDS participants (“**CDS Participants**”) include banks, investment dealers (including the Dealer) and trust companies. Indirect access to CDS is available to other organizations that clear through or maintain a custodial relationship with a CDS Participant. Transfers of ownership and other interests, including cash distributions, in Notes in CDS may only be processed through CDS Participants and will be completed in accordance with existing CDS rules and procedures. CDS operates in Montreal, Toronto, Calgary, Vancouver and Halifax to centralize securities clearing functions through a central securities depository.

CDS is owned one-third by investment dealers, one-third by banks and one-third by trust companies through their respective industry associations.

CALCULATION AGENT

Initially, the Company will serve as the Calculation Agent. The Company may replace the Calculation Agent after the Issue Date without notice. Ordinarily, the Calculation Agent will be solely responsible for making all calculations, valuations and determinations regarding the value of the Notes and any payment in connection with the Notes, including Basket Return, Reference Share Return, Closing Price of the Reference Shares, Initial Price, Final Price, Maturity Amount, Accelerated Maturity Amount, Default Amount, Business Days, Final Valuation Date, Maturity Date, Maturity Payment Date, the information made available on the website www.barx-is.com in connection with the Notes (other than the daily secondary market price of the Notes) and any other calculation, valuation or determination with respect to any payment in connection with the Notes (other than the daily secondary market price), as well as for determining whether a Market Disruption Event has occurred or a Reference Share Adjustment is required, and for making certain other calculations, valuations and determinations with regard to the Notes, the Basket and the Reference Shares comprising the Basket. Absent manifest error, all calculations, valuations and determinations of the Calculation Agent will be final and binding on the holder of a Global Note, the

Noteholders and the Company, without any liability on the part of the Calculation Agent. Since initially the Company and the Calculation Agent are the same person, the Calculation Agent may have economic interests adverse to those of the Noteholders, including with respect to certain calculations, valuations and determinations that the Calculation Agent must make in determining Basket Return, Reference Share Return, Closing Price of the Reference Shares, Initial Price, Final Price, Maturity Amount, Accelerated Maturity Amount, Default Amount, Business Days, Valuation Date, Repayment Dates, Maturity Date, Maturity Payment Date and in making certain other calculations, valuations or determinations with regard to the value of the Notes, the Basket and the Reference Shares comprising the Basket. The Calculation Agent will carry out its duties in good faith and using its commercially reasonable judgment. Neither the holder of a Global Note nor the Noteholders will be entitled to any compensation from the Company or any other party for any loss suffered as a result of any of the above calculations, valuations and determinations by the Calculation Agent.

In the circumstances described under “Appointment of an Independent Calculation Expert”, a calculation, valuation and determination to be made by the Calculation Agent in respect of the Notes will be subject to confirmation by an Independent Calculation Expert.

APPOINTMENT OF AN INDEPENDENT CALCULATION EXPERT

If a calculation, valuation or determination is to be made by the Calculation Agent in respect of the Notes in the circumstances listed below, the Company will appoint an independent calculation expert (“**Independent Calculation Expert**”) to confirm such calculation, valuation or determination. The Independent Calculation Expert will be a person that is both “independent” of the Company and a market participant or financial institution that is familiar with the Reference Shares comprising the Basket. For the purposes of this section, “independent” means a person that is not the Company or an affiliate of the Company or an “insider”, “associate” or “affiliate” thereof (as such terms are defined in the *Securities Act* (Ontario), as the same may be amended from time to time). The Independent Calculation Expert will act as an independent expert and will not assume any obligation or duty to, or any relationship of agency or trust for or with, the Noteholders or the Company.

Noteholders will be entitled to rely on the conclusions of such Independent Calculation Expert, which will (except in the case of manifest error and subject to the next paragraph) be final and binding on the Company, the Calculation Agent, the holder of a Global Note and Noteholders. The Independent Calculation Expert will not be responsible for good faith errors or omissions. The Independent Calculation Expert may, with the consent of the Company, delegate any of its obligations and functions to a third party as it deems appropriate, but acting honestly and reasonably at all times.

If the Independent Calculation Expert disagrees with the reasonableness of the discretionary aspects of the Calculation Agent’s calculation, valuation or determination, the Company will appoint two additional Independent Calculation Experts. The three Independent Calculation Experts appointed by the Company will each repeat the valuation, calculation or determination having regard to the basis, factors and considerations properly applicable to the initial valuation, calculation or determination by the Calculation Agent, and the average of such valuation, calculation or determination by each Independent Calculation Expert will be definitive and binding on the Company, the Calculation Agent, the holder of a Global Note and the Noteholders.

The Company will appoint an Independent Calculation Expert to confirm a calculation, valuation or determination made by the Calculation Agent if in connection with a Reimbursement Under Special Circumstances, the circumstances described under “Specific Terms of the Notes - Market Disruption Event”, an event described under paragraph (g) under “Reference Share Adjustments – Anti-dilution Adjustments” or a calculation, valuation or determination contemplated to be made by the Company or the Calculation Agent involves the application of material discretion or is not based on information or calculation methodologies compiled or utilized by, or derived from, independent third party sources.

USE OF PROCEEDS AND HEDGING

We will use the net proceeds we receive from the sale of the Notes for the purposes we describe in the Prospectus under “Use of Proceeds”. We or our affiliates may also use those proceeds in transactions intended to hedge our obligations under the Notes as described below.

On or prior to the sale of the Notes, we or our affiliates expect, but shall not be obligated, to enter into hedging transactions involving purchases of the Reference Shares and/or instruments linked to the Reference Shares, as applicable, prior to or on the Valuation Date. In addition, from time to time after we issue the Notes, 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 exchange-traded or over-the-counter options, futures, or other instruments linked to the Reference Shares;
- acquire or dispose of long or short positions in any other instruments we may wish to use in connection with such hedging;
- 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 Shares; or
- any combination of the above.

We or our affiliates may acquire a long or short position in securities similar to the Notes 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 the Valuation Date. That step may involve sales or purchases of the Reference Shares, or exchange-traded or over-the-counter options, futures or other instruments linked to the Reference Shares.

Although we do not believe these activities will have a material impact on the value of these instruments, the hedging activity discussed above may adversely affect the market value of the Notes from time to time. See “Risk Factors” in this pricing supplement and the Prospectus for a discussion of these adverse effects.

CERTAIN UNITED KINGDOM TAX CONSIDERATIONS

The following paragraphs summarize certain United Kingdom withholding and other tax considerations with respect to the acquisition, ownership and disposition of Notes described in this Pricing Supplement by persons who are the absolute beneficial owners of their Notes and who (a) are not resident in the United Kingdom for tax purposes, (b) do not hold Notes in connection with any trade or business carried on in the United Kingdom through any branch, agency or permanent establishment in the United Kingdom (in this section, a “Noteholder”), and (c) are not persons connected with the Company. It is based upon the opinion of Clifford Chance LLP, the Company’s English law solicitors. The summary is based on United Kingdom law and HM Revenue & Customs practice at the date hereof. Such laws and practice are subject to change at any time, possibly with retrospective effect.

This summary is not comprehensive and does not deal with the position of United Kingdom resident persons or with that of persons who are resident outside the United Kingdom who carry on a trade, profession or vocation in the United Kingdom through a branch, agency or permanent establishment in the United Kingdom through or for the purposes of which their Notes are used or held. Additionally the summary may not apply to certain classes of persons, such as dealers in securities.

Noteholders should consult their own tax advisors concerning the consequences of acquiring, owning and disposing of Notes in their particular circumstances.

Payments of Amounts on the Notes – Withholding Tax

If, on the Maturity Payment Date the Maturity Amount is greater than the Issue Price of the Notes (and accordingly the Notes fall to be redeemed at a premium to their Issue Price), such element of premium may constitute a payment of interest for United Kingdom withholding tax purposes. In addition, it is possible that some or all of the Periodic Principal Repayments may constitute payments of interest for United Kingdom withholding tax purposes. In such circumstances, any payment on the Notes which is, or is treated as, interest may be made without withholding or deduction for or on account of United Kingdom income tax so long as the Company is a “bank” for the purposes of section 878 of the Income Tax Act 2007 (“ITA”) and so long as such payment is made by the Company in the ordinary course of its business. In accordance with the published practice of HM Revenue & Customs, such payment

will be accepted as being made by the Company in the ordinary course of its business unless either: (i) the borrowing in question conforms to any of the definitions of tier 1, 2 or 3 capital adopted by the Financial Services Authority whether or not it actually counts towards tier 1, 2 or 3 capital for regulatory purposes; or (ii) the characteristics of the transaction giving rise to the interest are primarily attributable to an intention to avoid United Kingdom tax. The Company is currently a “bank” for the purposes of Section 991 of the ITA and considers, in accordance with the published guidance of HM Revenue & Customs, that payments made by it respect of the Notes will be made in the ordinary course of the Company’s business.

If any payment on the Notes (including part of the Maturity Amount) is, or is treated as, interest for United Kingdom withholding tax purposes, the payment of that part of the Maturity Amount which is treated as interest may also be made without withholding or deduction for or on account of United Kingdom income tax so long as the Company is authorised 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 payment is made by the Company in the ordinary course of its business. The Company is currently authorised for the purposes of the FSMA.

If any payment on the Notes (including part of the Maturity Amount) is, or is treated as, interest for United Kingdom withholding tax purposes (and did not qualify for one of the exemptions above), the payment of that part of the Maturity Amount which is treated as interest may fall to be paid under deduction of United Kingdom income tax at the basic rate (currently 20%) subject to such relief as may be available following a direction from HM Revenue & Customs pursuant to the provisions of an applicable double taxation treaty or to any other exemption which may apply.

Payments of Amounts on the Notes – Direct Assessment

Payments made in respect of the Notes may be subject to United Kingdom tax by direct assessment even where such payments are paid without withholding. However, as regards a Noteholder who is not resident in the United Kingdom for United Kingdom tax purposes, payments made in respect of the Notes without withholding should not be liable to United Kingdom tax provided that the relevant Noteholder does not (in the case of an individual) have a “U.K. representative”, within the meaning of the ITA, through whom the Noteholder carries on a trade, profession or vocation in the United Kingdom and to which the interest is attributable or (in the case of a company) carry on a trade in the United Kingdom.

Provision of Information

Noteholders should note that the Company or any persons in the United Kingdom paying amounts on the Note which constitute interest or receiving interest on behalf of another person may be required to provide certain information to HM Revenue & Customs regarding the identity of the payee or person entitled to the interest and, in certain circumstances, such information may be passed to the tax authorities in other countries. HMRC also has power, in certain circumstances, to obtain information from any person in the United Kingdom who pays amounts payable on the redemption of Notes which are deeply discounted securities within the meaning of the Income Tax (Trading and Other Income) Act 2005 to or receives such amounts for the benefit of another person, although the Company understands that HMRC have indicated that they will not exercise the power referred to above to require this information in respect of amounts payable on the redemption of deeply discounted securities where amounts are paid on or before 5 April 2013.

In addition on June 3, 2003 the Council adopted EC Council Directive 2003/48/EC (the “**Directive**”). Under the Directive each Member State of the European Union is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other Member State; however, for a transitional period, Austria and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at a rate of 35%. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

A number of non-EU countries, and certain dependent or associated territories of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information

or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above. Investors who are in any doubt as to their position should consult their professional advisers.

Disposal (including Redemption), Accruals and Changes in Value

A Noteholder who is neither resident nor (in the case of an individual) ordinarily resident in the United Kingdom will not be liable to United Kingdom taxation on chargeable gains (or in the case of a company, corporation tax under the loan relationship within Part 5 of the Corporation Tax Act 2009) in respect of a disposal (including redemption) of a Note, any gain accrued in respect of a Note or any change in the value of a Note unless the Noteholder carries on a trade, profession or vocation in the United Kingdom through a branch or agency or, in the case of a company, carries on a trade in the United Kingdom through a permanent establishment and the Note was used in 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.

Inheritance Tax

A Noteholder who is an individual domiciled outside the United Kingdom may be liable to United Kingdom inheritance tax in respect of his holding of Notes where the Notes are situate in the United Kingdom. Noteholders should note that “domicile” has an extended meaning in respect of inheritance tax so that a person who has been resident for tax purposes in the United Kingdom for 17 out of a period of 20 years ending with the current year will be regarded as domiciled in the United Kingdom.

Stamp Duty and Stamp Duty Reserve Tax

Creation, Issue and Redemption of Notes

No liability to United Kingdom stamp duty or stamp duty reserve tax will arise for a Noteholder on the creation, issue or redemption of Notes.

Transfers of Notes

No liability to United Kingdom stamp duty will arise for a Noteholder on a transfer of, or an agreement to transfer, full legal and beneficial ownership of any Notes provided that such transfer or agreement to transfer is effected by electronic means, without executing any documentary transfer of, or agreement to transfer, such Note. If a documentary transfer of any Note, or documentary agreement to transfer any interest in any Note where such interest falls short of full legal and beneficial ownership, is executed then provided that such document is executed and retained outside the United Kingdom at all times no stamp duty should, in practice, need to be paid on such document. In the event that such documentary transfer, or documentary agreement to transfer, is executed in or brought into the United Kingdom for any purpose then stamp duty may be payable (at the rate of 0.5% of the consideration, rounded up if necessary to the nearest multiple of £5). Interest may also be payable on the amount of such stamp duty, unless the document is duly stamped within 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 30 days after the day on which it was executed or, if the instrument was executed outside the United Kingdom, within 30 days of it first being brought into the United Kingdom. However, no stamp duty will be payable on any such documentary transfer, or documentary 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.

So long as the Notes are held in a clearing system that has not made an election under Section 97A Finance Act 1986 that is applicable to the Notes, no liability for United Kingdom stamp duty reserve tax will arise on a transfer of, or agreement to transfer, full legal and beneficial ownership of any Notes.

The above opinions on stamp duty and stamp duty reserve tax assume that any transfer of, or agreement to transfer, a Noteholder's rights in respect of Notes held in a clearing system does not amount to the transfer of, or an agreement to transfer either:

- (a) an interest in such Notes; or
- (b) rights against the clearing system;

in each case falling short of full ownership of the relevant Notes. Whilst this point is not entirely free from doubt, we are not aware of HM Revenue & Customs seeking to charge stamp duty or stamp duty reserve tax on the basis that the legal position is as set out in (a) or (b) immediately above.

HMRC announcement

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 1 October 2009. In summary, it stated that the 1.5% charge to stamp duty reserve tax on the issue of shares to a clearance service is incompatible with the EC Capital Duty Directive. On 27 April 2012, following a decision of the First-Tier Tribunal (Tax Chamber) in *HSBC Holdings PLC and The Bank of New York Mellon Corporation v HMRC [2012] UKFTT 163 (TC)*, HMRC announced that it will no longer seek to charge the 1.5% SDRT charge on the issue of UK shares and securities to clearance services anywhere in the world. In *HSBC Holdings*, the CJEU made no express comment with respect to the compatibility with EC law of the 1.5% 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. HMRC have also stated in an earlier press release in relation to the decision in *HSBC Holdings* that they are considering further changes to the stamp duty reserve tax regime and any such changes may affect any aspects of the stamp duty and stamp duty reserve tax regimes but the 1.5% charges to stamp duty and stamp duty reserve tax referred to in this opinion would seem particularly likely to be affected.

CERTAIN CANADIAN TAX CONSIDERATIONS

In the opinion of Blake, Cassels & Graydon LLP, Canadian counsel to the Company, the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to the acquisition, holding and disposition of Notes by a Noteholder who acquires such Notes pursuant to this offering. This summary is applicable to a Noteholder who is an individual (other than a trust) and who, for the purposes of the Tax Act, is a resident of Canada, deals at arm's length with and is not affiliated with the Company and holds the Notes as capital property. Generally, Notes will be considered to be capital property to a Noteholder provided that the Noteholder does not hold the Notes in the course of carrying on a business and that the Notes are acquired by the Noteholder without the intention or secondary intention of selling them prior to the Maturity Date. The Notes are not "Canadian securities" for the purpose of the one-time election under subsection 39(4) of the Tax Act to treat all "Canadian securities", as defined in the Tax Act, owned by the holder as capital property, and therefore no such election will apply to the Notes.

This summary is based on the current provisions of the Tax Act and the regulations thereunder, the current published administrative policies and assessing practices of the CRA, and all specific proposals to amend the Tax Act and regulations thereunder publicly announced by the Minister of Finance (Canada) prior to the date hereof (such proposals referred to as the "Tax Proposals"). This summary does not otherwise take into account or anticipate any changes in law or the CRA's administrative policies or assessing practices, whether by legislative, governmental, administrative or judicial action, nor does it take into account provincial, territorial or foreign income tax legislation or considerations.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Notes. Accordingly, this summary is of a general nature only and is not intended to be legal or tax advice to any Noteholder. Noteholders are urged to consult their own tax advisors for advice with respect to the potential income tax consequences to them of an investment in Notes, having regard to their particular circumstances and the uncertainties with respect to the operation of the Tax Act as noted below.

Periodic Principal Repayments

Periodic Principal Repayments received in respect of the Notes should not be included in the Noteholder's income when received but rather, should reduce the Noteholder's adjusted cost base of the Notes.

Payment at Maturity or as a consequence of a Reorganization Event, Additional Adjustment Event, Special Circumstance or Redemption for Tax Reasons

In certain circumstances, provisions of the Tax Act can deem interest to accrue on "prescribed debt obligations" (as defined for purposes of the Tax Act) such as the Notes. Based in part on an understanding of the CRA's administrative practice, a holder who holds the Notes to maturity (or earlier redemption as a consequence of a Reorganization Event, an Additional Adjustment Event, a Special Circumstance or a Redemption for Tax Reasons) should not be subject to deemed accrual of interest on the Notes under these provisions prior to the taxation year in which the Maturity Amount, Accelerated Maturity Amount, Reimbursement Under Special Circumstances or amount payable on a Redemption for Tax Reasons becomes calculable. The CRA is reviewing whether the existence of a secondary market for "prescribed debt obligations" such as the Notes should be taken into consideration in determining whether interest is deemed to accrue on such obligations. This review could result in changes to the existing published administrative position of the CRA and the tax consequences to a Noteholder as described herein.

In the event that a Noteholder holds a Note to maturity, the amount of the excess, if any, of the Maturity Amount over the Remaining Principal Amount of the Note that is payable to a Noteholder will be included in the Noteholder's income as follows: (a) based on an understanding of the CRA's administrative practice, a Noteholder will be required to include in income for the taxation year in which the Maturity Amount becomes calculable, the portion of such excess which accrued on the Notes from the date of purchase to the end of the day immediately preceding the day in such year that falls on the same calendar day as the Issue Date, except to the extent that all or a portion of such amount has already been included in the Noteholder's income for that or a preceding year; and (b) the portion of such excess which has not already been included in the Noteholder's income for a preceding year (including as described in (a) above) will be included in the Noteholder's income for the taxation year in which the Maturity Payment Date occurs. If the Accelerated Maturity Amount is paid as a consequence of a Reorganization Event or Additional Adjustment Event, the Reimbursement Under Special Circumstances is paid or the Notes are repaid on a Redemption for Tax Reasons, the excess, if any, of such payment over the Remaining Principal Amount of a Note that is payable to a Noteholder will generally be included in the Noteholder's income for the taxation year in which such payment becomes calculable except to the extent that all or a portion of such amount has already been included in the Noteholder's income for that or a preceding year. On a disposition of a Note resulting from the payment by the Company on the Maturity Payment Date or earlier as a consequence of a Reorganization Event, Additional Adjustment Event, Special Circumstance or Redemption for Tax Reasons, a Noteholder will realize a capital loss if and to the extent that the Maturity Amount, Accelerated Maturity Amount, Reimbursement Under Special Circumstances or amount paid on such Redemption for Tax Reasons, as the case may be, received at such time is less than the Noteholder's adjusted cost base of the Note (which generally should be equal to the cost of the Note to the Noteholder less the total amount of the Periodic Principal Repayments previously received by the Noteholder).

Disposition of Notes other than to the Company

The CRA has not expressed an opinion on whether amounts received by a Noteholder on a sale or other disposition of a Note prior to the Maturity Date would be considered to be on capital account or income account. However, if a Note is held as capital property as assumed above, on the disposition or deemed disposition of the Note, other than a disposition resulting from a payment by or on behalf of the Company, at any time prior to the date on which the Maturity Amount, Final Payment Amount, Reimbursement Under Special Circumstances or amount payable on a Redemption for Tax Reasons, as the case may be, becomes calculable, while the matter is not free from doubt, there should be no deemed accrual of interest on the Note to the date of such disposition or deemed disposition and the disposing Noteholder should realize a capital gain (or a capital loss) to the extent that the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the Noteholder's adjusted cost base of the Note (which generally should be equal to the cost of the Note to the Noteholder less the total amount of the Periodic Principal Repayments previously received by the Noteholder). There can be no assurance that any change or qualification in the CRA's existing administrative position concerning the accrual of interest on prescribed debt obligations such as the Notes will not affect the CRA's treatment of any amount received on the disposition of a Note prior to the date upon which the Maturity Amount, Final Payment Amount, Reimbursement Under Special Circumstances or amount payable on a Redemption for Tax Reasons, as the case may be, becomes calculable.

Noteholders who dispose of a Note prior to the Maturity Date, particularly those who dispose of a Note shortly prior to the Maturity Date, should consult their own tax advisors with respect to their particular circumstances.

