

This pricing supplement together with the short form base shelf prospectus dated November 14, 2008, 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. 14 dated March 25, 2010  
(to the Short Form Base Shelf Prospectus dated November 14, 2008)**



**Maximum \$25,000,000**

**S&P/TSX 60 INDEX™ LINKED ACCELERATED RETURN NOTES,  
SERIES 3**

<b>Issuer:</b>	Barclays Bank PLC (“Company”)
<b>Principal Amount:</b>	\$100 per note (each, a “Note”). All references to dollar amounts in this pricing supplement are to Canadian dollars unless otherwise indicated.
<b>Minimum Subscription:</b>	\$5,000 (50 Notes).
<b>Maximum Offering:</b>	\$25,000,000 (250,000 Notes).
<b>Issue Price:</b>	\$100 per Note.
<b>Principal Protection:</b>	The Notes are NOT principal protected.
<b>Issue Date:</b>	On or about April 21, 2010.
<b>Maturity Date:</b>	The third anniversary of the Issue Date (provided that if such date is not a Business Day, it will be postponed until the next Business Day). Based on an Issue Date of April 21, 2010, the Maturity Date will be April 22, 2013. <sup>1</sup>
<b>Maturity Payment Date:</b>	The Maturity Payment Date will be the later of (i) the third Business Day following the Valuation Date, and (ii) the Maturity Date.
<b>Valuation Date:</b>	The Valuation Date will be the third Business Day preceding the Maturity Date, provided that if such day is not an Exchange Day, then the Valuation Date will be the immediately preceding Exchange Day (subject to postponement if a Market Disruption Event occurs).
<b>Reference Index:</b>	S&P/TSX 60 Index™.

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

**Maturity Amount:** Noteholders of record on the Valuation Date will be entitled to receive on the Maturity Payment Date the Maturity Amount per Note equal to the product of:

- (A) \$100, and
- (B) 100% plus the Variable Return.

The Variable Return will be calculated as follows:

- (A) Where the Reference Index Return is greater than or equal to 0%, but less than or equal to 26%, the Variable Return will be equal to 26%;
- (B) Where the Reference Index Return is greater than 26%, the Variable Return will be equal to the Reference Index Return; and
- (C) Where the Reference Index Return is less than 0%, the Variable Return will be equal to the Reference Index Return.

**Reference Index Return:** The Reference Index Return will be determined by the Calculation Agent, measured from the Closing Value of the Reference Index on the Issue Date to its Closing Value on the Valuation Date.

The Reference Index Return will be a number, expressed as a percentage, determined as follows:

$$\frac{(\text{Index End Value} - \text{Index Start Value})}{\text{Index Start Value}}$$

**Closing Value:** The official closing level or value (as the case may be) for the Reference Index as announced by the Index Sponsor, provided that, if on or after the Issue Date such Index Sponsor materially changes the time of day at which such official closing level or value is determined or no longer announces such official closing level or value, the Calculation Agent may thereafter deem the Closing Value to be the level or value of the Reference Index as of the time of day used by such Index Sponsor to determine the official closing level or value prior to such change or failure to announce.

**Index Start Value:** Index Start Value will be the Closing Value of the Reference Index on the Issue Date.

**Index End Value:** Index End Value will be the Closing Value of the Reference Index on the Valuation Date.

**Clearing and Settlement:** Subscriptions for the Notes must be made through FundSERV, under the FundSERV code listed below. The Notes will be issued in book-entry only form and will be represented by a fully registered global security, registered in the name of CDS Clearing and Depository Services Inc. or its nominee. The beneficial interests of investors in the 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” and FundSERV – Notes Purchased through FundSERV” in this pricing supplement.

**Dealer:** CIBC World Markets Inc. (“**Dealer**”)

**Dealer’s Fee:** \$2.00 per Note (which represents 2.00% of the Principal Amount per Note). This fee will be payable by the Dealer to representatives of investment dealers, including representatives employed by the Dealer, whose clients purchase Notes under the offering.

A Noteholder that sells Notes to the Dealer in the secondary market on or prior to the date that is 360 days after the Issue Date (being on or about April 16, 2011) will be required to pay to the Dealer an early trading charge commencing at 2.52% of the Principal Amount and declining daily by 0.007% to 0.00% after the date that is 360 days after the Issue Date.

**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, purchasers may not be able to resell Notes purchased under this pricing supplement. 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.** The Dealer intends to maintain a secondary market for the sale of Notes to the Dealer using the FundSERV network, 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 sale of Notes using the FundSERV network carries certain restrictions, including selling procedures that require that an irrevocable sale order be initiated at a bid price that will not be known prior to placing such sale order. 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 Dealer will record in its records the beneficial ownership of Notes as instructed using the FundSERV network by a Noteholder's financial advisor. 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. See "FundSERV" in this pricing supplement. 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 Principal Amount.

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 2.52% of the Principal Amount and declining daily by 0.007% to 0.00% after the date that is 360 days after the Issue Date (being on or about April 16, 2011). The sale proceeds per Note may be less than the Principal Amount and may not reflect any appreciation of the Reference Index 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 change 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 Reference Index Return, Variable Return, Closing Value of the Reference Index, Index Start Value, Index End Value, Maturity Amount, Default Amount, Business Days, Exchange Days, Valuation Date, Maturity Date, Maturity Payment Date, the information made available on the website [www.cibnotes.com](http://www.cibnotes.com) in connection with the Notes (other than the indicative daily value of the Notes) and any other calculation, valuation or determination with respect to any payment in connection with the Notes (other than the indicative daily value), 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 and the Reference Index.

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 registered owner of the 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 Reference Index Return, Variable Return, Closing Value of the Reference Index, Index Start Value, Index End Value, Maturity Amount, Default Amount, Business Days, Exchange Days, Valuation Date, Maturity Date, 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 reasonable judgment. Neither the registered owner of the Global Note nor the Noteholders will be entitled to any compensation from the Company 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 / ISIN:**

CUSIP: 06739ZBP1 ISIN: CA06739ZBP14

**FundSERV Code:**

CBL931

**Timely  
Information on the  
Notes:**

Certain information regarding the Notes and the Reference Index, including:

- (i) the daily secondary market price of the Dealer for the Notes (and any applicable Early Trading Charge),
- (ii) the Closing Values of the Reference Index, and
- (iii) the performance of the Reference Index to date

in each case as determined by the Calculation Agent (with the exception of the daily secondary market price), will be posted by the Dealer on the website [www.cibcnotes.com](http://www.cibcnotes.com). However, these calculations, valuations and determinations are unofficial and are based on other publicly available information not produced or controlled by 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. The Early Trading Charge may be payable by investors in the Notes. See “Fees and Expenses” and “Early Trading Charge.”

*See “Risk Factors” beginning on page S-10 of this pricing supplement and page 33 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 original principal amount at maturity**, they do not provide Noteholders with a return or income stream prior to maturity and the return is not determinable prior to maturity. Any payment on the Notes at maturity will depend on the price performance of the Reference Index and the Notes may return as little as none of the original principal amount invested per Note.

**The Notes are not suitable for investors who require a guaranteed return or who cannot withstand a loss of 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 performance of the Reference Index.**

**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 October 15, 2009 and the underwriting agreement to be dated on or about April 16, 2010, each between the Company and the Dealer and described herein under the heading “Plan of Distribution”.