Treatment of Capital Gains and Capital Losses

One-half of any capital gain (a “taxable capital gain”) realized on a disposition of a Note will be included in the Noteholder’s income and one-half of any capital loss (an “allowable capital loss”) realized on a disposition of a Note may be deducted from taxable capital gains in accordance with the provisions of the Tax Act.

Capital gains realized by an individual may give rise to alternative minimum tax under the Tax Act.

Foreign Property Reporting

A Noteholder is generally required to report to the CRA holdings of “specified foreign property”, as defined in the Tax Act, where the total cost of all such properties exceeds \$100,000. A Note is a “specified foreign property”. On March 4, 2010, the Minister of Finance (Canada) announced proposals to expand existing requirements with respect to “specified foreign property” to require more detailed information. As of the date hereof, no detailed legislative proposals or revised administrative policies with respect to such expanded reporting requirements have been made public.

ELIGIBILITY FOR INVESTMENT

In the opinion of Blake, Cassels & Graydon LLP, Canadian counsel to the Company, provided that shares of the Company remain listed on a designated stock exchange for the purposes of the Tax Act (each of the New York Stock Exchange and the London Stock Exchange is a designated exchange) the Notes when issued will be qualified investments for trusts governed by registered retirement savings plans (“RRSPs”), registered retirement income funds (“RRIFs”), registered education savings plans, registered disability savings plans, tax-free savings accounts (“TFSA”) and deferred profit sharing plans within the meaning of the Tax Act (other than a deferred profit sharing plan to which payments are made by the Company or an employer with which the Company does not deal at arm’s length). The Notes will be prohibited investments for a trust governed by a TFSA, RRSP or RRIF, if the holder of the TFSA or the annuitant of the RRSP or RRIF, as the case may be, holds a significant interest (as defined in the Tax Act) in the Company or any person or partnership that does not deal at arm’s length with the Company or if such holder or annuitant does not deal at arm’s length with the Company. Such holders or annuitants to whom the Notes otherwise would be prohibited investments as described above should consult with their own tax advisors, including with respect to any potential relief under proposed relieving amendments to the prohibited investment rules in the Tax Act announced by the Minister of Finance (Canada) on December 21, 2012.

PLAN OF DISTRIBUTION

The Dealer is conditionally offering the Notes, if, as and when issued by the Company and purchased by the Dealer in accordance with the terms and conditions contained in a dealer agreement dated July 11, 2011 (the “**Dealer Agreement**”) and an underwriting agreement to be dated on or about December 31, 2012 (the “**Underwriting Agreement**”), each between the Company and the Dealer, and subject to the approval of certain legal matters by Blake, Cassels & Graydon LLP, on behalf of the Company. The Underwriting Agreement will provide that the obligations of the Dealer under the agreement may be terminated at its discretion on the basis of its assessment of the state of the financial markets and may also be terminated upon the occurrence of certain stated events. The Dealer is, however, obligated to take up and pay for all of the Notes if any of the Notes are purchased under the Underwriting Agreement. Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Closing of the Note offering is expected to occur on the Issue Date.

In consideration for its services in connection with this offering, the Company has agreed to pay the Dealer a fee of up to \$3.50 per \$100 Principal Amount of Notes sold of which up to \$2.00 will be payable by the Dealer to representatives of investment dealers, including representatives employed by the Dealer, whose clients purchase Notes under the offering. All fees payable to the Dealer will be paid on account of services rendered in connection with the issue and will be paid out of the general funds of the Company.

SECONDARY MARKET FOR NOTES

The Company does not intend to list the Notes on any securities exchange or quotation system. **Because there is no published market through which the Notes may be sold this may affect the pricing of the Notes in the secondary market, the transparency and availability of trading prices, the liquidity of the Notes and the extent of issuer regulation. Purchasers may not be able to resell Notes purchased under this pricing supplement.** The Dealer intends to provide a secondary market for the sale of Notes to the Dealer, but reserves the right, in its sole discretion, not to do so in the future, without providing any prior notice to you. No other secondary market for the Notes will be available. A Noteholder cannot elect to receive the Maturity Amount prior to the Maturity Date. The Dealer will be the only CDS participant holding interests in the Notes and the Dealer will maintain the records of beneficial ownership (including any fractional ownership interests in the Notes) of Noteholders or their nominee. The sale of a Note to the Dealer will be effected at a price equal to (i) the Dealer's bid price for the Note (which may be less than \$100 per Note), minus (ii) any applicable Early Trading Charge. Because other dealers are not likely to make a secondary market for the Notes, the price at which you may be able to trade your Notes is likely to depend on the price, if any, at which the Dealer is willing to buy the Notes. There can be no assurance that a secondary market will develop or that such market will be liquid or sustainable. Proceeds on any sale in the secondary market may be less than the Remaining Principal Amount.

Holders of Notes wishing to sell all or a part of their holdings should consult with the Dealer to determine whether the Dealer is offering to purchase the Notes on the secondary market and, if so, the bid price at which the Dealer is offering to purchase the Notes. A sale of Notes to the Dealer will be completed once the Noteholder has confirmed to the Dealer that the Noteholder wishes to proceed with a sale of the Notes at the bid price quoted by the Dealer to the Noteholder. Any such confirmation by a Noteholder will be irrevocable.

The price at which a holder of Notes will be able to sell the Notes prior to the Maturity Date may be at a discount, which may be substantial, from the Principal Amount of the Notes (and the published daily secondary market price of the Notes), based on one or more factors. The value of the Notes in the secondary market will be affected by a number of complex and inter-related factors, including the described under “– Factors Affecting the daily secondary market price of the Notes”. The effect of any one factor may be offset or magnified by the effect of another factor. It is also important to note that the net proceeds received by an investor who sells a Note to the Dealer on or prior to the date that is 360 days after the Issue Date, will be reduced by an Early Trading Charge. See “Risk Factors” and “Early Trading Charge” in this pricing supplement and the Prospectus.

Factors Affecting the Daily Secondary Market Price of the Notes

Many factors may affect the bid price of the Notes. These factors interrelate in complex ways and the effect of one factor may offset or magnify the effect of another factor, potentially resulting in unexpected and adverse movements in the bid price of the Notes prior to the Maturity Date. It is also important to note that the net proceeds received by a Noteholder who sells a Note to the Dealer prior to the Maturity Date will be reduced by any Early Trading Charge that is applicable at the time that the Note is sold the Dealer. See “Early Trading Charge” below.

The following list, although not exhaustive, identifies some of the factors that may affect the bid price of the Notes and how each factor may affect the bid price of the Notes given a change in the factor, assuming all other factors affecting the bid price, or the Notes generally, remain unchanged.

The price performance of the Basket – The bid price of the Notes will be affected by increases or decreases in the Basket Return since the Issue Date, and whether the Basket Return measured on any date is less than 0.00%, or greater than or equal to 31.00%. The bid price might have a non-linear sensitivity to the rises and falls in the Basket Return (i.e. the bid price of a Note might increase and decrease at a different rate compared to the respective increases and decreases of the Basket Return).

Changes in the level of interest rates – The bid price of the Notes will be affected by changes in interest rates. In general if interest rates increase, it is expected that the bid price of the Notes will decrease. Conversely, if interest rates decrease, it is expected that the bid price of the Notes will increase.

The Company's rating, financial condition and results of operations – Actual or anticipated changes in the Company's current rating for its unsecured and unsubordinated debt, the Company's financial conditions or results of operations may significantly affect the bid price of the Notes.

The “time value” associated with the Notes – There is “value” within the Notes associated with the passing of time. The magnitude of the time value associated with the Notes and whether it has a positive or negative impact on the bid price of the Notes will depend upon a number of related factors, including but not limited to, the Basket Return since the Issue Date, whether the Basket Return on any date is less than 0.00%, greater than or equal to 0% and less than 31.00%, or greater than or equal to 31.00%, the length of the remaining term of the Notes, and the amount by which the Closing Prices of the Reference Shares are expected to fluctuate over this remaining term. For example, on the Issue Date, the time value will tend to have a positive impact on the bid price of the Notes. After the Issue Date, if the Basket Return is negative, there are situations where the time value may have a negative impact on the bid price for the Notes.

Volatility in the Reference Shares – Volatility is the term used to describe the size and frequency of market fluctuations in a given time period. Expectations of the volatility of the Reference Shares over the remaining term of the Notes will affect the bid price. The magnitude of the impact and whether it is positive or negative will depend upon a number of related factors, including but not limited to, the Basket Return since the Issue Date, whether the Basket Return measured on any date is less than 0.00%, greater than or equal to 0% and less than 31.00%, or greater than or equal to 31.00% and the length of the remaining term of the Notes.

The dividend yields of the Reference Shares – Dividend yield is a term used to describe the ratio of the amount a company pays out in dividends relative to its share price. Changes in the expectations of the dividend yield of the Reference Shares over the remaining term of the Notes will have an impact on the bid price of the Notes. In general, an increase in the dividend yield of the Reference Shares will result in a lower bid price for the Notes.

Events affecting or involving the Reference Shares comprising the Basket – Economic, financial, regulatory, geographic, judicial, political and other developments that affect the value or price of one or more of the Reference Shares, and real or anticipated changes in those factors, also may affect the market value of the related Notes. For example, earnings results of a Reference Share Issuer, and real or anticipated changes in those results, may affect the market value of the Notes.

Upfront sales fee – The upfront sales fee paid by the Dealer to the representatives of investment dealers who sold the Notes to Noteholders will be recovered from any Noteholders who sell their Notes prior to the Maturity Date, initially through the Early Trading Charge that will be deducted by the Dealer from the proceeds of sale of the Notes and, as the Early Trading Charge declines to zero after 540 days, through an adjustment to the bid price for the Notes.

The Company’s expected profit – The Company’s profit in relation to the Notes (which may or may not be realized) will be the difference between the amount it is obligated to pay under the Notes to Noteholders and the total costs incurred by the Company in creating, issuing, maintaining and hedging the Notes and will depend, in part, on the Company’s ability to successfully hedge its obligations under the Notes over the term of the Notes. All or a portion of the profit the Company expects to realize in consideration for creating, issuing and maintaining the Notes, and for assuming the risks associated with establishing and maintaining its hedge for the Notes, may be made through secondary market transactions in the Notes.

EARLY TRADING CHARGE

The Notes are designed for investors who hold the Notes to maturity. Noteholders choosing to sell their Notes to the Dealer prior to the Maturity Date will be subject to an Early Trading Charge commencing at 4.05% of the Principal Amount and declining daily by 0.0075% to 0% after the date that is 540 days after the Issue Date (being on or about June 28, 2014).

The Early Trading Charge applies only to sales of the Notes to the Dealer in the secondary market.

An investor wishing to sell Notes prior to the Maturity Date should consult with his or her investment advisor regarding any applicable Early Trading Charge.

An investor should consult his or her investment advisor on whether it would be more favourable in the circumstances at any time to sell the Notes (assuming the availability of a secondary market) or hold the Notes until the Maturity Date. An investor should also consult his or her tax advisor as to the income tax consequences arising

from a sale prior to the Maturity Date as compared to holding the Note until the Maturity Date. Please see “Certain Canadian Tax Considerations” for more information.

DOCUMENTS INCORPORATED BY REFERENCE

This pricing supplement is deemed to be incorporated by reference into the Prospectus and only for the purposes of the Notes issued hereunder. The following documents filed by the Company with the securities commission or similar regulatory authority in each of the provinces of Canada are specifically incorporated by reference into, and form an integral part of, the Prospectus:

- (a) the joint Annual Report of Barclays PLC and the Company as filed on March 30, 2012 with the SEC on Form 20-F in respect of the year ended December 31, 2011, including the audited consolidated accounts of the Company in respect of the year ended December 31, 2011, together with the report of the Company’s auditors thereon;
- (b) the joint report of Barclays PLC and the Company as filed with the SEC on Form 6-K dated August 31, 2010 including the audited consolidated income statements, balance sheets, cash flow statements, statements of comprehensive income and changes in equity of Barclays PLC and its subsidiaries at December 31, 2009 and December 31, 2008, and the results of their operations and cash flows for each of the three years in the period ended December 31, 2009, revised as to certain segmental disclosure; the audited consolidated income statements, statements of comprehensive income, balance sheet, statement of changes in equity and cash flow statements of the Company and its subsidiaries at December 31, 2009 and December 31, 2008, and the results of their operations and cash flows for each of the three years in the period ended December 31, 2009; and the Company’s ratio of earnings under IFRS to fixed charges as at June 30, 2010 and ratio of earnings under IFRS to combined fixed charges, preference share dividends and similar appropriations as at June 30, 2010;
- (c) the joint report of Barclays PLC and the Company as filed with the SEC on Form 6-K dated July 27, 2012 including, among other things, the results of Barclays PLC as of, and for the six months ended, June 30, 2012;
- (d) the joint report of Barclays PLC and the Company as filed with the SEC on Form 6-K dated October 31, 2012 including the Interim Management Statement relating to the nine-month period ended September 30, 2012; a table setting forth the issued share capital of the Company and Barclays Bank PLC Group’s total shareholders’ equity, indebtedness and contingent liabilities as of June 30, 2012; and disclosure respecting sovereign risk, the Eurozone crisis and redenomination risk;
- (e) the joint report of Barclays PLC and the Company as filed with the SEC on Form 6-K dated October 18, 2012 including the press release of the Company dated October 18, 2012 announcing certain provisions of Barclays PLC in relation to Payment Protection Insurance claims;
- (f) the joint report of Barclays PLC and the Company as filed with the SEC on Form 6-K dated July 3, 2012 announcing changes to certain members of the Company’s senior management and board of directors;
- (g) the joint report of Barclays PLC and the Company as filed with the SEC on Form 6-K dated June 27, 2012 including the press release of the Company dated June 27, 2012 announcing the Company’s settlements in relation to investigations with certain regulatory authorities;
- (h) the joint report of Barclays PLC and the Company as filed with the SEC on Form 6-K dated May 23, 2012 including the press release of the Company dated May 22, 2012 announcing the Company’s announcement of the pricing of offering of BlackRock stock;
- (i) the joint report of Barclays PLC and the Company as filed with the SEC on Form 6-K dated April 26, 2012 including the Interim Management Statement relating to the three-month period ended March 31, 2012 and a table setting forth the issued share capital of the Company and Barclays Bank PLC Group’s total shareholders’ equity, indebtedness and contingent liabilities as of December 31, 2011;

- (j) the joint report of Barclays PLC and the Company as filed with the SEC on Form 6-K dated February 10, 2012 including the results of Barclays PLC and the Company, as of, and for the year ended December 31, 2011 and unaudited consolidated summary financial statements of the Company as of, and for the year ended December 31, 2011 and the issued share capital of Barclays PLC and the Barclays PLC Group's total shareholders' equity, indebtedness and contingent liabilities as at December 31, 2011;
- (k) the joint report of Barclays PLC and the Company as filed with the SEC on Form 6-K dated January 11, 2012 including Barclays Bank PLC Invitation to Purchase Securities for Cash: Announcement of Final Results and Supplementary Information on the Independent Commission on Banking;
- (l) the joint report of Barclays PLC and the Company as filed with the SEC on Form 6-K dated October 31, 2011 including the Interim Management Statement relating to the nine-month period ended September 30, 2011 and a table setting forth the issued share capital of the Company and Barclays Bank PLC Group's total shareholders' equity, indebtedness and contingent liabilities as of June 30, 2011;
- (m) the joint report of Barclays PLC and the Company as filed with the SEC on Form 6-K dated October 26, 2011 including, among other things, information concerning litigation involving the Company and Devonshire Trust and US Federal Housing Finance Agency and other residential mortgage-backed securities litigation involving the Company;
- (n) the joint report of Barclays PLC and the Company as filed with the SEC on Form 6-K dated August 2, 2011 including, among other things, the results of Barclays PLC as of, and for the six months ended, June 30, 2011;
- (o) the joint report of Barclays PLC and the Company as filed with the SEC on Form 6-K dated April 27, 2011 including the Interim Management Statement relating to the three-month period ended March 31, 2011 and a table setting forth the issued share capital of the Company and Barclays Bank PLC Group's total shareholders' equity, indebtedness and contingent liabilities as of December 31, 2010;
- (p) the joint report of Barclays PLC and the Company as filed with the SEC on Form 6-K dated February 15, 2011 including the results of Barclays PLC as of, and for the year ended, December 31, 2010, unaudited consolidated summary financial statements of the Company as of, and for the year ended, December 31, 2010 and a table setting forth the issued share capital of the Company and Barclays Bank PLC Group's total shareholders' equity, indebtedness and contingent liabilities as at December 31, 2010;
- (q) the joint report of Barclays PLC and the Company as filed with the SEC on Form 6-K dated January 13, 2011 including, among other things, opinion of counsel to the Company as to the validity of its 2.375% Senior Notes due 2014;
- (r) the report of the Company as filed with the SEC on Form 6-K dated October 14, 2010 including, among other things, opinions of counsel to the Company as to the validity of its 5.140% Lower Tier 2 Notes due 2020;
- (s) the joint report of Barclays PLC and the Company as filed with the SEC on Form 6-K dated August 19, 2010 including the press release of Barclays PLC dated August 18, 2010;
- (t) the joint report of Barclays PLC and the Company as filed with the SEC on Form 6-K dated August 5, 2010 including, among other things, the results of Barclays PLC as of, and for the six months ended, June 30, 2010;
- (u) the joint report of Barclays PLC and the Company as filed with the SEC on Form 6-K dated May 13, 2010 including the Articles of Association of Barclays PLC (as adopted on April 30, 2010) and the Articles of Association of the Company (as adopted on April 30, 2010);
- (v) the report of the Company as filed with the SEC on Form 6-K dated May 5, 2010 including the table setting forth the authorised and issued share capital of the Company and the Group's total shareholders' equity, indebtedness and contingent liabilities as at December 31, 2009;

- (w) the joint report of Barclays PLC and the Company as filed with the SEC on Form 6-K dated April 30, 2010 including the Interim Management Statement dated April 30, 2010; and
- (x) the report of the Company as filed with the SEC on Form 6-K dated March 26, 2010 including the Capitalisation and Indebtedness Table.

All documents of the type listed in (a) to (e) on pages 4-5 of the Prospectus that the Company incorporates by reference into the prospectus dated August 31, 2010 and prospectus supplement dated May 27, 2011, as amended, supplemented or replaced from time to time, included in the registration statement on Form F-3 filed with the SEC under the 1933 Act (the “U.S. Prospectus”), after the date of this pricing supplement and prior to the completion or withdrawal of the offering herein will be filed with securities commissions and similar regulatory authorities in each of the provinces of Canada through www.sedar.com and incorporated by reference into the Prospectus.

PUBLIC INFORMATION

Certain information contained in this pricing supplement was obtained from public sources. Neither the Company nor the Dealer have independently verified the accuracy or completeness of any such information or assume any responsibility for the completeness or accuracy of such information. Noteholders may have no recourse against the Company or the Dealer in connection with certain public information contained in this pricing supplement.

LEGAL MATTERS

Certain Canadian legal matters in connection with the issuance of the Notes in this pricing supplement have been passed upon on behalf of the Company by Blake, Cassels & Graydon LLP. As of the date hereof, partners and associates of Blake, Cassels & Graydon LLP, as a group, own beneficially, directly or indirectly, less than 1% of securities of the Company and its affiliates and associates.

CERTIFICATE OF THE DEALER

Dated: December 28, 2012

To the best of our knowledge, information and belief, the short form base shelf prospectus dated April 28, 2011, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and the supplement as required by the securities legislation of each of the provinces of Canada.

MACQUARIE PRIVATE WEALTH INC.

By: (signed) "Craig Basinger"
Craig Basinger

Base Shelf Prospectus

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

This short form prospectus has been filed under legislation in all provinces of Canada that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities.

This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

Information has been incorporated by reference in this prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from Barclays Bank PLC, at 745 Seventh Avenue, New York, New York 10019, Attention: General Counsel (telephone: 212-526-7000), and are also available electronically at www.sedar.com.

SHORT FORM BASE SHELF PROSPECTUS

NEW ISSUE

April 28, 2011

BARCLAYS BANK PLC **1 Churchill Place, London E14 5HP, United Kingdom** **U.S.\$21,000,000,000** **Global Medium-Term Notes, Series A**

Barclays Bank PLC (the "Company", "we" or "our"), with its head office at 1 Churchill Place, London E14 5HP, United Kingdom, may offer in Canada from time to time Global Medium-Term Notes, Series A (the "Notes"), described in this short form prospectus (the "Short Form Prospectus"). The Notes we distribute under the Note program (the "Program") may be fixed rate Notes, floating rate Notes or indexed Notes or a combination thereof, excluding credit-linked Notes, as further described herein. The Notes are Global Medium-Term Notes, Series A, certain of which are subject to a registration statement on Form F-3 ("Registration Statement") filed with the U.S. Securities and Exchange Commission ("SEC") under the U.S. *Securities Act of 1933*, as amended, including a prospectus dated August 31, 2010 and prospectus supplement dated August 31, 2010 (together, the "U.S. Prospectus"). We will give you the specific terms of the Notes we are offering in pricing supplements. You should read this Short Form Prospectus, the applicable pricing supplement and the other documents incorporated herein by reference before you invest. See "Description of Notes and Details of the Offering". The Company has obtained ratings for the Notes (excluding credit-linked Notes and Notes with variable promises) of AA- from Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P"), and Aa3 from Moody's Investors Service Ltd. ("Moody's"). See "Ratings".

The Notes will be issued under the Program from time to time at our discretion in an aggregate principal amount of up to U.S.\$21,000,000,000 (or the equivalent thereof, at the date of issue, in any other currency) during the period that the receipt for this Short Form Prospectus remains effective.

The offering of the Notes hereunder will be made as contemplated by National Instrument 44-102 *Shelf Distributions* which permits the omission from this Short Form Prospectus of certain terms of the Notes. The specific variable terms of any offering of Notes will be set forth in a pricing supplement which will be delivered to purchasers together with this Short Form Prospectus and will be incorporated by reference into this Short Form Prospectus as of the date of such pricing supplement only for the purposes of the offering of the Notes covered by that pricing supplement. We reserve the right to set forth in a pricing supplement specific variable terms of the Notes and the offering thereof which are not within the options and parameters set forth in this Short Form Prospectus. We have filed with the Canadian provincial securities regulatory authorities an undertaking that we will not distribute in Canada Notes that, at the time of distribution, are "novel" specified derivatives without pre-clearing with such regulators the disclosure to be contained in the pricing supplements pertaining to such Notes.

The Notes are not deposit liabilities of Barclays Bank PLC and are not insured by the Canada Deposit Insurance Corporation, the United States Federal Deposit Insurance Corporation or any other governmental agency of Canada, the United States, the United Kingdom or any other jurisdiction. See "Description of Notes and Details of the Offering". Unless otherwise indicated in a pricing supplement, Barclays PLC, our parent, has not guaranteed or assumed any other obligations in respect of the Notes.

Barclays Bank PLC, Canada branch is listed on Schedule III to the Bank Act (Canada) and is subject to regulation by the Office of the Superintendent of Financial Institutions (Canada). The Notes will be issued from the London branch of Barclays Bank PLC, and not from its Canadian branch.

We are incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or reside outside of Canada. Although we have appointed Blakes Extra-Provincial Services Inc. Commerce Court West, 199 Bay Street, Suite 2800, Toronto, Ontario, M5L 1A9, as our agent for service of process in each of the provinces of Canada, it may not be possible for investors to enforce judgments obtained in Canada against us.

The Bank of New York Mellon (the “Trustee”), the trustee under the Senior Debt Indenture (as defined below), is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada. Although the Trustee has appointed 152928 Canada Inc. as its agent for service of process in Canada, it may not be possible for investors to enforce judgments obtained in Canada against the Trustee.

Rates on Application

We may offer and sell the Notes to or through one or more underwriters, dealers or agents, or directly to purchasers, on a delayed or continuous basis. We will indicate the names of any underwriters, dealers or agents in the applicable pricing supplement.

The Notes may be distributed by Barclays Capital Canada Inc., an indirect wholly-owned subsidiary of the Company. Consequently, the Company will be a “related issuer” of Barclays Capital Canada Inc. within the meaning of National Instrument 33-105 *Underwriting Conflicts* in connection with a distribution of Notes under this Prospectus in which Barclays Capital Canada Inc. participates as dealer. See “Plan of Distribution”.

Unless specified in the applicable pricing supplement, the Notes will not be listed on any securities exchange and therefore there is no market through which these securities may be sold and purchasers may not be able to resell securities purchased under this Short Form Prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See “Risk Factors”.

TABLE OF CONTENTS

FORWARD-LOOKING STATEMENTS.....	3
DOCUMENTS INCORPORATED BY REFERENCE.....	4
EXEMPTION DECISION.....	6
PRESENTATION OF FINANCIAL INFORMATION.....	6
CURRENCY.....	6
THE BARCLAYS BANK GROUP.....	6
EARNINGS COVERAGE.....	6
RATINGS.....	7
USE OF PROCEEDS AND HEDGING.....	7
DESCRIPTION OF NOTES AND DETAILS OF THE OFFERING.....	8
CLEARANCE AND SETTLEMENT.....	25
VALUATION OF THE NOTES.....	30
PLAN OF DISTRIBUTION.....	30
TAX CONSIDERATIONS.....	32
RISK FACTORS.....	36
WHERE YOU CAN FIND MORE INFORMATION.....	52
SERVICE OF PROCESS AND ENFORCEMENT OF LIABILITIES.....	52
VALIDITY OF SECURITIES.....	52
PURCHASERS' STATUTORY RIGHTS.....	52
EXPERTS.....	53
CERTIFICATE OF THE COMPANY.....	C-1

FORWARD-LOOKING STATEMENTS

This Short Form Prospectus and certain documents incorporated by reference herein contain forward-looking information within the meaning of Section 1(1) of the *Securities Act* (Ontario) and equivalent sections of other applicable Canadian provincial securities laws and 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, with respect to certain of our plans and current goals, and expectations relating to our future financial condition and performance. We caution readers that no forward-looking statement is a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statements. This forward-looking information and these forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking information and forward-looking statements sometimes use words such as "may", "will", "seek", "continue", "aim", "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", or other words of similar meaning. Examples of forward-looking statements include, among others, statements regarding our future financial position, income growth, assets, impairments, charges, business strategy, capital ratios, leverage, payment of dividends, projected levels of growth in the banking and financial markets, projected costs, estimates of capital expenditures, and plans and objectives for future operations.

By their nature, forward-looking information and forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, including, but not limited to U.K. domestic and global economic and business conditions, the effects of continued volatility in credit markets, market related risks such as changes in interest rates and exchange rates, effects of changes in valuation of credit market exposures, changes in valuation of issued Notes, the policies and actions of governmental and regulatory authorities including classification of financial instruments for regulatory capital purposes, changes in legislation, the further development of standards and interpretations under International Financial Reporting Standards ("IFRS") applicable to past, current and future periods, evolving practices with regard to the interpretation and application of standards under IFRS, the outcome of pending and future litigation, the success of future acquisitions and other strategic transactions and the impact of competition - a number of which factors are beyond our control. As a result, our actual future results may differ materially from the plans, goals, expectations, set forth in such forward-looking information and forward-looking statements. Additional risks and factors are identified in our filings with the U.S. Securities and Exchange Commission (the "SEC") and securities regulatory authorities in the provinces of Canada including in our Annual Report on Form 20-F for the fiscal year ended December 31, 2010, which is available on the SEC's website at <http://www.sec.gov> and on SEDAR at www.sedar.com. Any forward-looking information and forward-looking statements made herein or in the documents incorporated by reference herein speak only as of the date they are made. Except as required by the U.K. Financial Services Authority (the "FSA"), the London Stock Exchange

plc or applicable law, we expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking information and forward-looking statement contained in this Short Form Prospectus or the documents incorporated by reference herein to reflect any changes in expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based. The reader should, however, consult any additional disclosures that we have made or may make in documents we have filed or may file with the SEC or the security regulatory authorities in the provinces of Canada.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, filed with the securities regulatory authority in each of the provinces of Canada, are specifically incorporated by reference and form an integral part of this Short Form Prospectus:

- (a) the joint Annual Report of Barclays PLC and the Company as filed on March 21, 2011 with the SEC on Form 20-F in respect of the year ended December 31, 2010, including the audited consolidated accounts of the Company in respect of the year ended December 31, 2010, together with the report of the Company's auditors thereon;
- (b) the joint report of Barclays PLC and the Company as filed with the SEC on Form 6-K dated August 31, 2010 including the audited consolidated income statements, balance sheets, cash flow statements, statements of comprehensive income and changes in equity of Barclays PLC and its subsidiaries at December 31, 2009 and December 31, 2008, and the results of their operations and cash flows for each of the three years in the period ended December 31, 2009, revised as to certain segmental disclosure; the audited consolidated income statements, statements of comprehensive income, balance sheet, statement of changes in equity and cash flow statements of the Company and its subsidiaries at December 31, 2009 and December 31, 2008, and the results of their operations and cash flows for each of the three years in the period ended December 31, 2009; and the Company's ratio of earnings under IFRS to fixed charges as at June 30, 2010 and ratio of earnings under IFRS to combined fixed charges, preference share dividends and similar appropriations as at June 30, 2010;
- (c) the joint report of Barclays PLC and the Company as filed with the SEC on Form 6-K dated April 27, 2011 including the Interim Management Statement relating to the three-month period ended March 31, 2011 and a table setting forth the issued share capital of the Company and Barclays Bank PLC Group's total shareholders' equity, indebtedness and contingent liabilities as of December 31, 2010.
- (d) the joint report of Barclays PLC and the Company as filed with the SEC on Form 6-K dated February 15, 2011 including the results of Barclays PLC as of, and for the year ended, December 31, 2010, unaudited consolidated summary financial statements of the Company as of, and for the year ended, December 31, 2010 and a table setting forth the issued share capital of the Company and Barclays Bank PLC Group's total shareholders' equity, indebtedness and contingent liabilities as at December 31, 2010;
- (e) the joint report of Barclays PLC and the Company as filed with the SEC on Form 6-K dated January 13, 2011 including, among other things, opinion of counsel to the Company as to the validity of its 2.375% Senior Notes due 2014;
- (f) the report of the Company as filed with the SEC on Form 6-K dated October 14, 2010 including, among other things, opinions of counsel to the Company as to the validity of its 5.140% Lower Tier 2 Notes due 2020;
- (g) the joint report of Barclays PLC and the Company as filed with the SEC on Form 6-K dated August 19, 2010 including the press release of Barclays PLC dated August 18, 2010;
- (h) the joint report of Barclays PLC and the Company as filed with the SEC on Form 6-K dated August 5, 2010 including, among other things, the results of Barclays PLC as of, and for the six months ended, June 30, 2010;

- (i) the joint report of Barclays PLC and the Company as filed with the SEC on Form 6-K dated May 13, 2010 including the Articles of Association of Barclays PLC (as adopted on April 30, 2010) and the Articles of Association of the Company (as adopted on April 30, 2010);
- (j) the report of the Company as filed with the SEC on Form 6-K dated May 5, 2010 including the table setting forth the authorised and issued share capital of the Company and the Group's total shareholders' equity, indebtedness and contingent liabilities as at December 31, 2009;
- (k) the joint report of Barclays PLC and the Company as filed with the SEC on Form 6-K dated April 30, 2010 including the Interim Management Statement dated April 30, 2010; and
- (l) the report of the Company as filed with the SEC on Form 6-K dated March 26, 2010 including the Capitalisation and Indebtedness Table.

All documents that we incorporate by reference into the U.S. Prospectus after the date of this Short Form Prospectus and prior to the completion or withdrawal of the offering hereunder will be filed with the securities regulatory authority in each of the provinces of Canada through www.sedar.com and incorporated by reference into this Short Form Prospectus, which shall consist of the following documents:

- (a) our then most recent annual report on Form 20-F filed with the SEC;
- (b) extracts from results announcements, if any, furnished on Form 6-K by us to the SEC in respect of our annual or interim financial results;
- (c) the most recent interim financial statements and interim management's discussion and analysis furnished on Form 6-K by us to the SEC in respect of an interim period in our financial year following the year that is the subject of our then most recently filed annual report on Form 20-F;
- (d) our reports on Form 6-K furnished to the SEC disclosing material information of the Company, and designated as incorporated by reference into the U.S. Prospectus; and

- (e) all other documents incorporated by reference into the U.S. Prospectus and filed with or furnished to the SEC, except for pricing supplements not related to Notes distributed under this Short Form Prospectus.

In addition, prospectus supplements supplying additional or updated information regarding the Notes to be offered in Canada (including each pricing supplement, but only with respect to the offering of Notes in Canada covered by the relevant pricing supplement) will be incorporated herein by reference.

We have been granted a waiver from the requirements in item 6 of Form 44-101F1 and Section 8.4 of National Instrument 44-102 – *Shelf Distributions* (“NI 44-102”), provided that we update the earnings coverage information included in this Short Form Prospectus in the manner described under “Earnings Coverage”. In addition, we have obtained relief dated March 30, 2011 from the Autorité des marchés financiers from the requirement to translate into French the exhibits to our Forms 20-F and 6-K as well as exhibits to any other of our documents which are not required in the Province of Quebec but are required in the United States, and which are, or will be, incorporated by reference into this Short Form Prospectus, and any subsequently filed supplement hereto.

We will provide to you, upon your written or oral request, without charge, a copy of any or all of the documents we referred to above which we have incorporated in this Short Form Prospectus by reference, other than certain exhibits to those documents. You should direct your requests to Barclays Bank PLC, 745 Seventh Avenue, New York, New York 10019, Attention: General Counsel (telephone: 212-526-7000).

Any statement contained in this Short Form Prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for purposes of this Short Form Prospectus, to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is

required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Short Form Prospectus.

A pricing supplement containing the specific terms in respect of an offering of the Notes in Canada will be delivered to purchasers of such Notes together with this Short Form Prospectus and will be incorporated into this Short Form Prospectus as of the date of such pricing supplement only for the purposes of the offering of the Notes in Canada covered by that pricing supplement.

EXEMPTION DECISION

We have been granted an exemption from the requirements in subsection 2.2(1) and subparagraph 2.2(3)(b)(iii) of NI 44-102 that the Company's equity securities be listed and posted for trading on a short form eligible exchange as defined in National Instrument 44-101 – *Short Form Prospectus Distributions*, in order for the Company to distribute the Notes by a short form prospectus.

PRESENTATION OF FINANCIAL INFORMATION

The Company and its subsidiary undertakings (taken together, the "Group") has applied International Financial Reporting Standards ("IFRS") from January 1, 2004, with the exception of the standards relating to financial instruments (IAS 32 and IAS 39) and insurance contracts (IFRS 4), which were applied only with effect from January 1, 2005.

CURRENCY

In this Short Form Prospectus, unless otherwise indicated, all dollar amounts are expressed in U.S. dollars. Financial information in this Short Form Prospectus is expressed in British Pounds Sterling (£) and/or U.S. dollars. The Bank of Canada noon spot exchange rate on April 26, 2011 was 0.6389 British Pounds Sterling per Canadian dollar and 1.0519 U.S. dollars per Canadian dollar, respectively.

The following table sets forth the Bank of Canada noon spot exchange rate for British Pounds Sterling per Canadian dollar for the last business day of the years indicated below:

<u>Year</u>	<u>Pounds Sterling per Cdn dollar</u>
2010.....	0.6446
2009.....	0.5911
2008.....	0.5588
2007.....	0.5102
2006.....	0.4381

The following table sets forth the Bank of Canada noon spot exchange rate for U.S. dollars per Canadian dollar for the last business day of the years indicated below:

<u>Year</u>	<u>U.S. dollars per Cdn dollar</u>
2010.....	1.0054
2009.....	0.9555
2008.....	0.8166
2007.....	1.0120
2006.....	0.8581

THE BARCLAYS BANK GROUP

The Group is a major global financial services provider engaged in retail banking, credit cards, corporate banking, investment banking and wealth management with an extensive international presence in Europe, the Americas, Africa and Asia. With over 300 years of history and expertise in banking, the Group operates in over 50 countries and employs more than 147,500 people. The Group moves, lends, invests and protects money for more than 48 million customers and clients worldwide. The whole of the issued ordinary share capital of the Company is beneficially owned by Barclays PLC, which is the ultimate holding company of the Group and one of the largest financial services companies in the world by market capitalization.

EARNINGS COVERAGE

Our ratios of earnings to fixed charges for the periods indicated, in accordance with SEC regulations, were:

	<u>Year ended December 31,</u>				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Ratio of earnings to fixed charges (IFRS).....	1.29	1.21	1.13	1.16	1.21

The above ratios do not give effect to any offering of Notes under this Short Form Prospectus. Subsequent to the date of this Short Form Prospectus, we will file

updated ratios of earnings to fixed charges on a semi-annual basis in the appropriate filings with the SEC under the Exchange Act in accordance with U.S. requirements to which we are subject. These filings will be filed with the securities regulatory authorities in each of the provinces of Canada and deemed to be incorporated by reference into this Short Form Prospectus.

RATINGS

The Company has obtained ratings for the Notes (excluding credit-linked Notes and Notes with variable promises) of AA- from S&P and Aa3 from Moody's. On December 10, 2009, S&P announced: "Standard & Poor's Rating Services will no longer rate obligations with variable principal payments linked to commodity prices, equity prices, or indices linked to either commodity or equity prices." On April 1, 2010, S&P announced: "We maintain issuer credit ratings on the issuers of these notes and on the medium-term note programs from which many of these MLNs [market-linked notes] were issued, as applicable." On July 15, 2010, Moody's issued a policy statement clarifying its approach to rating debt obligations with variable promises and stating that it will now assign provisional ratings to medium-term note programs and definitive medium-term note program ratings currently outstanding will be converted to provisional ratings, but the definitive rating history of the medium-term note program will not be changed retroactively.

Ratings are intended to provide investors with an independent measure of credit quality of an issue of securities and are indicators of the likelihood of the payment capacity and willingness of a company to meet its financial commitment on an obligation in accordance with the terms of such obligation.

S&P has 15 rating categories, ranging from AAA to D. The ratings from AA, the second highest category, to CCC, the fourth lowest category, may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within such rating categories. The AA- rating assigned to the Notes (excluding credit-linked Notes) by S&P is the lower range of the second highest rating assigned by S&P. According to information made publicly available by S&P, an obligation rated AA differs from the highest-rated obligations only in small degree. The obligor's capacity to meet its financial commitment on the obligation is very strong.

Moody's rating scale, running from a high of Aaa to a low of C, comprises nine rating categories. Moody's appends numerical modifiers 1, 2, and 3 to each rating category from Aa, the second highest category, through Caa, the third lowest category. A "1" indicates that the

obligation ranks in the higher end of its rating category; a "2" indicates a mid-range ranking; and a "3" indicates a ranking in the lower end of that rating category. The Aa3 rating assigned to the Notes (excluding credit-linked Notes) by Moody's is the fourth highest rating assigned by Moody's. According to information made publicly available by Moody's, an obligation rated Aa3 is considered to be of high quality and is subject to very low credit risk.

Such ratings accorded by S&P and Moody's are not a recommendation to purchase, hold or sell the Notes inasmuch as such rating does not comment as to market price or suitability for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised upward or downward or withdrawn entirely by S&P or Moody's in the future if in its judgment circumstances so warrant. Such ratings may not reflect the potential impact of all risks related to the value of the Notes. In addition, real or anticipated changes in such ratings may affect the market value of the Notes.

USE OF PROCEEDS AND HEDGING

The net proceeds cannot currently be estimated as the amount thereof will depend on the extent to which the Notes are issued hereunder. Unless otherwise indicated and except as described below, the net proceeds from the offering of the Notes will be used to support the development and expansion of our business and to strengthen further our capital base. That development and expansion may occur through the development of existing operations, the establishment of new subsidiaries or acquisitions if suitable opportunities should arise.

We or our affiliates may also use the net proceeds from the offering of Notes in transactions intended to hedge our obligations under the offered Notes as described below.

On or prior to the issue and subscription of an issuance of Notes, we or our affiliates expect, but will not be required, to enter into hedging transactions to hedge some or all of our anticipated exposure with respect to that series of Notes by, for example, taking or modifying positions in the reference asset(s) and listed or over-the-counter options on the reference asset(s). 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 Notes:

- acquire or dispose of long or short positions in listed or over-the-counter options, futures or other instruments linked to a reference asset,

- acquire or dispose of long or short positions in 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 asset(s) or components of the reference asset(s), or
- any other transaction or arrangement.

We or our affiliates may acquire a long or short position in securities similar to the Notes 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 the final valuation date or maturity date. That step may involve sales or purchases of some or all of the components of the reference asset(s), or listed or over-the-counter options, futures or other instruments linked to the reference asset(s) or the components of the reference asset(s).

The hedging activity discussed above may adversely affect the market value of the securities from time to time. See “Risk Factors” in this prospectus supplement for a discussion of these adverse effects.

DESCRIPTION OF NOTES AND DETAILS OF THE OFFERING

General

The Notes distributed under the Program are a separate series of our debt securities (the “Senior Debt Securities”) issued pursuant to the Senior Debt Indenture (the “Senior Debt Indenture”) between us and the Trustee (as defined below). The terms of the Notes include those stated in the Senior Debt Indenture and any supplements thereto, and those made part of the Senior Debt Indenture by reference to the U.S. *Trust Indenture Act of 1939*, as amended. The Notes will not be secured by any of our assets or property or any assets or property of our subsidiaries or affiliates (including Barclays PLC, our parent).

This section summarizes the material terms that will apply generally to the Notes as a series. Each particular Note will have financial and other terms specific to it. The specific terms of each Note will be described in a pricing supplement that will accompany this Short Form Prospectus. Those terms may vary from the terms described here. As you read this section, please remember that the specific terms of your Note as described in your pricing supplement will supplement and, if applicable, may modify or replace the general terms described in this Short Form Prospectus. You

should read the pricing supplement and this Short Form Prospectus in order to understand the terms of the Notes. If your pricing supplement is inconsistent with this Short Form Prospectus, your pricing supplement will control with regard to your Note. Thus, the statements we make in this Short Form Prospectus may not apply to your Note. When we refer to your pricing supplement, we mean the pricing supplement describing the specific terms of the Note you purchase. The terms we use in any pricing supplement that we also use in this Short Form Prospectus will have the meanings we give them in this Short Form Prospectus, unless we say otherwise in the pricing supplement.

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 to the extent that we may ourselves be a creditor with recognized claims against the relevant subsidiary.