Closing of the Note offering is expected to occur on the Issue Date. Subscriptions for the Notes must be made through FundSERV, under the FundSERV code listed above. Subscription funds received will be deposited in an account established by the Dealer at a Canadian chartered bank for the subscribers. No interest will accrue or be payable on the subscription funds deposited in such account. See “FundSERV — Notes Purchased through FundSERV” in this pricing supplement. The Notes will be issued in book-entry only form and will be represented by a fully registered global security (the “**Global Note**”), registered in the name of CDS Clearing and Depository

Services Inc. (“CDS”) or its nominee. The beneficial interests of investors in the 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 the 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 the 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.**

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

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

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	<b>Price to Public</b>	<b>Dealer’s Fee<sup>(1)(2)</sup></b>	<b>Proceeds to the Company<sup>(3)</sup></b>
Per Note.....	\$100	\$2.00	\$98.00
Total <sup>(4)</sup> .....	\$25,000,000	\$500,000	\$24,500,000

Notes:

- (1) Payable by the Dealer to representatives of investment dealers, including representatives employed by the Dealer, whose clients purchase Notes under the offering.
- (2) A Noteholder that sells Notes to the Dealer on or prior to the date that is 360 days after the Issue Date (being on or about April 16, 2011) will be required to pay to the Dealer an early trading charge commencing at 2.52% of the Principal Amount and declining daily by 0.007% to 0.00% after the date that is 360 days after the Issue Date.
- (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; (ii) under a Reimbursement Under Special Circumstances, see “Specific Terms of the Notes – Reimbursement Under Special Circumstances” in this pricing supplement or (iii) upon the occurrence of certain Extraordinary Events, see “Specific Terms of the Notes – Market Disruption Event – Extraordinary Event” 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 November 14, 2008 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.

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## DEFINITIONS

In addition to the terms defined in the Prospectus, in this pricing supplement, unless the context otherwise requires, terms not otherwise defined herein will have the meaning ascribed thereto hereunder:

**“Business Day”** means a Monday, Tuesday, Wednesday, Thursday or Friday that is not a day on which banking institutions in New York City, Toronto or London (United Kingdom) 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.

**“Calculation Agent”** means initially the Company or any successor applicable by the Company.

**“Closing Value”** means the official closing level or value (as the case may be) for the Reference Index as announced by the Index Sponsor, provided that, if on or after the Issue Date such Index Sponsor materially changes the time of day at which such official closing level or value is determined or no longer announces such official closing level or value, the Calculation Agent may thereafter deem the Closing Value to be the level or value of the Reference Index as of the time of day used by such Index Sponsor to determine the official closing level or value prior to such change or failure to announce.

**“Dealer”** means CIBC World Markets Inc.

**“Dealer Agreement”** has the meaning ascribed to it under “Plan of Distribution”.

**“Early Closure”** has the meaning ascribed to it under “Specific Terms of the Notes – Market Disruption Event”.

**“Early Trading Charge”** has the meaning ascribed to it under “Fees and Expenses” above.

**“Exchange”** means the exchange or trading system from which prices of securities are used from time to time in the computation of the Closing Value of the Reference Index, subject to the provisions set out below under “Specific Terms of the Notes – Market Disruption Event”.

**“Exchange Day”** means any day on which the Exchange and Related Exchange(s) are scheduled to be open for trading during their respective regular trading sessions, notwithstanding the Exchange or Related Exchange closing prior to its Scheduled Closing Time.

**“Exchange Disruption”** has the meaning ascribed to it under “Specific Terms of the Notes – Market Disruption Event” below.

**“Extraordinary Event”** has the meaning ascribed to it under “Specific Terms of the Notes – Market Disruption Event - Extraordinary Event” below.

**“Extraordinary Event Date”** has the meaning ascribed to it under “Specific Terms of the Notes – Market Disruption Event - Extraordinary Event” below.

**“FundSERV”** means the facility maintained and operated by FundSERV Inc. for electronic communication with participating companies, including the receiving of orders, order matching, contracting, registrations, settlement of orders, transmission of confirmation of purchases and the redemption of investments or instruments.

**“Final Payment Amount”** has the meaning ascribed to it under “Specific Terms of the Notes – Extraordinary Event” below.