Notes may bear interest at a fixed rate or a floating rate or we may sell Notes 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 Notes”).

Holders of the Notes have no voting rights except as explained below under “Description of Notes and Details of the Offering – Modification and Waiver” and “Description of Notes and Details of the Offering – Senior Events of Default”.

The Notes Will Be Issued Under the Senior Debt Indenture

The Notes are governed by the Senior Debt Indenture. The Bank of New York Mellon as “Trustee” under the Senior Debt 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 are described below; and
- Second, the Trustee performs administrative duties for us, such as sending interest payments and notices to investors.

We and some of our subsidiaries maintain deposit accounts and conduct other banking transactions with the Trustee in the ordinary course of our and their respective businesses.

We May Issue Other Series of Debt Securities

The Senior Debt Indenture permits us to issue different series of debt securities from time to time. The Notes are a single, distinct series of debt securities. We may, however, issue Notes in those amounts, at those times and on those terms as we wish. The Notes may differ from other Notes issued pursuant to the series designated Global Medium-Term Notes, Series A, and from debt securities of other series, in their terms. When we refer to the 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 our Senior Debt Indenture. When we refer to a “class” of the Global Medium-Term Notes, we mean Notes of a certain offering that may be reopened or reissued as described below resulting in Notes with different issue dates, but otherwise the same terms.

Amounts That We May Issue

The Senior Debt Indenture does not limit the aggregate amount of Senior 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. Also, if we issue Notes having the same terms in a particular offering, we may reissue or “reopen” that offering at any later time and offer additional Notes having those terms. We intend to issue Notes initially in an amount not exceeding 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. The Senior Debt 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 Indenture, except as described below.

This Section Is Only a Summary

The Senior Debt 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 Indenture and the Notes are governed by New York law. A copy of the Senior Debt Indenture has been filed with the securities regulatory authority in each of the provinces of Canada and is available electronically at www.sedar.com. Investors should carefully read the Senior Debt Indenture. This Short Form Prospectus and your pricing supplement summarize all the material terms of the Senior Debt Indenture and your Note. They do not,

however, describe every aspect of our Senior Debt Indenture and your Note. For example, in this Short Form Prospectus and your pricing supplement, we may use terms that have been given special meaning in our Senior Debt Indenture, but we describe the meaning of only the more important of those terms.

Ranking

The Notes constitute our direct, unconditional, 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 such obligations as are preferred by operation of law.

The Notes are not deposit liabilities of Barclays Bank PLC and are not insured by the Canada Deposit Insurance Corporation, the United States Federal Deposit Insurance Corporation (“FDIC”) or any other governmental agency of Canada, the United States, the United Kingdom or any other jurisdiction. Unless otherwise indicated in a pricing supplement, Barclays PLC, our parent, has not guaranteed or assumed any obligations in respect of the Notes.

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.

Principal Protection

The applicable pricing supplement will specify whether your principal investment in the Notes is fully protected, partially protected, contingently protected or not protected. Any feature characterized as principal protection that may be applicable to your Notes relates solely to the final level, value or price of the reference asset, and your return on your investment remains subject to the creditworthiness of the Company. If your Notes are contingently protected, the applicable pricing supplement will specify the “buffer level”, “buffer percentage” or “protection price” applicable to such contingent protection. If your principal investment is not protected, you may receive less, and possibly significantly less, than the amount you invested.

When we say that your principal investment in the Notes is “protected”, we mean that your principal investment is protected against changes in the value of the reference asset. This does not mean that your principal investment in the Notes is protected in the

event that we are unable to pay or settle our obligations. See “Risk Factors—Risks Relating to All Notes—The Notes are not insured against loss by any third parties”, “—The Notes are not insured by any governmental authority” and “— Risks Relating to Full Principal Protection—The principal protection of your Notes is subject to our creditworthiness and, as a result, you may lose some or all of your principal investment in the Notes”.

Payment at Maturity

The applicable pricing supplement will detail the payment at maturity. The payment at maturity may be based on movements in the price, value or level 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.

Interest

The applicable pricing supplement will specify whether the Notes bear interest. If applicable, 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.

Maturity Date

The maturity date will be the maturity date specified in the applicable pricing supplement. Unless otherwise stated therein, the maturity date will be governed by the “following business day” convention (e.g., if the maturity date stated in the applicable pricing supplement is not a business day, the maturity date will be extended to the next following business day). If the final valuation date referred to is postponed due to the occurrence or continuance of a market disruption event as described below and occurs on a day which is less than two business days prior to the maturity date, then the maturity date will be the second business day following that 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. As described above the maturity date, and any optional review and/or redemption dates (see “Redemption-Optional Redemption” below), respectively, will always be subject to the “following business day” convention, unless otherwise specified in the applicable pricing supplement.

In the event that the maturity date is postponed as described above, the related payment of interest,

principal and any other amounts payable on the Notes at maturity will be made, without additional interest on the postponed maturity date.

Exchangeable Notes

An exchangeable Note is a Note that is optionally or mandatorily exchangeable into cash or one or more reference assets. A Note of this type may or may not bear interest or be issued with original discount or at a premium.

Discount Notes

A Note may be a discount Note. A Note of this type generally is issued at a price lower than its principal amount. A discount Note may be a zero coupon Note.

Issue Price and Variable Price Offer

The Notes may be issued at a fixed price (such as par) or as part of a “variable price offer” in which the Notes are sold in one or more negotiated transactions (at prices that may be different than par). 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. The Notes may be sold at a discount. The applicable pricing supplement will specify the issue price or the maximum issue price.

Types of Notes

The Notes we may issue may be fixed rate Notes, floating rate Notes or indexed Notes, or a combination thereof, but we may not issue credit-linked Notes under this Short Form Prospectus.

The principal, interest or any other amounts payable on the Notes may be based on one or more of the following or on movements in the level, value or price or other events relating to one or more: indices of equity securities, equity securities, indices of commodities, commodities, indices of foreign currencies, foreign currencies, indices of interest rates, indices of consumer prices, interest rates or other asset classes. In addition, the principal, interest or any other amounts payable on the Notes may be based on measures, formulas or instruments, including the occurrence or non-occurrence of any event or circumstance or baskets comprised of any instruments or measures, as specified in the applicable pricing supplement. To the extent that amounts payable on the Notes are based on a different reference asset, the terms of the applicable pricing supplement will describe that reference asset.

Fixed Rated Notes

A Note of this type will bear interest at a fixed rate described in the applicable pricing supplement. This type includes zero coupon Notes, which bear no interest and are instead issued at a price lower than the principal amount. See “Description of Notes and Details of the Offering – Discount Notes” below for more information about zero coupon and other Discount Notes.

Each fixed rate Note, except any zero coupon Note, will bear interest from its original issue date or from the most recent date to which interest on the Note has been paid or made available for payment. Interest will accrue on the principal of a fixed rate Note at the fixed yearly rate stated in the applicable pricing supplement, until the principal is paid or made available for payment. Each payment of interest due on an interest payment date or the date of maturity will include interest accrued from and including the last date to which interest has been paid, or made available for payment, or from the issue date if none has been paid or made available for payment, up to but excluding the interest payment date or the date of maturity. We will compute interest on fixed rate Notes on the basis of a 360-day year of twelve 30-day months.

Floating Rate Notes

Interest Rate Formulas. A Note of this type will bear interest at rates that are determined by reference to an interest rate formula. In some cases, the rates may also be adjusted by adding or subtracting a spread or multiplying by a spread multiplier and may be subject to a minimum rate or a maximum rate. If the Notes are floating rate Notes, the formula and any adjustments that apply to the interest rate will be specified in the applicable pricing supplement.

Each floating rate Note will bear interest from its original issue date or from the most recent date to which interest on the Note has been paid or made available for payment. Interest will accrue on the principal of a floating rate Note at the yearly rate determined according to the interest rate formula stated in the applicable pricing supplement, until the principal is paid or made available for payment.

For each floating rate Note, the calculation agent (See “Description of Notes and Details of the Offering – Calculations and Calculation Agent” below) will determine, on the corresponding interest calculation or determination date, as described in the applicable pricing supplement, the interest rate that takes effect on each interest reset date. In addition, the calculation agent will calculate the amount of interest that has accrued during each interest period – *i.e.*, the period

from and including the original issue date, or the last date to which interest has been paid or made available for payment, up to but excluding the payment date. For each interest period, the calculation agent will calculate the amount of accrued interest by multiplying the face or other specified amount of the floating rate Note by an accrued interest factor for the interest period. This factor will equal the sum of the interest factors calculated for each day during the interest period. The interest factor for each day will be expressed as a decimal and will be calculated by dividing the interest rate, also expressed as a decimal, applicable to that day by 360 or by the actual number of days in the year, as specified in the applicable pricing supplement.

Upon the request of the holder of any floating rate Note, the calculation agent will provide the interest rate then in effect for that Note and, if determined, the interest rate that will become effective on the next interest reset date.

Indexed Notes

Investing in indexed Notes involves special risks. See “Risk Factors” in this Short Form Prospectus for more information about the risks of investing in Notes of this type.

A Note of this type provides that the principal amount payable at its maturity, and/or the amount of interest payable on an interest payment date, will be determined by reference to: (i) securities of one or more issuers; (ii) one or more currencies; (iii) one or more commodities; (iv) any other financial, economic or other measure or instrument, including the occurrence or non-occurrence of any event or circumstance (provided that Notes which link interest or principal to the credit performance of any third parties will not be issued hereunder); and/or (v) one or more indices or baskets of the items described above.

Holders of indexed Notes may receive an amount at maturity that is equal to, greater than or less than the principal amount of the Notes held by such holder depending upon the value of the applicable index at maturity. The value of the applicable index will fluctuate over time.

An indexed Note will provide for cash settlement. Pricing supplements for indexed Notes will include information about the relevant index, about how amounts that are to become payable will be determined by reference to the price or value of that index and about the terms on which the security may be settled in cash. The calculation agent may exercise significant discretion in calculating the amounts payable with respect to the indexed Note.

We have filed with the Canadian provincial securities regulatory authorities an undertaking that we will not distribute in Canada Notes that, at the time of distribution, are “novel” specified derivatives without pre-clearing with such regulators the disclosure to be contained in the pricing supplements pertaining to such Notes.

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.

Ordinarily, the calculation agent will be solely responsible for making all determinations and calculations regarding the amount payable in respect of your Notes at maturity, the price, value or, early redemption events, level of the reference asset, market disruption events, business days, the default amount upon any acceleration (only in the case of an event of default under the Senior Debt Indenture), the maturity date, any optional redemption date, the interest rate and any other calculations or determinations to be made by the calculation agent. 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. If the calculation agent is Barclays Bank PLC or an affiliate of Barclays Bank PLC, the calculation agent may have economic interests adverse to those of the holders of Notes. The calculation agent will carry out its duties and functions as calculation agent in good faith and using commercially reasonable judgment. If the calculation agent uses its discretion to make a determination, the calculation agent will notify the Trustee who will, to the extent it is required to under the senior debt indenture, notify each holder, or in the case of global Notes, the depositary, as holder of the global Notes. You will not be entitled to any compensation from us for any loss suffered as a result of any of the determinations by the calculation agent.

If applicable, in the circumstances described under “Appointment of an Independent Calculation Expert” in a pricing supplement, a calculation, valuation or determination to be made by the calculation agent in respect of the applicable Notes will be subject to confirmation by an independent calculation expert.

All percentages resulting from any calculation relating to a Note will be rounded upward or downward,

as appropriate, to the next higher or lower one hundred-thousandth of a percentage point, e.g., 9.876541% (or .09876541) 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 be rounded upward or downward, as appropriate, to the nearest cent, in the case of U.S. dollars, or to 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 price, value or level 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. Those reference banks, dealers, reference asset sponsors or information providers may include the calculation agent itself or 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.

Appointment of an Independent Calculation Expert

In the circumstances specified in an applicable pricing supplement, if a calculation, valuation or determination is to be made by the calculation agent in respect of the Notes in the circumstances listed below, the Company will appoint an independent calculation expert (“Independent Calculation Expert”) to confirm such calculation, valuation or determination. The Independent Calculation Expert will be a person that is both “independent” of the Company and a market participant or financial institution that is familiar with the applicable reference asset(s) and the securities comprising the applicable reference asset(s). For the purposes of this section, “independent” means a person that is not the Company or an affiliate of the Company or an “insider”, “associate” or “affiliate” thereof (as such terms are defined in the *Securities Act* (Ontario), as the same may be amended from time to time). The Independent Calculation Expert will act as an independent expert and will not assume any obligation or duty to, or any relationship of agency or trust for or with, you or the Company.

You will be entitled to rely on the conclusions of such Independent Calculation Expert, which will (except in the case of manifest error and subject to the next paragraph) be final and binding on the Company, the calculation agent, the registered holder or bearer of a global Note, as the case may be, and the beneficial

holders of the Notes. The Independent Calculation Expert will not be responsible for good faith errors or omissions. The Independent Calculation Expert may, with the consent of the Company, delegate any of its obligations and functions to a third party as it deems appropriate, but acting honestly and commercially reasonably at all times.

If the Independent Calculation Expert disagrees with the reasonableness of the discretionary aspects of the calculation agent's calculation, valuation or determination, the Company will appoint two additional Independent Calculation Experts. The three Independent Calculation Experts appointed by the Company will each repeat the valuation, calculation or determination having regard to the basis, factors and considerations properly applicable to the initial valuation, calculation or determination by the calculation agent, and the average of such valuation, calculation or determination by the Independent Calculation Experts will be definitive and binding on the Company, the calculation agent, the registered holder or bearer of a global Note, as applicable, and the beneficial holders of the Notes.

The Pricing Supplement

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 this Short Form Prospectus or a prospectus supplement, if any. If any information in the pricing supplement is inconsistent with this Short Form Prospectus or an applicable prospectus supplement, you should rely on the information in the pricing supplement. Any pricing supplement should be read in connection with this Short Form Prospectus and any applicable prospectus supplement. It is important that you consider all of the information in the pricing supplement and this Short Form Prospectus when making your investment decision.

Terms Specified in a Pricing Supplement

The following contains a partial list of the information and terms of a Note offering which may be included in a pricing supplement:

- initial public offering price;
- the reference asset and a description thereof;
- to the extent that the reference asset is an index or a basket, a description of the components thereof;

- ticker symbol or other identification of the reference asset;
- principal amount;
- the initial valuation date or other date on which the Notes price;
- settlement date and original issue date;
- valuation dates, observation dates or averaging dates, if any;
- maturity date and any terms related to any extension of the maturity date not otherwise set forth in this Short Form Prospectus;
- dealer's commission or discount, if any;
- to the extent that the reference asset is based on multiple indices or assets, the relative weighting of each index or asset comprising the reference asset;
- maximum return, if any;
- maximum loss, if any, provided that in some instances, the maximum loss will be determined based on a formula or other method as described in the applicable pricing supplement;
- initial level, value or price of the reference asset;
- whether your principal investment in the Notes is fully protected, partially protected, contingently protected or not protected;
- upside leverage factor or participation rate, if any;
- downside leverage factor, if any;
- barrier percentage or barrier level, if any;
- buffer percentage or buffer level, if any;
- payment at maturity, including the formula or method of calculation and the relevant reference assets, if any and any applicable investor fee deducted from such payment;
- business day, business day convention and day count convention;

- CUSIP number;
- over-allotment option, if any;
- reissuances or reopened issues of the Notes;
- denominations of the Notes;
- issue price and variable price offer;
- early redemption option, optional redemption dates and redemption price, if any;
- repayment at the option of the Note holder, if any;
- special requirements for optional repayment of global Notes, if any;
- the specified currency and the currency in which the interest will be payable if not U.S. dollars;
- whether or not the Notes will be listed;
- for Notes that pay interest, information concerning the related fixed or floating rate, any spread and any other terms relating to the particular method of calculating the interest rate for the Note;
- the price at which we originally issued the Notes, expressed as a percentage of the principal amount, and the original issue date;
- if the Notes are fixed rate Notes, the yearly rate at which the Notes will bear interest, if any, and the interest payment dates;
- if the Notes are floating rate Notes, the interest rate basis;
- any applicable index currency or maturity, spread or spread multiplier or initial, maximum or minimum rate; and the interest reset, determination, calculation and payment dates; and
- any other applicable terms.

Business Day

A “business day” with respect to the Notes will be defined in the applicable pricing supplement according to a specified business day convention. See “Business Day Convention” below.

As used in this Short Form Prospectus, 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 Toronto, New York City or in London generally are authorized or obligated by law or executive order to be closed.

As used in this Short Form Prospectus, 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 is open.

Business Day Convention

Business day conventions are procedures used to adjust certain events (e.g., interest payment dates and redemption dates) that fall on days that are not business days. Unless the applicable pricing supplement states otherwise, those events will be governed by the “following business day” convention (e.g., if an interest payment date, redemption date or other event, as defined in the applicable pricing supplement, falls on a day that is not a business day, the interest payment date, redemption date or other event, as the case may be, will be the next following business day). The descriptions below use payment dates for example purposes.

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.

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 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 Agents

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 Notes Payable in a Currency Other than Canadian or U.S. Dollars” in this Short Form Prospectus 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 Notes and Details of the Offering – Form, Denomination and Legal Ownership of Notes”.

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 cheque 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 cheque at the paying agent described below, against surrender of the Note. All payments by cheque will be made in next-day funds – *i.e.*, funds that become available on the day after the cheque is cashed. Alternatively, if a non-global Note has a face amount of at least U.S.\$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 Notes and Details of the Offering – Form,

Denomination and Legal Ownership of Notes – Payment and Paying Agents” below.

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 depository 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 participant through which your interest in the global Note is held of your election:
 - on or before the applicable regular record date, which shall 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 repayment 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 such other currency. Unless otherwise indicated in your pricing supplement, any Notes denominated in Canadian dollars shall have regular record dates six days prior to the applicable interest payment date. If you hold such Notes through CDS Clearing and Depository Services Inc. (“CDS”), CDS will automatically make the election to receive payment in Canadian dollars on your behalf.

Your participant must, in turn, notify DTC of your election on or before the third DTC business day after that regular record date, in the case of a payment of interest, and on or before the 12th DTC business day prior to stated maturity, or on the redemption or repayment 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 participant and forwarded by the 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 participant by wire transfer of immediately available funds to an account maintained by you or your 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 below under “Description of Notes and Details of the Offering – Payment and Paying Agents – 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

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 the Company, 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 at least two acceptable currency bid quotations are not 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. (If some but not all of the relevant Notes are LIBOR Notes or EURIBOR Notes, the second preceding business day will be determined for this purpose as if none of those Notes were LIBOR Notes or EURIBOR 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.

For a specified currency other than U.S. dollars, the exchange rate will be the noon buying rate for cable transfers of the specified currency in New York City as quoted by the Federal Reserve Bank of New York on the then-most recent day on which that bank has quoted that rate.

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 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 binding on you and us, without any liability on the part of the exchange rate agent.

We understand that the policies of CDS currently in effect are as follows:

Payments of principal of, premium, if any, and interest, if any, on the Notes represented by a global Note held by the depositary or its nominee will be made by the Company or a paying agent to the depositary or

its nominee, as the case may be, as the bearer of a global Note. None of the Company, the paying agent or any other agent of the Company will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests of a global Note or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. The Company expects that the depository or its nominee, upon receipt of any payment of principal of, premium, if any, or interest, if any, on a global Note, will immediately credit the accounts of the related participants with payment in amounts proportionate to their respective holdings in principal amount of beneficial interests in such global Note as shown on the records of the depository. The Company also expects that payments by participants to owners of beneficial interests in a global Note will be governed by standing customer instructions and customary practices as is now the case with securities held for the accounts of customers in bearer form or registered in "street name" and will be the responsibility of such participants.

Form, Denomination and Legal Ownership of Notes

Unless otherwise specified in the applicable pricing supplement, Notes distributed pursuant to this Short Form Prospectus, as supplemented, will be issued:

- in bearer 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.

Street Name and Other Indirect Holders. Investors who hold Notes in accounts at banks or brokers will generally not be recognized by us as legal holders of such Notes. 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 Notes. These intermediary banks, brokers and other financial institutions pass along principal, interest and other payments on the Notes, either because they agree to do so in their customer agreements or because they are legally required to do so. An investor who holds Notes in street name should check with the investor's own intermediary institution to find out:

- how it handles 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 Notes 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 Notes 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 the Notes. 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 the Notes in that manner or because the Notes 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 Notes. A global Note is a special type of indirectly held security, as described above under "Description of Notes and Details of the Offering – Form, Denomination and Legal Ownership of Notes – Street Name and Other Indirect Holders". If we issue Notes in the form of global Notes, the ultimate beneficial owners can only be indirect holders.

We require that the global Note be registered in the name of a financial institution we select or, if issued in bearer form, deposited with the financial institution we select. In addition, we require that the Notes included in the global Note not be transferred to the name of any other direct holder unless the special circumstances described below occur. The financial institution that acts as the sole direct holder of the global Note is called the depository. Any person wishing to own a Note 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 pricing supplement indicates otherwise, Notes will be issued only in the form of global Notes.

Special Investor Considerations for Global Notes. As an indirect holder, an investor's rights relating to a global Note will be governed by the account rules of the investor's financial institution and of the depository, as well as general laws relating to securities transfers. We do not recognize this type of investor as a holder of Notes and instead deal only with the depository that holds the global Notes.

Investors in Notes that are issued only in the form of global Notes should be aware that:

- they cannot get Notes registered in their own name;
- they cannot receive physical certificates for their interests in the Notes;
- they will be a street name holder and must look to their own bank or broker for payments on the Notes and protection of their legal rights relating to the Notes, as explained earlier under “Description of Notes and Details of the Offering – Form, Denomination and Legal Ownership of Notes – Street Name and Other Indirect Holders”;
- they may not be able to sell interests in the Notes to some insurance companies and other institutions that are required by law to own their Notes 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 Notes. After that exchange, the choice of whether to hold Notes 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 Notes transferred to their own name so that they will be direct holders. The rights of street name investors and direct holders in the Notes have been previously described in the sub-sections entitled “Description of Notes and Details of the Offering – Form, Denomination and Legal Ownership of Notes – Street Name and Other Indirect Holders” and “Description of Notes and Details of the Offering – Form, Denomination and Legal Ownership of Notes – 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 has occurred and has not been cured. Defaults are discussed below under “Description of Notes and Details of the Offering – Senior Events of Default”.

The pricing supplement may also list additional situations for terminating a global Note that would apply only to the particular Notes covered by the pricing supplement. When a global Note 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.

In the remainder of this description “holders” means direct holders and not street name or other indirect holders of the global securities. Indirect holders should read the sub-section entitled “Description of Notes and Details of the Offering – Form, Denomination and Legal Ownership of Notes – 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 one business day in advance of the interest due date, is called the regular record date and is stated in the applicable pricing supplement.

We will pay interest, principal and any other money due on the Notes at the corporate trust office of the Trustee in the City of New York. Holders of Notes must make arrangements to have their payments picked up at or wired from that office. We may also choose to pay interest by mailing cheques.

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 its 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 issue of Notes. In certain circumstances we may also appoint a Canadian paying agent. In such circumstances, the identity of the Canadian paying agent will be specified in the relevant pricing supplement.

Payments

The relevant pricing 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 issue of Notes. The pricing supplement will also specify the interest rate or rates, if any, or how rate or rates will be calculated.

Additional Amounts

Unless the relevant pricing supplement provides otherwise, as provided in the Senior Debt Indenture 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 (“taxes”) 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 (each a “U.K. taxing jurisdiction”), unless the deduction or withholding is required by law. Unless the relevant pricing supplement provides otherwise, at any time a U.K. 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 Notes (“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 Notes is a domiciliary, national or resident of, or engages in business or maintains a permanent establishment or is physically present in, a U.K. taxing jurisdiction requiring that deduction or withholding, or otherwise has some connection with the U.K. taxing jurisdiction other than the holding or ownership of the Notes, or the collection of any payment of, or in respect of, the principal of, any premium, or any interest on, any Notes of the relevant series;
- except in the case of our winding-up in England, the relevant Note is presented for payment in the U.K.;
- the relevant Note is presented for payment more than 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 Note for payment at the close of such 30-day period;

- such deduction or withholding is imposed on a payment made pursuant to the European Council Directive 2003/48/EC (the “Directive”) implementing the conclusions of the ECOFIN Council meeting of November 26-27, 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive;
- the relevant Note 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 Note to another paying agent in a member state of the European Union or elsewhere;
- the holder or the beneficial owner of the relevant Notes or the beneficial owner of any payment of, or in respect of, the principal of, any premium, or any interest on the Notes failed to make any necessary claim or failed to comply with any certification, identification or other requirements concerning the nationality, residence, identity or connection with the taxing jurisdiction of the holder or beneficial owner, if such claim or compliance, as applicable, is required by statute, treaty, regulation or administrative practice of a U.K. taxing jurisdiction as a condition to relief or exemption from the taxes; 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 Notes had been the holder of the Notes.

Whenever we refer in this Short Form Prospectus and any pricing supplement to the payment of the principal of, any premium, or any interest, if any, on, or in respect of, any Notes, we mean to include the payment of Additional Amounts to the extent that, in context, Additional Amounts are, were or would be payable.

Redemption

Redemption for Tax Reasons. Unless the relevant pricing supplement provides otherwise, we will have the option to redeem the Notes 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 pricing supplement, if:

- we are required to issue definitive Notes (see “Description of Notes and Details of the Offering – Form, Denomination and Legal Ownership of Notes – 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 Notes, or;
- we determine that as a result of a change in or amendment to the laws or regulations of a U.K. taxing jurisdiction, including any treaty to which the relevant U.K. 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 pricing 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 or would be required to pay holders Additional Amounts, or we (or any successor entity) would not be entitled to claim a deduction in respect of any payments in computing our (or its) taxation liabilities.

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 Notes of the relevant series. The redemption price will be equal to 100% of the principal amount of the Notes being redeemed together with any accrued but unpaid interest, if any, in respect of such Notes to the date fixed for redemption or, in the case of Discount Notes, such portion of the principal amount of such Discount Notes as may be specified by their terms.

Optional Redemption. The relevant pricing supplement will specify whether we may redeem the Notes of any series, in whole or in part, at our option, in any other circumstances. The pricing supplement will also specify the notice we will be required to give, what prices and any premium we will pay, the review date on which the decision to redeem the Notes will be made and the dates on which we may redeem the Notes. Any notice of redemption of Notes will state:

- the date fixed for redemption;
- the amount of Notes 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 Note 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 Notes.

In the case of a partial redemption, the Trustee shall select the Notes that we will redeem in any manner it deems fair and appropriate.

We or any of our subsidiaries may at any time purchase Notes of any series in the open market or by tender (available alike to each holder of Notes of the relevant series) or by private agreement, if applicable law allows. We will treat as cancelled and no longer issued and outstanding any Notes 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 Senior Debt Indenture applicable to each series of Notes without the consent of the holders of the Notes. We may make other modifications and amendments with the consent of the holder(s) of not less than a majority of aggregate principal amount of the debt securities of the series outstanding under the Senior Debt Indenture that are affected by the modification or amendment. However, we may not make any modification or amendment without the consent of each affected holder of Notes that would:

- change the stated maturity date of its principal amount;
- reduce the principal amount of, or any premium, or interest, with respect to any Note;
- reduce the amount of principal on a Discount Note that would be due and payable upon an acceleration of the maturity date of the Notes;
- change our obligation, or any successor’s, to pay Additional Amounts;
- 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;
- reduce the percentage in aggregate principal amount of outstanding debt securities of the series necessary to modify or amend the Senior Debt Indenture or to waive compliance with certain provisions of the Senior Debt Indenture and any past Senior Event of Default;
- change our obligation to maintain an office or agency in the place and for the purposes specified in the Senior Debt Indenture;
- modify the terms and conditions of our obligations in respect of the due and punctual payment of the amounts due and payable on the Notes in a manner adverse to the holders; or
- modify the foregoing requirements or the provisions of the Senior Debt Indenture relating to the waiver of any past Senior Event of Default or covenants, except as otherwise specified.

Senior Events of Default

Unless the relevant pricing supplement provides otherwise, a “Senior Event of Default” with respect to any series of Notes shall result if:

- we do not pay any principal or interest on any Notes of the 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 series of Notes 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 we satisfy the Trustee that 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;
- we breach any covenant or warranty of the Senior Debt 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 that series of Notes and requiring the breach to be remedied or from holders of at least 25% in principal amount of the Notes 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 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 Notes of that series may at their discretion declare the Notes of that series to be due and repayable immediately (and the Notes 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 pricing supplement) together with accrued interest, if any, as provided in the pricing 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 Senior Debt Indenture provisions for the indemnification of the Trustee, the holders of a majority in aggregate principal amount of the outstanding Notes 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 of Notes. However, this direction must not be in conflict with any rule of law or the Senior Debt Indenture, and must not be unjustly prejudicial to the holder(s) of any Notes 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 Indenture. We will give notice if at any time it is lawful to pay any Withheld Amount to holders of Notes 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 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 sub-section 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 “Description of Notes and Details of the Offering – Additional Amounts”. Interest accrued on any Withheld Amount will be paid net of any taxes required by applicable law to be withheld or deducted and we shall not be obligated 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 Notes of an 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 Notes, or
- a covenant or provision of the Senior Debt Indenture which cannot be modified or amended without the consent of each holder of Notes 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 Notes of any series, give to each affected holder of the Notes 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 Notes, the Trustee will be entitled to withhold notice if the board of directors, the executive committee or a trust committee of directors or 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 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 Notes.

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.

Default Amount

If an event of default occurs under the Senior Debt Indenture and the maturity of the Notes is accelerated, the Company will pay holders the default amount in respect of the principal of the Notes at maturity. The default amount is described below under “– Default Amount”. Please see the discussion under the heading “Description of Notes and Details of the Offering – Senior Events of Default” for a description of some of the circumstances that would constitute such an event of default.

For the purpose of determining whether the holders of our global medium-term notes, of which the Notes are a part, are entitled to take any action under the Senior Debt Indenture, the Company will treat the stated principal amount of each Note outstanding as the principal amount of that Note. Although the terms of the Notes may differ from those of the other global medium-term notes, holders of specified percentages in principal amount of all global medium-term notes, together in some cases with other series of our debt securities, will be able to take action affecting all the global medium-term notes, including the Notes. This action may involve changing some of the terms that apply to the global medium-term notes, accelerating the maturity of the global medium-term notes after a default or waiving some of our obligations under the Senior Debt Indenture. The Company discusses these matters under “Description of Notes and Details of the Offering – Modification and Waiver” and “– Senior Events of Default”.

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 the Company's payment and other obligations 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 investors 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 is described below, the holders of the Notes and/or the Company 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, 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 Canada, 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 S&P, or any successor, or any other comparable rating then used by that rating agency, or
- P–1 or higher by Moody's, or any successor, or any other comparable rating then used by that rating agency.

Business Days

For the purposes of this sub-section "Default Amount", a reference to a business day includes business days in New York and London, but excludes business days in Toronto.

Consolidation, Merger and Sale of Assets; Assumption

We may, without the consent of the holders of Notes, consolidate with, merge into or transfer or lease our assets substantially as an entirety to, any person or the persons specified in the Senior Debt 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 Notes and the Senior Debt 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 Notes of any series without the consent of any holder. We, however, must irrevocably guarantee the obligations of the subsidiary under the Notes of that series. If we do, all of its direct obligations under the Notes of the series and the Senior Debt Indenture shall immediately be discharged.

Unless the relevant pricing supplement provides otherwise, any Additional Amounts under the Notes 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 “Description of Notes and Details of the Offering - 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 Notes of the relevant series in the circumstances described in “Description of Notes and Details of the Offering – 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.

Governing Law

The Notes and Senior Debt Indenture will be governed by and construed in accordance with the laws of the State of New York.

Notices

Notices regarding the Notes will be valid:

- with respect to global Notes in bearer form, if in writing and delivered or mailed to each direct holder;
- if registered Notes are affected, if given in writing and mailed to each direct holder as provided in the Senior Debt Indenture; or
- with respect to bearer definitive Notes, if published at least once in an Authorized Newspaper (as defined in the Senior Debt Indenture) in the Borough of Manhattan in New York City and as the applicable pricing supplement may provide.

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.

Consent to Service

The Senior Debt 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 Senior Debt Indenture or Notes brought in any federal or state

court in New York City and we irrevocably submit to the jurisdiction of these courts.

We have appointed Blakes Extra-Provincial Services Inc., Commerce Court West, 199 Bay Street, Suite 2800, Toronto, Ontario, M5L 1A9 as our agent for service of process in each of the provinces of Canada. The Trustee has appointed 152928 Canada Inc. as its agent(s) for service of process in Canada.

CLEARANCE AND SETTLEMENT

Notes 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 CDS, in Canada, DTC, in the United States, Clearstream Banking, société anonyme, or Clearstream, Luxembourg, in Luxembourg and Euroclear Bank S.A./N.V., or 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.

If Global Notes distributed pursuant to this Short Form Prospectus, as supplemented, will be issued in bearer form they will be deposited with a book-entry system that permits deposits of notes in bearer form. Alternatively, if the applicable pricing supplement so provides, global Notes will be registered in the name of a nominee for, and accepted for settlement and clearance by, one or more of CDS, Euroclear, Clearstream, Luxembourg, DTC or any other clearing system identified in the applicable pricing supplement.

Cross-market transfers of Notes 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 depositaries, which, in the case of securities for which a global security in registered form is deposited with the DTC, in turn hold those interests in customers’ securities accounts in the depositaries’ names on the books of the DTC. Unless provided otherwise in the applicable pricing supplement, it is expected that the beneficial interests of Canadian investors will be held by participants in the book-entry system operated by CDS.

The policies of DTC, Clearstream, Luxembourg, Euroclear and CDS 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 pricing supplement.

We have no responsibility for any aspect of the actions of DTC, Clearstream, Luxembourg, Euroclear or CDS or any of their direct or indirect participants. We have no responsibility for any aspect of the records kept by DTC, Clearstream, Luxembourg, Euroclear or CDS or any of their direct or indirect participants. We also do not supervise these systems in any way. This is also true for any other clearing system indicated in a pricing supplement.

DTC, Clearstream, Luxembourg, Euroclear and CDS 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, CDS 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 and CDS as they are currently in effect. Those systems could change their rules and procedures at any time.

The Clearing Systems

DTC. The following concerning DTC and DTC's book-entry system has been obtained from sources that we believe to be reliable, but we take no responsibility for the accuracy thereof.

- DTC is:
 1. the world's largest securities depository;
 2. a limited purpose trust company organized under the laws of the State of New York;
 3. a "banking organization" within the meaning of New York Banking Law;
 4. a member of the Federal Reserve System;
 5. a "clearing corporation" within the meaning of the New York Uniform Commercial Code; and

6. a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act.

DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("DTC direct participants") deposit with DTC. DTC also facilitates the post-trade settlement among DTC direct participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between direct participants' accounts. This eliminates the need for physical movement of securities certificates. DTC direct participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations.

DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a DTC direct participant, either directly or indirectly ("DTC indirect participants"). DTC has Standard & Poor's highest rating: AAA. The rules applicable to DTC and DTC participants are on file with the SEC.

Purchases of Notes 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 note ("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 Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes 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 Notes with DTC and their registration in the name of Cede & Co. or any other DTC nominee do not effect 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 Notes 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 Notes 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 Notes may wish to ascertain that the nominee holding the Notes 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 Notes that contain an option to redeem, redemption notices shall be sent to DTC. If less than all of the Notes 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 Notes 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 Notes 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, any 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 Notes purchased or tendered, through its participant, to an agent, and shall effect delivery of those Notes by causing the DTC direct participant to transfer the DTC participant's interest in the Notes, 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 Notes 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 depository 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 depository is not obtained, Note 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 depository). In that event, note certificates will be printed and delivered to DTC.

Clearstream, Luxembourg. The following concerning Clearstream, Luxembourg and Clearstream, Luxembourg's book-entry system has been obtained from sources that we believe to be reliable, but we take no responsibility for the accuracy thereof.

- 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 depository 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. The following concerning Euroclear and Euroclear's book-entry system has been obtained from sources that we believe to be reliable, but we take no responsibility for the accuracy thereof.

- Euroclear is incorporated under the laws of Belgium as a bank and is subject to regulation by the Belgian Banking, Finance and Insurance Commission, La Commission Bancaire, Financière et des Assurances) and the National Bank of Belgium (Banque Nationale de Belgique).
- Euroclear holds securities for its customers and facilitates the clearance and settlement of securities transactions among them. It does so through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates.
- Euroclear provides other services to its customers, including credit, custody, lending and borrowing of securities and triparty collateral management. It interfaces with the domestic markets of several countries.

- Euroclear customers include banks, including central banks, securities brokers and dealers, trust companies and clearing corporations and certain other professional financial intermediaries.
- Indirect access to the Euroclear system is also available to others that clear through Euroclear customers or that have custodial relationships with Euroclear customers.
- All securities in Euroclear are held on a fungible basis. This means that specific certificates are not matched to specific securities clearance accounts.

CDS. The following information is based on publicly available information regarding CDS. We take no responsibility for the accuracy thereof.

The Canadian Depository for Securities Limited, the parent company of CDS, was incorporated in 1970 and is Canada's national securities clearing and depository services organization. CDS Ltd. is a privately-owned company. Its shareholders are the major Canadian banks, the Toronto Stock Exchange, and the Investment Industry Regulatory Organization of Canada. CDS provides a variety of computer automated services for financial institutions and investment dealers active in domestic and international capital markets. CDS participants ("CDS Participants") include banks, investment dealers and trust companies and may include certain of the underwriters, dealers or agents that may be involved in an issue of Notes. Indirect access to CDS is available to other organizations that clear through or maintain a custodial relationship with a CDS Participant. Transfers of ownership and other interests in Notes held through CDS may only be processed through CDS Participants and will be completed in accordance with existing CDS rules and procedures. CDS operates in Montreal, Toronto, Calgary, and Vancouver to centralize securities clearing functions through a central securities depository.

Other Clearing Systems. We may choose any other clearing system for the Notes. The clearance and settlement procedures for the clearing system we choose will be described in the applicable pricing supplement.

Primary Distribution

Unless the applicable pricing supplement states otherwise, we will issue the Notes in global form and the distribution of Notes 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 pricing supplement. Payment for Notes will be made on delivery versus payment or free delivery basis.

Clearance and settlement procedures may vary from one series of Notes to another according to the currency that is chosen for the specific series of Notes. Customary clearance and settlement procedures are described below.

We will submit applications to the relevant system or systems for the Notes to be accepted for clearance. The clearance numbers that are applicable to each clearance system will be specified in the pricing supplement.

Clearance and Settlement Procedures – DTC. DTC participants that hold Notes 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.

Notes 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 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 Notes through Euroclear or Clearstream, Luxembourg accounts will follow the settlement procedures that are applicable to conventional Eurobonds in registered form for debt securities.

Notes 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.

Clearance and Settlement Procedures – CDS. Ownership of the Notes will be constituted through beneficial interests in a global Note and will be represented through book-entry accounts of institutions, as direct and indirect participants of CDS, acting on behalf of the beneficial owners of such Notes. Each purchaser of a Note represented by the global Note will receive a customer confirmation of purchase from the investment dealer from whom the Notes are purchased in accordance with practices and procedures of such investment dealer.

So long as the depositary for a global Note, or its nominee, is the bearer of the global Note, the depositary or its nominee, as the case may be, will be considered

the sole owner or holder of the Notes represented by such global Note. Accordingly, each person owning a beneficial interest in a global Note must rely on the procedures of the depositary and, if such person is not a participant, on the procedures of the participant through which such person owns its interest, to exercise any rights of a holder under a global Note. The Company understands that under existing policies of the depositary and industry practices, if the Company requests any action of holders or if an owner of a beneficial interest in such a global Note desires to give any notice or take any action which a holder is entitled to give or take under a global Note, the depositary would authorize the participants holding the relevant beneficial interests to give such notice or take such action. Any beneficial owner that is not a participant must rely on the contractual arrangements it has directly, or indirectly through its financial intermediary, with a participant to give such notice or take such action.

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 debt 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 debt securities.

Trading Between a DTC Seller and a Euroclear or Clearstream, Luxembourg Purchaser. A purchaser of Notes 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 Notes 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 depository 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.

Because the settlement will take place during New York business hours, DTC participants will use their usual procedures to deliver securities to the depository 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.

Trading Between CDS Participants. CDS Participants will generally transfer interests in Notes among themselves in the ordinary way in accordance with CDS' rules and practices generally applicable to securities of this type.

Special Timing Considerations

You should be aware that you will only be able to make and receive deliveries, payments and other communications involving the Notes through CDS, DTC, Clearstream, Luxembourg and Euroclear on days when those systems are open for business. DTC, Clearstream, Luxembourg and Euroclear may not be open for business on days when banks, brokers and other institutions are open for business in Canada.

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 Canada and the United States. Canadian investors who wish to transfer their interests in Notes, or to receive or make a payment or delivery of Notes, 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.

VALUATION OF THE NOTES

The market value of the Notes will be affected by numerous factors, many of which are beyond the Company's control. The Company expects that generally interest rates, the volatility of interest rates and yield rates in the market generally on any day will affect the market value of the Notes more than any other factor. Other factors that may influence the market value of the Notes include, but are not limited to, supply and demand for the Notes, and, the time to maturity of the Notes, as well as the perceived creditworthiness of the Company. The price at which the Notes may be sold prior to maturity may be significantly less than the issue price. See "Risk Factors" for a discussion of the factors that may influence the market value of the Notes prior to maturity.

All determinations and adjustments to be made by the calculation agent may be made by the calculation agent in its sole discretion. See "Risk Factors" for a discussion of certain conflicts of interest which may arise with respect to the calculation agent.

PLAN OF DISTRIBUTION

Distribution Agreements. We plan to distribute all or part of the Notes under one or more distribution agreements that we intend to enter into with one or more registered Canadian dealer(s), or dealer(s) exempt from registration as a dealer under applicable securities legislation, as dealer(s) relating to our Notes, subject to compliance with applicable law. Under any distribution agreement(s), the dealer(s) will agree to purchase Notes from us for its (their) own account in a firm commitment underwriting, upon the terms and conditions set forth in the applicable pricing supplement. We intend to file any such distribution agreement(s) with the securities regulatory authorities of all the provinces of Canada following its execution. We would pay the dealer a commission on any Notes purchased by the dealer.