**“Hedging Event”** has the meaning ascribed to it under “Specific Terms of the Notes – Market Disruption Event – Discontinuance or Modification of the Reference Index or Occurrence of a Hedging Event” below.

“**holder of a Note**” or “**holder of Notes**” means a Noteholder.

“**Independent Calculation Expert**” has the meaning ascribed to it under “Appointment of an Independent Calculation Expert” below.

“**Index End Value**” means the Closing Value of the Reference Index on the Valuation Date, subject to the provisions set out under “Specific Terms of the Notes – Market Disruption Event” below.

“**Index Sponsor or S&P**” means Standard & Poor’s, a division of The McGraw-Hill Companies, Inc., the entity that calculates and publishes the Reference Index on the Issue Date, or any Successor Index Sponsor.

“**Index Sponsor Disruption**” has the meaning ascribed to it under “Specific Terms of the Notes – Market Disruption Event”.

“**Index Start Value**” means the Closing Value of the Reference Index on the Issue Date, provided that if the Issue Date is not an Exchange Day, the Index Start Value shall be determined on the next following Exchange Day, subject to the provisions set out under “Specific Terms of the Notes – Market Disruption Event” below.

“**Issue Date**” means the date of closing of the offering of the Notes, being on or about April 21, 2010.

“**Market Disruption Event**” has the meaning ascribed to it under “Specific Terms of the Notes – Market Disruption Event” below.

“**Maturity Amount**” means an amount per Note equal to \$100 x (100% + Variable Return).

“**Maturity Date**” means the third anniversary date of the Issue Date (provided that if such date is not a Business Day, it will be postponed until the next Business Day).

“**Maturity Payment Date**” means the later of (i) the third Business Day following the Valuation Date, and (ii) the Maturity Date.

“**Notes**” means the S&P/TSX 60 Index™ Linked Accelerated Return Notes, Series 3.

“**Noteholder**” means a beneficial owner of a Note.

“**Principal Amount**” means \$100 per Note.

“**Prospectus**” means the short form base shelf prospectus of the Company dated November 14, 2008.

“**Reference Index**” means S&P/TSX 60 Index™.

“**Reference Index Return**” means a number, expressed as a percentage, determined as follows:

$$\frac{(\text{Index End Value} - \text{Index Start Value})}{\text{Index Start Value}}$$

“**Reimbursement Under Special Circumstances**” has the meaning ascribed to it under “Specific Terms of the Notes – Reimbursement Under Special Circumstances” below.

“**Related Exchange**” means any exchange or trading system on which futures or options on the Reference Index are listed and posted for trading from time to time.

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

“**Special Circumstance**” has the meaning ascribed to it under “Specific Terms of the Notes – Reimbursement Under Special Circumstances” below.

“**Special Reimbursement Date**” has the meaning ascribed to it under “Specific Terms of the Notes – Reimbursement Under Special Circumstances” below.

“**Successor Index Sponsor**” means any entity that succeeds an Index Sponsor in respect of the Reference Index and continues calculation and publication of the Reference Index, provided that such successor is acceptable to the Company.

“**Tax Act**” means the *Income Tax Act* (Canada).

“**Valuation Date**” means the third Business Day preceding the Maturity Date, provided that if such day is not an Exchange Day, then the Valuation Date will be the immediately preceding Exchange Day (subject to the occurrence of a Market Disruption Event).

“**Variable Return**” means (i) 26%, if the Reference Index Return is greater than or equal to 0% and less than or equal to 26%; (ii) 1.0 times the Reference Index Return, if the Reference Index Return is greater than 26%; and (iii) 1.0 times the Reference Index Return, if the Reference Index Return is less than 0%.

## 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 equal to \$2.00 per Note (which represents 2.00% of the Principal Amount per Note) purchased by the Dealer under the offering. This fee 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 (including the license fees payable by the Company in connection with use of the Reference Index).