The dealer(s) may distribute any Notes it (they) subscribe(s) for as principal to other brokers or dealers and pay them a commission, which may be all or part of the commission the dealer(s) received from us. If all the Notes are not sold at the initial offering price, the dealers may change the offering price and other selling terms.

Alternatively, subject to compliance with applicable law, we may distribute all or part of the Notes pursuant to distribution agreements that we enter into with one or more registered Canadian dealer(s) or dealer(s) exempt from registration as agents. The agents will agree to solicit and receive offers to subscribe for Notes from us, upon the terms and conditions set forth in the applicable pricing supplement.

We may have the right to appoint dealers under any such distribution agreement(s) other than or in addition to the agent(s) who initially sign(s) the applicable distribution agreement. Any of those dealers will enter into the applicable distribution agreement. Dealers through whom we distribute Notes may enter into arrangements with other institutions with respect to the distribution of Notes, and those institutions may share in the commissions, discounts or other compensation received by our dealers, may be compensated separately and may also receive commissions from purchasers for whom they may act as agents. The other dealers 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 Canada Inc. is an indirect wholly owned subsidiary of the Company. Consequently, the Company is a “related issuer” of Barclays Capital Canada Inc. within the meaning of the securities legislation of each of the Provinces of Canada in connection with the offering of Notes in which Barclays Capital Canada Inc. participates as dealer.

Barclays Capital Canada Inc. may receive a commission in connection with its acting as a dealer for the distribution of the Notes under this Prospectus and may earn a profit in connection with the acquisition or disposition of the Notes acting as principal. In addition, Barclays Capital Canada Inc. may benefit from an offering of Notes to the extent the proceeds of such offering are used to fund the operations of Barclays Capital Canada Inc.

Other Arrangements. In addition to subscriptions under the distribution agreement(s) referred to above, we may also issue all or part of the Notes from time to time, on terms determined at that time, through underwriters, dealers and/or agents, directly to subscribers or through a combination of any of these methods of distribution. We may also engage other firms to provide marketing or promotional services in connection with the distribution of the Notes. We will describe any such arrangements in the applicable pricing supplement.

Settlement. The applicable pricing supplement will specify when the Notes will be delivered. Delivery of the

Notes may be made against payment after the third business day following the date of the applicable pricing supplement, or otherwise as specified by the applicable pricing supplement (for example, if delivery against payment is on the seventh business day, the settlement cycle will be referred to as “T+7”). Under Rule 15c6-1 under the Exchange Act, trades in the secondary market generally are required to settle in three business days, unless the parties to the trade expressly agree otherwise. Accordingly, subscribers who wish to trade Notes on the date of the applicable pricing supplement will be required, by virtue of the fact that the Notes initially will settle, for example, in T+7, to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement and should consult their own advisor.

General. The Notes may be issued at fixed prices or non-fixed prices, such as prices determined by reference to the prevailing price of the Notes in a specified market, at market prices prevailing at the time of sale or at prices to be negotiated with purchasers, which prices may vary as between purchasers and during the period of distribution of the Notes.

The pricing supplement for any of the Notes being offered thereby will name any underwriter involved in the offering and issue of Notes under such supplement, will set forth any commissions that we will pay in connection therewith and will also set forth the terms of the offering of such Notes, including the type of Note being offered, the issue price of such Notes, the proceeds to us from such issue, any discounts and other items constituting dealer(s)’ compensation, any public offering price and any discounts or concessions allowed or re-allowed or paid to agent(s). Only dealer(s) so named in the pricing supplement are deemed to be dealers or underwriters in connection with the Notes offered thereby.

We may enter into agreements with the underwriters, dealers and agents who participate in the distribution of the Notes that may fully or partially indemnify them against some civil liabilities, including liabilities under applicable securities laws. Underwriters, dealers and agents may be affiliates or customers of, engage in transactions with, or perform services for Barclays PLC and the Group in the ordinary course of business.

Market-Making Resales

Each issue of Notes will be a new issue, and there will be no established trading market for any Note prior to its original issue date. Unless specified in the applicable pricing supplement, Notes will not be listed on any securities exchange and therefore there is no market through which these securities may be sold and

purchasers may not be able to resell securities purchased under this Short Form Prospectus. Any dealer may make a market in the applicable Notes, and any underwriters to whom we sell Notes for public offering, broker-dealers or exempt market dealers may also make a market in those Notes. However, no agent, underwriter, broker-dealer or exempt market 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 Notes.

In a market-making transaction, a dealer may resell a Note it acquires from other holders, after the original offering and distribution of the Note. 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, the dealer may act as principal, or agent, including as agent for the counterparty in a transaction in which the dealer acts as principal, or as agent for both counterparties in a transaction in which the dealer does not act as principal. The dealer may receive compensation in the form of discounts and commissions, including from both counterparties in some cases. Affiliates of the Company may engage in transactions of this kind and may use this Short Form Prospectus for this purpose.

The aggregate initial offering price specified on the cover of the pricing supplement relates to the initial offering of the Notes described in the pricing supplement. This amount does not include Notes sold in market-making transactions. The latter includes Notes to be issued after the date of this Short Form Prospectus, as well as Notes previously issued.

The Company may receive, directly or indirectly, all or a portion of the proceeds of any market-making transactions by its 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 a dealer informs you in your confirmation of sale that your Note is being subscribed for in its original offering and issue, you may assume that you are purchasing your Note in a market-making transaction.

In connection with any offering of the Notes (unless otherwise specified in a pricing supplement), the

underwriters, dealers or agents may over-allot or effect transactions which stabilize or maintain the market price of the Notes offered at a higher level than that which might exist in the open market. These transactions may be commenced, interrupted or discontinued at any time.

TAX CONSIDERATIONS

Canadian Federal Taxation

A general description of the principal Canadian federal income tax considerations for persons resident in Canada for each issue of Notes issued in Canada will be contained in the applicable pricing supplement or prospectus supplement.

Certain United Kingdom Tax Considerations

The following paragraphs summarize certain United Kingdom withholding and other tax considerations with respect to the acquisition, ownership and disposition of the Notes described in this Short Form Prospectus by persons who are the absolute beneficial owners of their Notes and who neither (a) are resident in the United Kingdom for tax purposes nor (b) hold Notes 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. The summary is based on current United Kingdom law and HM Revenue & Customs practice. Such laws and practice are subject to change at any time, possibly with retrospective effect.

This summary is not comprehensive and does not deal with the position of United Kingdom resident persons or with that of persons who are resident outside the United Kingdom who carry on a trade, profession or vocation in the United Kingdom through a branch, agency or permanent establishment in the United Kingdom through or for the purposes of which their Notes are used or held. Additionally the summary may not apply to certain classes of persons, such as dealers in securities.

Holders of Notes should consult their own tax advisors concerning the consequences of acquiring, owning and disposing of Notes in their particular circumstances.

Payments of Interest. If the interest on the Notes does not have a United Kingdom source, no withholding or deduction for or on account of United Kingdom tax will be made from payments of interest on the Notes.

Interest on the Notes may, however, constitute United Kingdom source income for United Kingdom tax

purposes. Even if the interest does have a United Kingdom source, Notes that carry a right to interest will constitute “quoted Eurobonds” within the meaning of Section 987 of the Income Tax Act 2007 (the “ITA”), provided they are and continue to be listed on a “recognised stock exchange” within the meaning of Section 1005 of the ITA. Accordingly, payments of interest (including payments of premium, if any, to the extent such premium, or any part of such premium, constitutes interest for United Kingdom tax purposes) on the Notes made by us or any paying agent may be made without withholding or deduction for or on account of United Kingdom income tax provided the Notes are listed on a recognised stock exchange at the time the interest is paid.

Interest on Notes having a maturity of not more than 364 days from the date of issue may also be paid without withholding or deduction for or on account of United Kingdom income tax provided that the Notes are not issued under arrangements the effect of which is to render such Notes part of a borrowing with a total term of a year or more.

Interest on the Notes may be paid without withholding or deduction for or on account of United Kingdom income tax so long as the issuer of the Notes is authorised 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 Notes in the ordinary course of that business. We are currently authorised for the purposes of FSMA.

In addition to the exemptions described above, interest on the Notes may be paid without withholding or deduction for or on account of United Kingdom income tax so long as the issuer is a “bank” for the purposes of Section 878 of the ITA and so long as such payments are made by the issuer in the ordinary course of its business. In accordance with the published practice of HM Revenue & Customs, interest will be accepted as being paid by a “bank” in the ordinary course of its business unless either (i) the borrowing in question conforms to any of the definitions of tier 1, 2 or 3 capital adopted by the Financial Services Authority, whether or not it actually counts toward tier 1, 2 or 3 capital for regulatory purposes, or (ii) the characteristics of the transaction giving rise to the interest are primarily attributable to an intention to avoid United Kingdom tax. We are currently a “bank” for the purposes of Section 878 of the ITA.

In all cases falling outside the exemptions described above, an amount must be withheld from payments of

interest on the Notes on account of United Kingdom income tax at the basic rate (currently 20%), subject to any such relief as may be available following a direction from HM Revenue & Customs pursuant to the provisions of any applicable double taxation treaty or to any other exemption which may apply.

Payments made in respect of the Notes may be subject to United Kingdom tax by direct assessment even where such payments are paid without withholding. However, as regards a holder of Notes who is not resident in the United Kingdom for United Kingdom tax purposes, payments made in respect of the Notes without withholding will not be subject to United Kingdom tax provided that the relevant holder of Notes does not (in the case of an individual) have a “U.K. representative”, within the meaning of the ITA, through whom the holder of Notes carries on a trade, profession or vocation in the United Kingdom and to which the interest is attributable 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.

Discount. The profit realized on any disposal (which includes redemption) of any Discount Note may attract United Kingdom withholding tax. However, even if it does not, it may be subject to United Kingdom tax by direct assessment to the same extent as interest which has a United Kingdom source and may also be subject to reporting requirements as outlined below under “Provision of Information”.

Payments other than interest. Where a payment on a Note does not constitute (or is not treated as) interest for United Kingdom tax purposes, it could potentially be subject to United Kingdom withholding tax if, for example, it constitutes (or is treated as) an annual payment, a manufactured payment, rent or royalties for United Kingdom tax purposes (which will be determined by, amongst other things, the terms and conditions specified in the Pricing Supplement of the Notes). 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 any exemption from withholding which may apply and to such relief as may be available following a direction from HM Revenue & Customs pursuant to the provisions of any applicable double tax treaty. Holders of Notes should seek their own professional advice as regards the withholding tax treatment of any payment on the Notes which does not constitute “interest” or “principal” as those terms are understood in United Kingdom tax law.

Provision of Information. Holders of Notes should note that the Company or any person in the United Kingdom paying interest to or receiving interest on

behalf of another person may be required to provide certain information to HM Revenue & Customs regarding the identity of the payee or person entitled to the interest and, in certain circumstances, such information may be passed to the tax authorities in other countries.

In addition, on June 3, 2003 the Council adopted EC Council Directive 2003/48/EC (the "Directive"). Under the Directive, each Member State of the European Union is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other Member State; however, for a transitional period, Austria, Belgium and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35%. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments. Belgium has replaced this withholding tax with a regime of exchange of information to the Member State of residence from January 1, 2010.

A number of non-EU countries, and certain dependent or associated territories of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above. Investors who are in any doubt as to their position should consult their professional advisers.

Disposal (including Redemption), Accruals and Changes in Value. A holder of Notes who is neither resident nor (in the case of an individual) ordinarily resident in the United Kingdom will not be liable to United Kingdom taxation in respect of a disposal (including redemption) of a Note, any gain accrued in respect of a Note or any change in the value of a Note unless the holder of a Note 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 Note was used in 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.

Inheritance Tax. A holder of a Note who is an individual domiciled outside the United Kingdom may be liable to United Kingdom inheritance tax in respect of his holding of Notes where the Notes are situated in the United Kingdom.

Holders of Notes should note that "domicile" has an extended meaning in respect of inheritance tax so that a person who has been resident for tax purposes in the United Kingdom for 17 of the preceding 20 years will be regarded as domiciled in the United Kingdom.

Issue of Notes - Stamp Duty – No United Kingdom stamp duty will generally be payable on the issue of Notes provided that, in the case of bearer Notes, the Notes either constitute "loan capital" for the purposes of section 78(7) of the Finance Act 1986 or the Notes are denominated in a currency other than sterling.

Notes will represent "loan capital" within the meaning of section 78(7) of the Finance Act 1986 where they represent (a) any debenture stock, corporation stock or funded debt, by whatever name known, issued by a body corporate; or (b) any capital raised by such a body if the capital is borrowed or has the character of borrowed money, and whether it is in the form of stock or any other form.

Whether or not a Note represents "loan capital" may depend on, amongst other things, the level of principal protection offered on the Note.

Issue of Notes - Stamp Duty Reserve Tax – No United Kingdom stamp duty reserve tax will be payable on the issue of Notes unless the Notes are issued directly to the provider of a clearance service or its nominee. In that case, stamp duty reserve tax may be chargeable at the rate of 1.5% of the issue price of the Notes.

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 Notes. A statutory exemption from the charge will be available (i) if the relevant Notes constitute "exempt loan capital" (see below, under the heading *Transfer of Notes - Stamp Duty*), or (ii) for certain bearer securities provided certain conditions are satisfied.

If this charge arises, the stamp duty reserve tax will strictly be accountable for by the clearance service

operator or its nominee, but in practice it will generally be reimbursed by the Company.

Transfers of Notes - Stamp Duty – No liability for United Kingdom stamp duty will arise on a transfer of, or an agreement to transfer, full legal and beneficial ownership of any Notes, provided that the Notes constitute “exempt loan capital”. “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 Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of FSMA.

Even if a Note does not constitute exempt loan capital either because the Notes carry or (in the case of (ii), (iii) and (iv) above) have at any time carried any of the rights listed above or because the Notes do not represent “loan capital” (a “Non-Exempt Note”), no stamp duty will arise on transfer of the Note if the Note 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 Note.

However if a Non-Exempt Note is transferred by means of a written instrument, or a written agreement is entered into to transfer an interest in the Note where such interest falls short of full legal and beneficial ownership of the Note, the relevant instrument or agreement may be liable to 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 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 (including the first transfer of such Note in the United Kingdom), then stamp duty may be payable. Interest may also be payable on the amount of such stamp duty, unless the document is duly stamped within 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 30 days after the day on which it was executed or, if the instrument was executed outside the United Kingdom, within 30 days of it first being brought into the United Kingdom. However, no 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 Note is in registered form, and the Note is transferred, or agreed to be transferred, to a clearance service provider or its nominee, 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 Notes, rounded up if necessary to the nearest multiple of £5) on any document effecting, or containing an agreement to effect, such a transfer.

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 stamp duty (and any interest and penalties for late stamping) have been paid.

Transfers of Notes - Stamp Duty Reserve Tax – No stamp duty reserve tax will be chargeable on the transfer of, or on an agreement to transfer, full legal and beneficial ownership of a Note which constitutes “exempt loan capital”.

If a Note is a “Non-Exempt Note”, stamp duty reserve tax (at the rate of 0.5% of the consideration) may be chargeable on an unconditional agreement to transfer the Note. 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 Notes are held within a clearance service, provided the clearance service has not made an election pursuant to section 97A of Finance Act 1986 which applies to the relevant Notes. Any liability to 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 stamp duty is chargeable on that transfer or the

transfer is duly stamped within the prescribed time limits. Where stamp duty reserve tax arises, it is normally the liability of the purchaser or transferee of the Notes, except where otherwise stated.

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 Note) on the transfer of a Non-Exempt Note to the provider of a clearance service or its nominee. 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 Notes. A statutory exemption from the charge will be available for certain bearer securities provided certain conditions are satisfied. If this charge arises, the stamp duty reserve tax will strictly be accountable for by the clearance service operator or its nominee, but in practice the clearance service operator or its nominee will seek to recover any stamp duty reserve tax suffered from another person involved in the relevant transfer.

HSBC case – possible consequences

On October 1, 2009 the ECJ ruled in the case of *HSBC Holdings plc, Vidacos Nominees Ltd v The Commissioners of Her Majesty's Revenue & Customs* (Case C – 596/07) that the stamp duty reserve tax charge arising on the issue of shares into a clearance service is contrary to European Community law. HM Revenue & Customs have issued a press release stating that they will not levy such charge on shares issued into a clearance service within the European Community, and that they will determine whether and how to amend the stamp duty reserve tax rules to ensure movements of shares into and within a clearance service bear their fair share of tax whilst ensuring the rules are compatible with European Community law. Such changes may affect any aspects of the stamp duty and stamp duty reserve tax regimes but the 1.5% charges to stamp duty and stamp duty reserve tax would seem particularly likely to be affected. Neither the decision in the *HSBC Holdings* case, nor the HMRC press release, deals with instruments other than shares. There would seem to be no material distinction between shares and certain types of debt instruments in this context, and so this point may also be the subject of litigation and/or further clarification by HMRC in the future.

Redemption of Notes - Stamp Duty and Stamp Duty Reserve Tax – No stamp duty or stamp duty reserve tax will generally be payable on the redemption of Notes, provided no issue or transfer of shares or other securities is effected upon or in connection with such redemption.

RISK FACTORS

You should understand the risks of investing in the Notes and should reach an investment decision only after careful consideration with your advisors of the suitability of the Notes 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 and this Short Form Prospectus. Please note that this Risk Factors section has various sub-sections 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 the Notes. You should not purchase the Notes unless you understand and can bear these investment risks.

Risks Relating to All Notes

(1) The Notes are intended to be held to maturity.

You may receive less, and possibly significantly less, than the amount you originally invested if you sell your Notes prior to maturity. You should be willing to hold your Notes until maturity.

(2) There may not be any secondary market for your Notes.

Upon issuance, the Notes will not have an established trading market. We cannot assure you that a trading market for the Notes will develop or, if one develops, that it will be maintained. Although we may apply to list certain issuances of Notes on a national securities exchange, we may not meet the requirements for listing and do not expect to announce, prior to the issuance of the Notes, whether we will meet those requirements. Even if there is a secondary market, it may not provide liquidity. While an affiliate of the Company may make a market for the Notes, it is not required to do so. If the Notes are not listed on any securities exchange and an affiliate of the Company were to cease acting as a market maker, it is likely that there would be no secondary market for the Notes. You therefore must be willing and able to hold the Notes until maturity.

(3) Price or other movements in the reference assets and their components are unpredictable, and levels of market volatility in recent periods have been unprecedented.

Movements in the levels, values or prices of the reference assets or their respective 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 since August 2007, and such volatility and disruption reached unprecedented levels in the months following September 2008. In some cases throughout this period, the markets produced downward pressure on stock prices and the credit capacity for certain issuers of the reference assets without regard to those issuers' underlying financial strength. As a result, in the type of environment since August 2007, it is impossible to predict whether the levels, values or prices of the reference assets will rise or fall during the term of the Notes. Changes in the levels, values or prices will determine the amount of interest, payments at maturity, or other amounts payable on your Notes. Therefore, these changes may result in a loss of principal or the receipt of little or no interest or other payments on your Notes. There can be no assurance that recent unprecedented levels of volatility, or periods of sudden and dramatic price increases or declines, will not continue or recur. As specified in the applicable pricing supplement, the Notes may be linked to reference assets that may be unpredictable and volatile, we cannot guarantee that these changes will be beneficial to you, and therefore you may receive less than the amount you initially invested in the Notes, may not receive any interest on the Notes or may experience other losses in connection with your investment in the Notes.

(4) The historical or hypothetical performance of the reference asset is not an indication of future performance.

The historical or hypothetical performance of the reference asset, which may be included in the applicable pricing supplement, should not be taken as an indication of the future performance of the reference asset. It is impossible to predict whether the level, value or price of the reference asset will fall or rise during the term of the Notes, in particular in the environment in recent periods which has been characterized by unprecedented volatility across a wide range of asset classes. Past fluctuations and trends in the reference assets are not necessarily indicative of fluctuations or trends that may occur in the future.

(5) You must rely on your own evaluation of the merits of an investment in the Notes.

In connection with your purchase of the Notes, we urge you to consult your own financial, tax and legal advisors as to the risks involved in an investment in the

Notes and to investigate the reference asset and not rely on our views in any respect. You should make a complete investigation as to the merits of an investment in the Notes.

(6) The price at which you will be able to sell your Notes prior to the maturity date 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 Notes prior to the maturity date, your only alternative, in the absence of any applicable repayment at option of the holder provisions, would be to sell them. At that time, there may be an illiquid market for Notes or no market at all. Even if you were able to sell your Notes, there are many factors outside of our control that may affect their market value. We believe that the market value of your Notes will be affected by the volatility of the reference asset, the level, value or price of the reference asset at the time of the sale, changes in interest rates, our financial condition and ratings, the supply of and demand for the Notes 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 Notes prior to maturity may be substantially less than the amount you originally invested depending upon the level, value or price of the reference asset at the time of the sale. The following paragraphs describe the manner in which we expect the market value of the Notes 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 Notes prior to maturity will depend substantially on the current level (or in some cases, performance since the date on which the Notes price) of the reference asset relative to its initial level, value or price. If you decide to sell your Notes prior to maturity when the current level, price or value of the reference asset at the time of sale is favourable relative to its initial level, value or price, you may nonetheless receive substantially less than the amount that would be payable at maturity based on that level, value or price because of expectations that the level, value or price will continue to fluctuate until the final level, value or price is determined.
- *Volatility of the reference asset.* Volatility is the term used to describe the size and frequency of market fluctuations. If the volatility of the reference assets or their components increases or decreases, the market value of the Notes may be adversely affected.

- *Interest rates.* We expect that the market value of the Notes will be affected by changes in interest rates. Interest rates also may affect the economy and, in turn, the value of the components of the reference asset, which would affect the market value of the Notes.
- *Supply and Demand for the Notes.* We expect that the market value of the Notes will be affected by the supply of and demand for the Notes. In general, if the supply of the Notes decreases and/or the demand for the Notes increases, the market value of the Notes may increase. Alternatively, if the supply of the Notes increases and/or the demand for the Notes decreases, the market value of the Notes may be adversely affected. The supply of the Notes, and therefore the market value of the Notes, may be affected by inventory positions held by Barclays Capital Inc., Barclays Bank PLC or any market maker.
- *Redemption and Call Rights:* Either your right to redeem the Notes or our right to call the Notes may affect the market value of the Notes. Generally, the grant of a redemption right to holders of Notes may enhance the market value of the Notes, while a call right by us may adversely affect the market value of the Notes.
- *Our financial condition, credit ratings and results of operations.* Actual or anticipated changes in our financial condition, current credit ratings or results of operations may significantly affect the market value of the Notes. The significant difficulties experienced in the global financial system since August 2007 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 Notes is dependent upon factors in addition to our ability to pay our obligations under the Notes (such as the current level, value or price of the reference asset), an improvement in our financial condition, credit ratings or results of operations is not expected to have a positive effect on the market value of the Notes. These credit ratings relate only to our creditworthiness, do not affect or enhance the performance of the Notes and are not indicative of the risks associated with the Notes or an investment in the reference asset. A rating is not a recommendation to buy, sell or hold Notes and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.
- *Time remaining to maturity.* A “time premium” results from expectations concerning the level, value or price of the reference asset during the period prior to the maturity date of the Notes. As the time remaining to the maturity date of the Notes decreases, this time premium will likely decrease, potentially adversely affecting the market value of the Notes. As the time remaining to maturity decreases, the market value of the Notes may be less sensitive to the volatility in the components of the reference asset.
- *Events affecting or involving the reference asset.* Economic, financial, regulatory, geographic, judicial, political and other developments that affect the level, value or price of the reference assets and their components, and real or anticipated changes in those factors, also may affect the market value of the Notes. For example, for reference assets composed of equity securities, the financial condition and earnings results of a component of the reference asset, and real or anticipated changes in those conditions or results, may affect the market value of the Notes. In addition, speculative trading by third parties in the reference asset could significantly increase or decrease the level, value or price of the reference asset, thereby exposing the reference asset to additional volatility which could affect the market value of the Notes.
- *Dealer’s commission and cost of hedging.* The initial public offering price of the Notes includes the dealer’s commission or discount, if any, and may reflect the estimated cost of hedging our obligations under the Notes. 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 Notes from you in secondary market transactions, if at all, will likely be lower than the original 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 Notes declines.

The effect of one of the factors specified above may offset some or all of any change in the market value of the Notes attributable to another factor.

(7) The Notes are not insured against loss by any third parties.

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

(8) The Notes are not insured by any governmental authority.

The Notes are not deposit liabilities of the Company and neither the Notes nor your investment in the Notes are insured by the Canada Deposit Insurance Corporation, FDIC or any other governmental agency of Canada, the United States, United Kingdom or any other jurisdiction. In the event that we are unable to pay our obligations under the Notes, you risk losing your entire investment.

(9) There are no security interests in the Notes or other financial instruments held by the Company.

The indenture governing the Notes does not contain 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 acquired by us or our affiliates. Neither we nor any of our affiliates will pledge or otherwise hold those securities or other instruments for the benefit of holders of the Notes. Consequently, in the event of a bankruptcy, insolvency or liquidation involving us, any of those securities or instruments 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 Notes. The principal, interest or any other amounts payable on the Notes constitute our direct, unconditional, 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.

(10) Reported levels, values and prices of reference assets and their components may be based on non-current information.

If trading is interrupted in the reference assets or any of their components, publicly available information regarding the level, value or price of the reference asset may be based on the last reported levels, values or

prices. As a result, publicly available information regarding reported levels, values or prices of the reference assets or their components may at times be based on non-current information.

(11) The reference assets or their components may trade around-the-clock; however, if a secondary market develops, the Notes may trade only during regular trading hours in Canada and/or the United States.

If the market for the reference assets or their components is a global, around-the-clock market, the hours of trading for the Notes may not conform to the hours during which the reference assets or their components are traded. To the extent that Canadian or U.S. markets are closed while international markets remain open, significant movements may take place in the levels, values or prices of the reference assets or their components that will not be reflected immediately in the price of the Notes. There may not be any systematic reporting of last-sale or similar information for the reference assets or their 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 the reference assets or their components.

(12) The calculation agent may postpone the determination of the amount you receive during the term of the Notes or at maturity if a market disruption event occurs.

In some cases, the Notes may be linked to a reference asset where a valuation date, observation date or averaging date, as applicable, (collectively referred to herein as a "valuation date") may be postponed if the calculation agent determines that a market disruption event has occurred or is continuing on that valuation date. If that type of postponement occurs, the calculation agent will determine the closing level, value, price or other amount with respect to that valuation date on the first succeeding scheduled trading day on which no market disruption event occurs or is continuing, *provided* that the valuation date will not be postponed by more than five scheduled trading days. You will not be entitled to compensation from us or the calculation agent for any loss suffered as a result of the occurrence of a market disruption event, any resulting delay in payment or any change in the level, value or price of the reference asset after the originally scheduled valuation date.

(13) The material income tax consequences of an investment in some types of Notes are uncertain.

There is no direct legal authority as to the proper tax treatment of some types of Notes, and therefore

significant aspects of the tax treatment of some types of Notes are uncertain, as to both the timing and character of any inclusion in income in respect of your Note. The applicable pricing supplement will provide further detailed information as to the tax treatment of your Notes. We urge you to consult your tax advisor as to the tax consequences of your investment in a Note.

(14) We or one of our affiliates could serve as the calculation agent, which could result in a conflict of interest.

The calculation agent will make determinations and judgments in connection with valuing the reference asset and calculating adjustments to the reference asset, dates, prices, or any other affected variable when the reference asset is changed or modified as well as determining whether a market disruption event or force majeure event has occurred. Because we or one of our affiliates could serve as the calculation agent, conflicts of interest may arise in connection with the calculation agent performing its role as calculation agent.

(15) Trading and other transactions by us or our affiliates could affect the levels, values or prices of reference assets and their components, the market value of the Notes or the amount of interest, principal or other amounts payable on your Notes.

In connection with our normal business practices or in connection with hedging our obligations under the Notes, we and our affiliates may from time to time buy or sell the reference assets and their components, or similar instruments, or derivative instruments relating to the reference assets or their components. These trading activities may present a conflict of interest between your interest in the Notes 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 also could affect the levels, values or prices of the reference assets in a manner that would decrease the market value of the Notes prior to maturity or the amount you would receive at maturity. To the extent that we or any of our affiliates have a hedge position in the reference assets or their components, or in a derivative or synthetic instrument related to the reference assets or their 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 Notes. This activity may affect the amount payable at maturity or any calculation of the market value of the Notes in a manner that would be adverse to your investment in the Notes. Depending on, among other things, future market conditions, the aggregate amount and the composition of those hedge positions

are likely to vary over time. In addition, we or any of our affiliates may purchase or otherwise acquire a long or short position in the Notes. We or any of our affiliates may hold or resell any such position in the Notes.

(16) The Notes may be subject to an investor fee and other costs.

The Notes 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 at maturity, the value of the relevant reference asset must increase significantly (or for certain Notes such as bear notes, decrease significantly) in order for you to receive at least the principal amount of your investment at maturity or upon redemption. If the value of the reference asset decreases or does not increase sufficiently (or for certain Notes such as bear notes, 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.

(17) Research reports and other transactions may create conflicts of interest between you and us.

We or one or more of our affiliates have published, and may in the future publish, research reports relating to the reference assets or any of their 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 Notes. Any of these activities may affect the levels, values or prices of the reference assets or their components and, therefore, the market value of the Notes. 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 Notes, you should investigate the reference asset and not rely on our views with respect to future movements in the reference assets and their 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 indexed to the reference asset. By introducing competing products into the marketplace in this manner, we or our affiliates could adversely affect the market value of the Notes.

We and our affiliates, at present or in the future, may engage in business relating to the person or organization responsible for calculating, publishing or maintaining the reference assets, which we refer to as the “sponsor” of the reference asset. In addition, we or our affiliates may

engage in business relating to any components of the reference assets, including making loans to, equity investments in, or providing investment banking, asset management or other advisory services to the respective sponsor or issuer. In connection with these activities, we may receive information pertinent to the reference assets or their components that we will not divulge to you.

(18)We cannot control actions by the sponsors or issuers of the reference assets.

Actions by any sponsor or issuer of the reference asset may have an adverse effect on the price of the reference asset and therefore on the market value of the Notes. Unless specified in the applicable pricing supplement, no sponsor or issuer will be involved with the administration, marketing or trading of the Notes and no sponsor will have any obligations with respect to the amounts to be paid to you on any interest payment date or on the maturity date, or to consider your interests as an owner of Notes when it takes any actions that might affect the market value of the Notes. No sponsor will receive any of the proceeds of any Note offering and no sponsor or issuer will be responsible for, or have participated in, the determination of the timing of, prices for, or quantities of, the Notes to be issued.

Unless otherwise specified in the applicable pricing supplement, we will not be affiliated with any sponsors or issuers of the reference assets (except for the licensing arrangements, if any, discussed in this Short Form Prospectus or the applicable pricing supplement), and we have no ability to control or predict their actions. These actions could include mergers or tender offers 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 such sponsor or issuer of that disclosure. However, we may currently, or in the future, engage in business with the sponsors or issuers. Neither we, nor any of our affiliates assume any responsibility for the adequacy or accuracy of any publicly available information about the sponsors or issuers of the reference assets, whether the information is contained in the pricing supplement or otherwise. You should make your own investigation into the reference assets and their sponsors or issuers.

(19)No research recommendation on your Notes.

Although the Company or one or more of our affiliates may publish research on, or assign a research recommendation to, other financial products linked to the performance of any of the reference assets, neither the Company nor any of its subsidiaries or affiliates publishes research on, or assigns a research recommendation to, your Notes.

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

Your investment in the Notes will not give you any rights against any sponsor or any issuer of the reference assets or any components of the reference assets, including any sponsor that may determine or publish the level, value or price of the reference assets and any issuer that may otherwise affect the level, value or price of the reference assets.

(21)Changes in methodology of the sponsor of a certain reference asset or changes in laws or regulations, may affect the market value of the Notes and the payment of principal, interest or other amounts payable on your Notes.

The sponsor of a reference asset may have the ability from time to time to change any rule or bylaw or take emergency action under its rules, any of which could affect the level, value or price of the reference asset or a component of the reference asset. Any change of that kind which causes a change in the level, value or price of the reference asset could adversely affect the market value of the Notes, as well as the amount of interest or other amounts payable on your Notes.

In addition, levels, values or prices of the reference assets could be adversely affected by the promulgation of new laws or regulations or by the reinterpretation of existing laws or regulations (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 securities, such as your Notes, linked to the value of international securities (or indices relating to those securities). Governments may also seek to regulate not only the reference assets linked to your Notes but also derivative instruments based on the reference assets, which can affect the value of such reference assets. Any of these events could adversely affect the level, value or price of the reference asset and, correspondingly, could adversely affect the market value of the Notes, as well as the amount of interest or other amounts payable on your Notes.

(22) Any of the indices comprising the reference assets may be discontinued; the manner in which the reference assets are calculated may change in the future and the instruments comprising the components of the indices, or their respective weights, may change.

There can be no assurances that the reference assets will continue or the method by which the reference assets are calculated will remain unchanged. Changes in the method by which the reference assets are calculated could change the level of the reference asset and, as a consequence, adversely affect the amount of principal, interest, or any other amounts payable on your Notes or the market value of your Notes. In addition, if the reference asset is discontinued or altered, a substitute index may be employed to calculate the amount of principal, interest or any other amounts payable on your Notes. This substitution may adversely affect the market value of the Notes.

Further, the sponsors of reference assets that are indices can add, delete or substitute the instruments comprising the components of the reference asset or make other methodological changes that could adversely change the levels of the reference assets and therefore, the market value of the Notes. You should realize that changes in the components of the reference asset may affect the reference asset, as a newly added instrument or instruments may perform significantly better or worse than the instrument or instruments it replaces. We have no control over the way the reference assets are calculated by the sponsors.

(23) Any discontinuance or suspension of calculation or publication of the closing level or price of the reference asset may adversely affect the market value of the Notes and the amount you will receive at maturity.

If the calculation or publication of the closing level or price of the reference asset is discontinued or suspended and the discontinuance or suspension is continuing on a valuation date, it may become difficult for the calculation agent to determine accurately the level or price for that respective date and the amount of interest or other payment amounts determined on such date. If the discontinuance or suspension is continuing on the final valuation date, final observation date or final averaging date (collectively referred to herein as the "final valuation date"), it may become difficult for the calculation agent to determine accurately the amount of interest or amounts payable at maturity. In these situations, the calculation agent will follow a substitute procedure to determine the most appropriate payment as described in the applicable pricing supplement.

Additional Risks Relating to Notes with Reference Assets That Are Equity Securities or Shares or Other Interests in Exchange-Traded Funds, That Contain Equity Securities or Shares or Other Interests in Exchange-Traded Funds or That Are Based in Part on Equity Securities or Shares or Other Interests in Exchange-Traded Funds

(24) Equity market risks may affect the market value of the Notes and the amount you will receive at maturity.

If the reference asset is an index that includes one or more equity securities or is an exchange-traded fund that tracks such an index, we expect that the reference asset will fluctuate in accordance with changes in the financial condition of the relevant issuer(s) of its component stocks, the value of common stocks generally and other factors. The financial condition of the issuer(s) of the components of the reference asset may become impaired or the general condition of the equity market may deteriorate, either of which may cause a decrease in the level of the reference asset and thus in the market value of the Notes. Common stocks 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 the security or securities comprising a reference asset change. Investor perceptions regarding the issuer of an equity security comprising a reference asset are based on various and unpredictable factors, 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.

(25) You have no rights in the property, nor shareholder rights in any securities of any issuer, of the security or securities comprising the reference asset.

Investing in the Notes will not make you a holder of the security or securities comprising the reference asset. Neither you nor any other holder or owner of the Notes 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 with respect to any security or securities comprising the reference asset.

(26) Payments on the Notes will not reflect dividends on any of the securities underlying the reference asset.

Payments on the Notes at maturity do not reflect the payment of dividends on any of the securities underlying

the reference asset. Therefore, the yield derived from an investment in the Notes will not be the same as if you had purchased the securities underlying the reference asset and held them for a similar period.

(27)We obtained the information about the sponsor or issuer of the reference asset from public filings.

We have derived all information in this Short Form Prospectus or the applicable pricing supplement about the sponsor or issuer of the reference asset from publicly available documents. We have not participated and will not participate in the preparation of any of those documents. Nor have we made or will we make any “due diligence” investigation or any inquiry with respect to the sponsor or issuer of the reference asset in connection with the offering of the Notes. We do not make any representation that any publicly available document or any other publicly available information about the sponsor or issuer of the reference asset is accurate or complete. Furthermore, we do not know whether all events occurring before the date of this Short Form Prospectus or 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 the 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 sponsor or issuer of the reference asset could affect the value you will receive during the term of the Notes or at maturity and, therefore, the market value of the Notes.

(28)Any of the issuers of the securities comprising the reference assets may perform an action that could adversely affect the market value of the Notes.

The calculation agent may adjust any date, price (including but not limited to the initial price, final price, barrier price and strike price), barrier percentage, physical delivery amount, any combination thereof or any other variable for stock splits, mergers, tender offers, reverse stock splits, stock dividends, extraordinary dividends and other corporate events that affect the capital structure of the issuer of the equity security comprising the reference asset, as well as for certain actions taken by any depositary for the reference asset (e.g., American depositary shares) that affect the reference asset. However, the calculation agent is not required to make an adjustment for every corporate event that may affect the reference asset or any component of the reference asset. Any of the above events or other actions by the issuer of the reference asset or a third party may adversely affect the market

value of the reference asset and, therefore, adversely affect the market value of the Notes.

(29)Reference assets or their components traded in an international market may be subject to additional risk.

The levels, values, prices and performance of reference assets and their components traded in international markets may be affected by political, economic, financial and social factors in the relevant international market. In addition, recent or future changes in a particular country’s government, economic and fiscal policies, the possible imposition of, or changes in, currency exchange laws or other laws or restrictions, and possible fluctuations in the rate of exchange between currencies, are factors that could adversely affect the international securities markets. Moreover, the relevant international economy may differ favourably or unfavourably from that of Canada or the United States.

(30)Time differences between the domestic and international markets and New York City and Toronto may create discrepancies in the market value of the Notes if the reference assets or their components primarily trade on international markets.

In the event that the reference assets or their components trade primarily on an international market, time differences between the domestic and international markets (e.g., New York City and Toronto are currently five and 13 hours behind London and Tokyo, respectively) may result in discrepancies between the levels of the reference assets (or the prices of their components) and the market value of the Notes. To the extent that Canadian and U.S. markets are closed while markets for the reference assets or their components remain open, significant price or rate movements may take place in the reference assets or their components that will not be reflected immediately in the market value of the Notes. 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 levels of the reference assets (or the prices of their components) to remain unchanged for multiple trading days in New York City or Toronto, as applicable.

(31)Your return may be affected by factors affecting international securities markets.

The reference asset may include, as a component, securities issued by international companies and may be denominated in a foreign currency, investors should be aware that investments in reference assets linked to the value of international securities (or indices relating to those securities) might involve particular risks. The

international securities comprising or relating to a reference asset may have less liquidity and could be more volatile than many of the securities traded in Canada or the U.S. or other longer-established securities markets. Direct or indirect government intervention to stabilize the relevant international securities markets, as well as cross shareholdings in international companies, may affect trading prices and volumes in those markets. Direct or indirect government intervention may restrict the issuance or trading of securities, such as your Notes, linked to the value of international securities (or indices relating to those securities). In addition, governments may seek to regulate not only the reference assets linked to your Notes but also derivative instruments based on the reference assets, which can affect the value of such reference assets. Also, there is generally less publicly available information about international companies than about those Canadian or U.S. companies that are subject to the reporting requirements of applicable securities laws; and international companies often are subject to accounting, auditing and financial reporting standards and requirements that differ from those applicable to Canadian or U.S. reporting companies. The other special risks associated with international securities may include, but are not necessarily limited to: less liquidity and smaller market capitalizations; less rigorous regulation of securities markets; different accounting and disclosure standards; governmental interference; higher inflation; and social, economic and political uncertainties.

These factors may adversely affect the performance of the reference assets or their components as well as the liquidity of the market for your Notes and, as a result, the market value of the Notes and the amount you will receive at maturity.

(32)The issuer of a security that serves as a reference asset could take actions that may adversely affect a Note.

The issuer of a security that serves as the reference asset or a component of an index which is the reference asset for a Note will have no involvement in the offer and sale of the Note and no obligation to you, unless otherwise specified in the applicable pricing supplement. The issuer may take action, such as placing itself into bankruptcy or receivership or engaging in a merger or sale of assets, without regard to your interests. Any of these actions could adversely affect the value of that security, the reference asset or a component of the reference asset and, correspondingly, could adversely affect the market value of the Note.

(33)Notes linked to an exchange-traded fund may be subject to concentration risks.

An exchange-traded fund which is the reference asset for a Note may track the performance of the equity securities of companies representing a particular market sector, a particular geographic region or some other sector. As a result, your investment in the Notes may be concentrated in a single sector. Although your investment in the Notes will not result in the ownership or other direct interest in the relevant equity securities underlying the exchange-traded fund, the return on your investment in the Notes will be subject to certain risks similar to those associated with direct equity investments in the market, geographic region or sector, as applicable, represented by the relevant equity securities underlying the exchange-traded fund.

Additional Risks Relating to Notes with Reference Assets That Are Commodities, an Index Containing Commodities, Shares or Other Interests in an Exchange-Traded Fund Invested in Commodities or Based in Part on Commodities

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

Commodities prices are highly volatile and, in many sectors, experienced in the months following September 2008 unprecedented historical volatility. 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; and monetary and other governmental policies, action and inaction. 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 Notes, the amount you will receive at maturity.

Moreover, the prices of many of the commodities, particularly energy and agricultural commodities, reached historically high levels in 2009. Since reaching such highs, prices have fallen precipitously, to approximately 25% of their historic highs, in some cases, and prices have experienced unprecedented volatility since that time. There is no assurance that prices will again reach their historically high levels or that volatility will subside. 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 Notes.

(35) The prices of certain commodities may be subject to price ceilings.

Certain exchanges have regulations that limit the amount of fluctuation in futures contract prices which 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. Limit prices may have the effect of precluding trading in a particular contract or forcing the liquidation of futures contracts at disadvantageous times or prices. These circumstances could adversely affect the prices of the commodities comprising the reference asset and, therefore, could adversely affect the market value of the Notes.

(36) Suspensions or disruptions of market trading in the commodity markets and related futures markets may adversely affect the amount of principal, interest or any other amounts payable on your Notes and/or the market value of the Notes.