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 Index may impair the market value of the Notes or the amounts payable on the Notes"

The Notes are designed for investors who hold the Notes to maturity. If an investor sells any Notes in the secondary market to the Dealer on or prior to the date that is 360 days after the Issue Date (being on or about April 16, 2011), the proceeds of sale of the Notes will reflect the deduction of an early trading charge ("**Early Trading Charge**") of 2.52% of the Principal Amount and declining daily by 0.007% to 0.00% after the date that is 360 days after the Issue Date.

## 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 November 14, 2008. References to “**we**”, “**our**” or the “**Company**” mean Barclays Bank PLC.

This section summarizes the following aspects of the Notes:

- What are the Notes and how do they work?
- What is the Reference Index?
- What are some of the risks of the Notes?
- Is this the right investment for you?
- What are the Canadian tax consequences?
- How do the Notes perform?

### **What are the Notes and how do they work?**

The Notes are unsecured and unsubordinated debt securities linked to the performance of the Reference Index. 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 a cash payment determined as described in “– How do the Notes perform? – Hypothetical Examples” below and “Specific Terms of the Notes” in this pricing supplement.

### **What is the Reference Index?**

The Reference Index is the S&P/TSX 60 Index<sup>TM</sup>. A general description of, and constituent securities composing, the Reference Index is provided under “The Reference Index”.

### **What are some of the risks of the Notes?**

An investment in the Notes involves risks. These risks include: (1) the Notes do not guarantee any positive return or repayment of any of the Principal Amount at maturity and Noteholders could lose all of their investment in the Notes; (2) the Notes may not be a suitable investment for you; (3) the Notes are different than ordinary debt instruments; (4) changes in our credit ratings may affect the market value of your Notes; (5) the Notes will not be insured under the Canada Deposit Insurance Corporation Act or any other deposit insurance regime; (6) the payment of the Maturity Amount is dependent upon the creditworthiness of the Company; (7) an Extraordinary Event may occur; (8) the return on the Notes will not reflect the total return of owning the securities included in the Reference Index; (9) the value of the Notes on the Maturity Date will not reflect the Closing Value of the Reference Index at any time prior to the Valuation Date; (10) historical performance does not predict future price performance of the Reference Index; (11) the position of the Canada Revenue Agency (the “**CRA**”) with respect to the taxation of “prescribed debt obligations” such as the Notes could change; (12) there may be potential conflicts of interest between you and the Calculation Agent; (13) trading, hedging and other transactions by the Company or its affiliates in instruments linked to the Reference Index may impair the market value of the Notes or the amounts payable on the Notes; (14) our business activities may create conflicts of interest; (15) there may be no recourse against the Company or Dealer in respect of certain public information concerning the Notes; (16) changes in interest rates are likely to affect the market value of your Notes; (17) there may be little or no secondary market for the Notes and sales in the secondary market may result in significant losses and Noteholders selling to the Dealer must sell FundSERV-enabled Notes by using the “redemption” procedures of FundSERV, and from time to time such procedures may be suspended by FundSERV for any reason without notice; (18) the Early Trading Charge may apply; (19) if the level of the Reference Index changes, the market value of the Notes may not change in the same manner; (20) various factors may affect the daily secondary market price of the Notes; (21) the Index Sponsor has

no obligations relating to the Notes or the Noteholders; (22) changes that affect the Reference Index will affect the market value of the Notes and the Maturity Amount; (23) changes in dividend yields of the stocks included in the Reference Index are expected to affect the trading value of the Notes; and (24) the need to conduct your own independent investigation.

**We urge you to read 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 seek an investment that will give you a positive return only if the Reference Index Return is equal to or greater than 0%.
- You are willing to hold the Notes to maturity.
- You are willing to accept the risk of fluctuations in the value or level of the Reference Index.
- You believe the value or level of the Reference Index will, during the term of the Notes, increase from the Issue Date.
- You seek an investment with a return linked to the performance of the Reference Index.