The commodity 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. Certain exchanges, or the 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 the amount of principal, interest or any other amounts payable on the Notes and/or the market value of the Notes.

(37) Risks relating to trading of the reference assets and their components on international futures exchanges.

Certain 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 certain features of U.S. or Canadian 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 Notes and the principal, interest or any other amounts payable on your Notes.

(38) You will not have any rights to receive the reference assets or their components.

Investing in the Notes will not make you a holder of any commodity or futures contract relating to the reference assets or their components. Payments due on the Notes will be made in Canadian dollars or the specified currency stated in the applicable pricing supplement, and you will have no right to receive delivery of any commodity or futures contract relating to the reference assets or their components.

(39) Your investment in securities linked to commodities, or a basket or index of commodities 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 Notes relating to one or more commodities or a basket of commodities (or an index thereon) will not be used to purchase or sell any commodity futures contracts or options on futures contracts for your benefit. An investment in the Notes 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 Notes 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 Notes, 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 securities regulatory authorities in Canada or the CFTC as a commodity pool operator, or qualify for an exemption from the registration requirement. Because the Notes will not be interests in a commodity pool, the Notes will not be regulated by the securities regulatory authorities in Canada or the CFTC as a commodity pool, we will not be registered with the securities regulatory authorities in Canada or the CFTC as a commodity pool operator, and

you will not benefit from the CFTC's or any non-U.S. regulatory authority's regulatory protections afforded to persons who invest in regulated commodity pools.

(40) Changes in law or regulation relating to commodities futures contracts may adversely affect the market value of Notes and the amounts payable on your Notes.

The commodities futures contracts that underlie certain securities are subject to legal and regulatory regimes that are in the process of changing in the United States and, in some cases, in other countries. For example, the United States Congress recently enacted legislation that is, among other things, intended to limit speculation and increase transparency in the commodity markets and regulate the over-the-counter derivatives markets. The legislation requires the CFTC to adopt rules on a variety of issues and many provisions of the legislation will not become effective until such rules are adopted.

Among other things, the legislation requires that most over-the-counter transactions be executed on organized exchanges or facilities and be cleared through regulated clearing houses, and requires registration of, and imposes regulations on, swap dealers and major swap participants. The legislation also requires the CFTC to adopt rules with respect to the establishment of limits on futures positions that are not entered into or maintained for "bona fide" hedging purposes, as defined in the legislation. The legislation also requires the CFTC to apply its position limits across the futures positions held by a market participant on any exchange or trading facility, together with its positions in swaps that are "significant price discovery contracts" or "economically equivalent to exchange-traded futures".

The enactment of the legislation, and the CFTC's adoption of rules on position limits, which have been proposed but not yet adopted, could limit the extent to which entities can enter into transactions in exchange-traded futures contracts as well as related swaps and could make participation in the markets more burdensome and expensive. Any such limitations could restrict or prevent our ability to hedge our obligations under the Notes. If they are imposed, those restrictions on effecting transactions in the futures markets could substantially reduce liquidity in the commodity futures contracts that underlie certain securities, which could adversely affect the prices of such contracts and, in turn, the market value of the Notes and the amounts payable on your Notes. In addition, other parts of the legislation, by increasing regulation of, and imposing additional costs on, swap transactions, could reduce trading in the swap market and therefore in the futures markets, which would further restrict liquidity and adversely affect prices.

Furthermore, in these circumstances, if so specified in the applicable pricing supplement, we, at our election, may redeem the Notes.

(41) The level of reference assets or the levels, values or prices of their components can fluctuate widely due to supply and demand disruptions in major producing or consuming regions.

The levels of the reference assets or the prices of their components can fluctuate widely due to supply and demand disruptions in major producing or consuming regions. For example, 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 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 levels of the reference assets or the prices of their components and, thus, the market value of the Notes. Because the reference assets 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 levels of those reference assets or the prices of their components.

Additional Risks Relating to Notes with Reference Assets that are Currencies, an Index Containing Currencies, Shares or Other Interests in an Exchange-Traded Fund Invested in Currencies or Based in Part on Currencies

(42) Notes 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) may 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 Notes and the amount you will receive at maturity.

(43) You may not have any rights to receive the reference assets or their components.

Investing in the Notes will not make you a holder of any currency or futures contract relating to the reference assets or their components. The Notes will be paid in Canadian dollars or the specified currency stated in the applicable pricing supplement, and you will have no right to receive delivery of any currency or futures contract relating to the reference assets or their components.

(44) The liquidity, market value, the amount of principal, interest or any other amounts payable on your Notes could be 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 those of Canada and 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 Notes relating to one or more foreign currencies is that their liquidity, their value and the amount of principal, interest or other amounts payable on your Notes could be affected by the actions of sovereign governments which could change or interfere with currency valuation and the movement of currencies across borders. There will be no adjustment or change in the terms of those Notes in the event that currency exchange rates should become fixed, in the event of any devaluation, revaluation, 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.

However, the government that issues that currency will also have no involvement in the offer and sale of the Note and no obligations to you.

Additional Risks Relating to Notes with More Than One Reference Asset

(45) The basket may not be a recognized market index and may not accurately reflect global market performance.

The basket may not be a recognized market index and may be created solely for purposes of the offering of the Notes and calculated solely during the term of the Notes. In that instance, the level of the basket and, therefore, its performance will not be published as a separate index during the term of the Notes. A basket 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 Notes.

(46) Risks associated with the basket may adversely affect the market price of the Notes.

Because the Notes may be linked to changes in the values 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. An investment in those Notes may carry risks similar to a concentrated investment in a limited number of industries or sectors. Baskets may also have weightings or methodologies that differ from those of indices and that could adversely affect the value of the baskets and of the related Notes.

(47) The components of the reference assets and the reference assets comprising the basket may not move in tandem; and gains in one such instrument may be offset by declines in another such instrument.

Price movements in the components of the reference assets and the reference assets comprising the basket may not move in tandem with each other. At a time when the level, value or price of one or more of those instruments increases, the level, value or price of one or more of the other of those instruments may decline. Therefore, increases in the level, value or price of one or more of the components of the reference asset and the reference assets comprising the basket may be moderated, or wholly offset, by lesser increases or declines in the level, value or price of one or more of the other components of the reference asset and the reference assets comprising the basket.

(48)The basket may be highly concentrated in one or more geographic regions, industries or economic sectors.

The Notes are subject to the downside risk of an investment in the basket, which may be highly concentrated in securities or other instruments representing a particular geographic region, industry or economic sector. 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 asset and the reference assets comprising the basket may decline, thereby adversely affecting the market value of the Notes. If the basket is concentrated in a geographic region, an industry or group of industries or a particular economic sector, the Notes also will be concentrated in that industry or group of industries or economic sector.

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. A financial crisis or other event in any geographic region, industry or economic sector could have a negative impact on some or all of the reference assets and the basket and, consequently, the market value of the Notes may be adversely affected.

(49)The correlation among the components comprising the basket may change.

Correlation is the term used to describe the relationship between the percentage change among the components comprising a basket. Changes in the correlation may adversely affect the market value of the Notes.

Additional Risks Relating to Notes with More Than One Reference Asset, Where the Performance of the Note Is Based on the Performance of Only One Reference Asset.

(50)Although the Notes may initially be linked to more than one reference asset, amount of return, if any, may be based on the performance of only one reference asset.

While the Note may initially be linked to more than one reference asset, the amount of return, if any, may be based on the performance of only one reference asset. For example, the Note may be linked to the reference asset that has exhibited the greatest percentage price decline or the lowest percentage price increase (if the

final price of each reference asset is greater than its respective initial price). In either case, gains in any of the other reference assets will be irrelevant. Further, if the Notes are linked to the worst performing reference asset among multiple reference assets, there may be a greater risk of your Notes being linked to a poor performing reference asset, and therefore a greater risk of you receiving no return in excess of your initial investment.

Additional Risks Relating to Notes Payable in a Currency Other than Canadian or U.S. Dollars.

(51)The unavailability of foreign currencies could result in a substantial loss to you.

Banks may not offer non-Canadian or U.S. dollar denominated checking or savings account facilities in Canada. Accordingly, payments on non-Canadian or U.S. dollar denominated Notes 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 Canadian or U.S. dollars on a timely basis or at all.

(52)Changes in foreign currency exchange rates and foreign exchange controls could result in a substantial loss to you.

An investment in the Notes that is denominated in a specified currency other than Canadian dollars, entails significant risks that are not associated with a similar investment in a security denominated in Canadian dollars. Risks include, without limitation, the possibility of significant changes in rates of exchange between the Canadian dollar and the relevant foreign currencies or composite currencies and the possibility of the imposition or modification of foreign exchange controls by any of Canada, the United States or foreign 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 years, rates of exchange between the Canadian dollar and certain foreign currencies have been highly volatile and that volatility also could occur in the future. If a Note is non-Canadian dollar denominated, changes in rates of exchange between the Canadian dollar and the relevant foreign currency could adversely affect the value of your Note and 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 Canadian 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 foreign currency for making payments with respect to a

non-Canadian or U.S. dollar denominated Note. 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 Note would not be available to make payments when due. In that event, unless otherwise specified in the applicable pricing supplement we will repay that Note in Canadian dollars on the basis of the most recently available currency exchange rate.

(53) Non-U.S. dollar Notes may permit us to make payments in U.S. dollars or delay payment if we are unable to obtain the specified currency.

Notes 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 Notes 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 Notes. 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 Notes would be determined in the manner described under "Description of Notes and Details of the Offering – Calculations and Calculation 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 Notes payable in that currency.

(54) We will not adjust non-Canadian dollar Notes 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-Canadian dollar denominated Note in the event of any change in currency exchange rates for the relevant currency, whether in the event of any devaluation, revaluation or imposition of exchange or other regulatory controls or taxes or in the event of other developments affecting that currency, the Canadian dollar or any other currency. Consequently, investors in

non-Canadian dollar Notes will bear the risk that their investment may be adversely affected by these types of events.

(55) In a lawsuit for payment on a non-U.S. dollar or non-Canadian Note, you may bear currency exchange risk.

Our Notes 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 Note 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 Note 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 Note 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 Note is denominated into U.S. dollars will depend upon various factors, including which court renders the judgment.

In Canadian courts, investors will not be able to obtain judgment in a specified currency other than Canadian dollars. For example, a judgment for money in an action based on a non-Canadian dollar denominated Note in Canadian courts ordinarily would be enforced in the Canada only in Canadian dollars. The date used to determine the rate of conversion of the currency in which any particular Note is denominated into Canadian dollars will depend upon various factors, including which court renders the judgment.

Additional Risks Relating to Notes with a Maximum Return, Maximum Rate, Ceiling or Cap

(56) Your gain on the Notes at maturity will be limited to the maximum return, maximum rate, ceiling or cap.

Your payment at maturity is based on the return of the reference asset, which may be subject to the maximum return, maximum rate, ceiling or cap (collectively referred to herein as a "maximum return". In the event that the maximum return is applicable, the maximum payment at maturity for each Note will be the sum of (1) the principal amount of the Note and (2) the

product of the principal amount of the Note and the maximum return, regardless of the positive percentage increase of the reference asset or any of its components.

Additional Risks Relating to Notes with a Barrier Percentage or a Barrier Level

(57)The price at which you will be able to sell your Notes prior to or at the maturity date will depend on whether the closing level, value or price of the reference asset ever exceeded or fell below the barrier level or percentage.

The market value of the Notes will be affected if the closing level, value or price of the reference asset changes and if it ever approaches, exceeds or falls below the barrier level, barrier percentage or protection price (terms are described in the applicable pricing supplement). This type of occurrence will mean that the principal amount of your Notes is not protected and you may receive less, and possibly significantly less, than the amount you invested.

Additional Risks Relating to Notes Which Contain a Multiplier

(58)Changes in the levels, values and prices of the reference assets will intensify any changes to the reference asset.

If the principal, interest or any other amounts payable on the Notes is dependent on a multiplier, movements in the levels, values and prices of reference assets during each interest payment period will be intensified. As a result, small changes in any of the reference assets are expected to have a greater effect than Notes without a multiplier.

Additional Risks Relating to Notes Which We May Call or Redeem (Automatically or Otherwise)

(59)Market factors may influence whether we exercise our right to call or redeem the Notes prior to their scheduled maturity.

It is possible that we will call or redeem the Notes prior to the maturity date. If the Notes are redeemed prior to their maturity date, you may be subject to reinvestment rate risk whereby it is likely that you will be unable to invest in securities with similar risk and yield as the Notes. Your ability to realize market value appreciation is limited by our right to call the Notes prior to the maturity date.

(60)If subject to an automatic call, the appreciation potential of the Notes is limited.

Any gain on the Notes will be limited to the call premium, if any, applicable to the review date on which the Notes are called, regardless of the appreciation of the reference asset, which may be greater than the applicable call premium. In addition, the automatic call feature of the Notes may shorten the term of your investment.

Additional Risks Relating to Notes Which Are Characterized as Benefitting From Full Principal Protection

(61) The feature of the Notes characterized as principal protection is subject to our creditworthiness and, as a result, you may lose some or all of your principal investment in the Notes.

Although the principal amount of your investment in the Notes is characterized as being fully protected under the terms of the Notes, any such feature remains subject to our creditworthiness. As a result, the principal, interest or any other amounts payable on the Notes are subject to our creditworthiness and are not guaranteed by any third party, and you may lose some or all of your principal investment in the Notes. For additional information regarding the impact of our creditworthiness on your investment in the Notes, see “The price at which you will be able to sell your Notes prior to the maturity date will depend on a number of factors, and may be substantially less than the amount you had originally invested—Our financial condition, credit ratings and results of operations” in this section.

Additional Risks Relating to Notes Which Are Not Characterized as Being Fully Principal Protected or Are Characterized as Being Partially Protected or Contingently Protected

(62) The principal amount of your investment in the Notes is not protected against changes in the final level, value or price of the reference asset, and you may lose some or all of your principal.

Where Notes are not characterized as being fully principal protected, the principal amount of your investment in the Notes is not fully protected against changes in the final level, value or price of the reference asset, or is only partially protected or contingently protected, and you may receive less, and possibly significantly less, than the amount you invested. Changes in the final level, value or price of the reference asset could adversely affect the amount of principal, interest or any other amounts payable on your Notes. Therefore, these changes may result in a loss of principal or the receipt of little or no interest or other

payments on your Notes. This will be true even if the level, value or price of the reference asset as of some date or dates prior to the final valuation date may have been above the initial level, value or price, because the principal, interest and any other amounts payable on your Notes will be calculated only on the basis of the levels, values or prices of the reference asset on the valuation dates subsequent to the initial valuation date. You should therefore be prepared to realize no return on your Notes during their term or even a loss of all of your principal investment. In addition, even where the principal amount of your investment in the Notes may be characterized as being partially protected or contingently protected, any such feature relates solely to the final level, value or price of the reference asset, and your return on your investment remains subject to our creditworthiness.

Additional Risks Relating to Notes Which Pay No Interest

(63) Your yield may be lower than the yield on a standard debt security of comparable maturity.

You will not generally receive periodic payments of interest on the Notes as there would be on a conventional fixed-rate or floating-rate debt security having the same maturity date and issuance date as the Notes. The effective yield to maturity of the Notes may therefore be less than that which would be payable on that type of conventional debt security. Therefore, the return of each Note at maturity may not compensate you for any opportunity cost implied by inflation and other factors relating to the time value of money.

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

(64) You may receive a lesser amount of interest in the future.

Because the reference asset will be comprised 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 matters 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. In recent years, interest rates have been volatile, and volatility also could be characteristic of the future.

(65) 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 will be comprised 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 debt securities with the same maturity issued by us or an issuer with the same credit rating.

(66) The Notes may be subject to a maximum interest rate, which will limit your return.

If the reference asset is comprised of or based in part on a floating interest rate, the Notes may be subject to a maximum interest rate. The rate of interest that will accrue will never exceed the maximum rate permitted by New York law, as modified by U.S. federal law.

(67) If the Notes contain a coupon conversion right, our exercise of that right will depend on market interest rates.

Whether or not we exercise a coupon conversion right will depend on movements in market interest rates compared to the applicable reference asset. We will exercise the coupon conversion right and elect to cease accreting and compounding interest in favour of paying interest to you on a period basis without compounding, at our sole discretion. If we exercise our coupon conversion right, you may not be able to reinvest any interest we pay you at a rate equal to the applicable reference asset.

(68) The interest rate on the Notes could be zero.

We have no control over the fluctuations in the levels of the reference assets. If the interest payments depend on a formula that uses the reference asset as a variable, certain values of the reference asset may result in a calculation that equals zero. In that case, no interest may accrue for the related interest payment period.

Additional Risks Relating to Notes Which We May Call or Redeem (Automatically or Otherwise)

(69) Changes in tax law and other specified laws may cause us to redeem the Notes prior to the maturity date.

We may redeem the Notes prior to their maturity date if a change in or amendment to tax laws and regulations requires us to pay additional amounts in respect of the principal, interest or any other amounts payable on the Notes (see "Description Of Notes And Details Of The Offering – Redemption"). The redemption

price will be equal to 100% of the principal amount on the Notes being redeemed together with any accrued but unpaid interest. In addition, we may also specify in the relevant pricing supplement other circumstances involving a change in or amendment to laws and regulations that may entitle us to redeem the Notes prior to their maturity. If the Notes are redeemed, you may only be able to reinvest the redemption proceeds in securities with a lower yield.

Additional Risks Relating to Digital Notes

(70) You will not participate in any appreciation in the value of the reference asset.

Some Notes, which are sometimes referred to as “digital Notes”, are Notes that pay interest, if any, at maturity and that do not reflect the extent to which a reference asset appreciates. For example, if the final price of the reference asset is greater than the initial price of the reference asset, the interest payment you receive with respect to the Notes and the principal payment you receive at maturity will be a fixed amount and not reflect the performance of the reference asset. Under no circumstances, regardless of the extent to which the value of the reference asset appreciates, will your return exceed the applicable interest rate. For example, if the reference asset has appreciated by 50% as of the final valuation date, you will receive only your principal amount plus the applicable interest payments made at maturity of the Notes. In this case, you may earn significantly less by investing in the Notes than you would have earned by investing directly in the reference asset.

WHERE YOU CAN FIND MORE INFORMATION

We are subject to the information requirements of the Exchange Act and are a reporting issuer in all of the provinces of Canada. Accordingly, we file jointly with Barclays PLC reports and other information with the SEC and we file certain information with the securities regulatory authorities in each of the provinces of Canada.

The SEC maintains an internet site at www.sec.gov that contains reports and other information we file electronically with the SEC. Information that we file with the securities regulatory authorities in each of the provinces of Canada is available electronically at www.sedar.com.

We have filed with the SEC the Registration Statement with respect to various types of our securities, including certain of the Notes. You can access the Registration Statement together with exhibits on the internet site maintained by the SEC at www.sec.gov or

inspect these documents at the offices of the SEC in order to obtain additional information about us and about the securities offered under the Registration Statement.

SERVICE OF PROCESS AND ENFORCEMENT OF LIABILITIES

We are incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or reside outside of Canada. Although we have appointed Blakes Extra-Provincial Services Inc. as our agent for service of process in each of the provinces of Canada it may not be possible for investors to collect from us judgments obtained in Canadian courts predicated on the civil liability provisions of securities legislation.

The Trustee is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada. Although the Trustee has appointed 152928 Canada Inc. as its agent for service of process in Canada it may not be possible for investors to collect from the Trustee judgments obtained in Canadian courts predicated on the civil liability provisions of securities legislation.

VALIDITY OF SECURITIES

If stated in the pricing supplement applicable to a specific issuance of Notes, the validity of the Notes under New York law may be passed upon for us by our United States counsel, as specified in the pricing supplement. If stated in the pricing supplement applicable to a specific issuance of Notes, the validity of the Notes under English law may be passed upon by our English solicitors, as specified in the pricing supplement. Our United States counsel may rely upon the opinion of our English solicitors as to all matters of English Law and our English solicitors may rely on the opinion of our United States counsel as to all matters of New York law. If this Short Form Prospectus is delivered in connection with an underwritten offering, the validity of the Notes may be passed upon for the underwriters by United States and English counsel for the underwriters specified in the related pricing supplement. If no English counsel is specified, such United States counsel to the underwriters may also rely on the opinion of our English solicitors as to certain matters of English law.

Certain Canadian legal matters in connection with the offering of Notes in Canada will be passed upon by Blake, Cassels & Graydon LLP on our behalf.

PURCHASERS' STATUTORY RIGHTS

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right

may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces of Canada, securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

EXPERTS

The financial statements and management's assessment of the effectiveness of internal control over financial reporting (which is included in Management's Report on Internal Control over Financial Reporting) incorporated in this Short Form Prospectus by reference to the Annual Report of Barclays PLC and Barclays Bank PLC on Form 20-F for the year ended December 31, 2010 have been so incorporated in reliance on the reports of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

CERTIFICATE OF THE COMPANY

BARCLAYS BANK PLC

Dated: April 28, 2011

This short form prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of the last supplement to this prospectus relating to securities offered by this prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of each of the provinces of Canada.

By: (signed) John Varley
Chief Executive Officer

By: (signed) Christopher Lucas
Chief Financial Officer

On behalf of the Board of Directors

By: (signed) Marcus Agius
Director

By: (signed) Robert E. Diamond Jr.
Director

12457086.8