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

- You require a guaranteed return.
- You cannot withstand a loss of all or substantially all of your investment.
- You seek a guaranteed return of principal if you hold the Notes to maturity.
- You are unable or unwilling to hold the Notes to maturity.
- You expect the Reference Index Return to be less than 0%.
- 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 credit ratings.
- You do not understand the terms of the Notes or the risks involved in holding the Notes.

**What are the Canadian tax consequences?**

A Noteholder who is an individual resident in Canada (other than a trust) will be required to include in income for the taxation year in which the Valuation Date occurs the amount, if any, by which the Maturity Amount exceeds the Principal Amount of the Note. If a Note is held by a Noteholder as capital property and is disposed of, the Noteholder should 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?

The objective of the Notes is to provide a return at maturity equal to: (i) 26% if the Reference Index Return is greater than or equal to 0% and less than or equal to 26%; (ii) 1.0 times the Reference Index Return, if the Reference Index Return is greater than 26%; and (iii) 1.0 times the Reference Index Return, if the Reference Index Return is less than 0%.

Reference Index Return	Variable Return
$\geq 0\%$ and $\leq 26\%$	26%
$> 26\%$	1.0 times the Reference Index Return
$< 0\%$	1.0 times the Reference Index Return

At maturity, Noteholders will be entitled to receive payment of an amount (the “**Maturity Amount**”) per Note equal to the product of:

- (A) \$100, and
- (B) 100% plus the Variable Return.

The Variable Return will be calculated as follows:

- (A) where the Reference Index Return is greater than or equal to 0% but less than or equal to 26%, the Variable Return will be equal to 26%;
- (B) where the Reference Index Return is greater than 26%, the Variable Return will be equal to the Reference Index Return; and
- (C) where the Reference Index Return is less than 0%, the Variable Return will be equal to the Reference Index Return.

The Valuation Date will be the third Business Day preceding the Maturity Date, provided that if such day is not an Exchange Day in respect of the Reference Index, then the Valuation Date will be the immediately preceding Exchange Day, subject to the occurrence of a Market Disruption Event.

The Reference Index Return in respect of the Reference Index will be a number, expressed as a percentage, determined as follows:

$$\frac{(\text{Index End Value} - \text{Index Start Value})}{\text{Index Start Value}}$$

where:

- the Index End Value will be the Closing Value of the Reference Index on the Valuation Date; and
- the Index Start Value will be the Closing Value of the Reference Index on the Issue Date.

**The Notes are not principal protected and you may receive less than the original principal amount at maturity.**

## ***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 terms do not represent the terms of an actual investment in the Notes. The examples do not purport to be representative of every possible scenario concerning increases or decreases in the value or level of the Reference Index at the Maturity Date.

The following examples 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) and assume that the Index Start Value and Index End Value are as indicated.

The following hypothetical examples show how the Maturity Amount would be calculated under three different scenarios. The values used below are hypothetical only and should not be construed as being indicative of the future price performance of the Reference Index or the Notes.

#### **Example 1 - Reference Index Return is equal to or greater than 0% and less than or equal to 26%**

Assumptions:

Index Start Value: 680.00

Index End Value: 816.00

Reference Index Return: 20%

In this example, since the Reference Index Return is equal to or greater than 0% and less than or equal to 26%, the Variable Return is 26%. The Maturity Amount would be calculated as follows:

$$\begin{aligned} \text{Variable Return} &= 26\% \\ \text{Maturity Amount} &= \$100 \times (100\% + \text{Variable Return}) \\ &= \$100 \times (100\% + 26\%) \\ &= \$100 \times 126\% \\ &= \$126 \end{aligned}$$

#### **Example 2 - Reference Index Return is greater than 26%**

Assumptions:

Index Start Value: 680.00

Index End Value: 1122.00

Reference Index Return: 65%

In this example, the Maturity Amount would be calculated as follows:

$$\begin{aligned} \text{Variable Return} &= 1.0 \times \text{Reference Index Return} \\ &= 1.0 \times 65\% \\ &= 65\% \\ \text{Maturity Amount} &= \$100 \times (100\% + \text{Variable Return}) \\ &= \$100 \times (100\% + 65\%) \\ &= \$100 \times 165\% \\ &= \$165 \end{aligned}$$

### **Example 3 - Reference Index Return is less than 0%**

Assumptions:

Index Start Value: 680.00

Index End Value: 578.00

Reference Index Return: -15%

In this example, the Maturity Amount would be calculated as follows:

$$\begin{aligned} \text{Variable Return} &= 1.0 \times \text{Reference Index Return} \\ &= 1.0 \times -15\% \\ &= -15\% \\ \\ \text{Maturity Amount} &= \$100 \times (100\% + \text{Variable Return}) \\ &= \$100 \times (100\% - 15\%) \\ &= \$100 \times 85.0\% \\ &= \$85 \end{aligned}$$

### **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 may not provide holders with a return or income stream prior to maturity, or a return at maturity calculated by reference to a fixed or floating rate of interest that is determinable prior to maturity. The amount received by a Noteholder on the Maturity Payment Date is linked to the performance of the Reference Index, and the performance of its underlying constituent securities. Investing in the Notes is not equivalent to investing directly in any of the constituent securities underlying the Reference Index. See “The Return on the Notes will not reflect the total return of owning the securities included in the Reference Index” below for more information.

This section describes the most significant risks relating to an investment in the Notes. **We urge you to read 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 33 of the Prospectus), 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 all of the Principal Amount at maturity. Noteholders could lose substantially all of their investment in the Notes*

The Notes may return less than, and possibly none of, the Principal Amount invested. Noteholders could lose 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 value or level of the Reference Index are unpredictable and will be influenced by factors that are beyond the control of the Company. Historical values of the Reference Index should not be considered as any indication of the future performance thereof.

#### ***The Notes may not be a suitable investment for you***

The Notes may not be a suitable investment for you if: (i) you require a guaranteed return; (ii) you cannot withstand a loss of all or substantially all of your investment; (iii) you seek a guaranteed return of principal if you hold the Notes to maturity; (iv) you are unable or unwilling to hold the Notes to maturity; (v) you expect the Reference Index Return to be less than 0%; (vi) you seek an investment for which there will be an active secondary market; (vii) you prefer the lower risk and therefore accept the potentially lower returns of fixed income investments with comparable

maturities and credit ratings; or (viii) you do not understand the terms of the Notes or the risks involved in holding the Notes.

***The Notes are different than ordinary debt instruments***

While the Notes are debt obligations of the Company, they differ from ordinary debt instruments in that no interest or other return will be payable during the term of the Notes. There can be no assurance that the value of the Reference Index at maturity will be a value that will result in a Maturity Amount greater than the original \$100 per Note paid by Noteholders. The Notes may return less than, and possibly none of, the Principal Amount invested.

***Changes in our credit ratings may affect the market value of your Notes***

Our credit ratings are an assessment of our ability to pay our obligations, including those on the Notes, and are not indicative of the market risk associated with the Notes or the Reference Index. Consequently, actual or anticipated changes in our credit ratings may affect the market value of your Notes. However, because the return on your Notes is dependent upon certain factors in addition to our ability to pay our obligations on your Notes, an improvement in our credit ratings will not reduce the other investment risks related to your 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 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 will be dependent upon the financial health and creditworthiness of the Company. The medium-term notes are rated AA- by S&P and Aa3 by Moody's Investors Service, Inc. ("Moody's"). The Notes, however, have not been and will not be specifically rated by any rating agency.

***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 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; (ii) under a Reimbursement Under Special Circumstances, see "Specific Terms of the Notes – Reimbursement Under Special Circumstances" in this pricing supplement or (iii) upon the occurrence of certain Extraordinary Events, see "Specific Terms of the Notes – Market Disruption Event – Extraordinary Event" in this pricing supplement.

Under such circumstances, the amount paid to a Noteholder may not fully reflect any appreciation of the Reference Index up to the date of such redemption.

***Extraordinary Event***

If the Calculation Agent determines that an Extraordinary Event has occurred, the Company may, at its option, elect to discharge its obligations in respect of the Maturity Amount by determining on the Extraordinary Event Date the amount of the Final Payment Amount per Note. The Final Payment Amount will be determined by the Calculation Agent acting in good faith in accordance with industry-accepted methods and based on the relevant applicable factors. It is possible that the Final Payment Amount may be substantially less than the Principal Amount or may not fully reflect any appreciation of the Reference Index up to the Extraordinary Event Date.

If the Company determines that an Extraordinary Event has occurred in respect of the Reference Index and the Extraordinary Event is the result of an Exchange Disruption or an Index Sponsor Disruption, then, in lieu of electing to pay the Final Payment Amount, the Company may use an alternative Exchange or Index Sponsor, as the case may be, to determine the Closing Value for the affected Reference Index, or replace the Closing Value for the affected Reference Index with an alternative reference source or basis for determining the Closing Value for the Reference Index which, in the reasonable determination of the Company, most closely approximates the value for the Reference Index, and thereafter such alternative reference source or basis for determining the value may become the reference source for determining the Closing Value for the Reference Index in the future. The use of an alternative Exchange to determine the Closing Value for the affected Reference Index and the replacement of the Closing Value for the affected Reference Index with an alternative reference source or basis for determining the Closing Value for the Reference Index may adversely affect the return on the Notes.

***The return on the Notes will not reflect the total return of owning the securities included in the Reference Index***

The return on the Notes will not reflect the total return an investor would realize if such investor actually owned the securities included in the Reference Index and received the income, if any, paid on those securities because the value of the Reference Index is calculated, in part, by reference to the prices of the securities included in each Reference Index without taking into consideration the value of dividends or other distributions paid on those securities. A Noteholder will not have, and the Notes will not represent, any direct or indirect ownership or other interest in the securities included in the Reference Index. Noteholders will not have any right to receive any distributions or dividends on any securities included in the Reference Index nor will Noteholders have the right to exercise any voting rights for such securities.

***The value of the Notes on the Maturity Date will not reflect the Closing Value of the Reference Index at any time prior to the Valuation Date***

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

***Historical Performance does not predict future price performance of the Reference Index***

Historical performance of the Reference Index will not predict future price performance of the Reference Index. It is not possible to predict whether the Closing Value of the Reference Index will increase or decrease. The price performance of the Reference Index 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 a particular industry, territory, company or security in the Reference Index.

***Income 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 Note will not be considered capital property to the Noteholder. Accordingly, if the Noteholder disposes of the 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 Note is considered to be capital property to a Noteholder, the 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 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, decide 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, 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 Variable Return. 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—Market Disruption Events” 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 the Reference Index 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 our ability to unwind our 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 reasonable judgment.

#### ***Trading, hedging and other transactions by the Company or its affiliates in instruments linked to the Reference Index 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 enter into contracts to hedge our obligations under the Notes by purchasing the securities that constitute the Reference Index or options on such securities, or other derivative instruments with returns linked to the performance of the Reference Index or such securities, 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 or level of the Reference Index 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 constituent securities of the Reference Index or options on such securities, and other investments relating to such securities or the Reference Index 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 or level of the Reference Index 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 the Company nor its affiliates has any obligation to take the needs of any buyer, seller or Noteholder of the 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 constituent securities of the Reference Index or options on such securities, or other derivative instruments with returns linked to the performance of such securities or the Reference Index 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' interest 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 value or level of the Reference Index, 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 securities that comprise the Reference Index. 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 or level of the Reference Index and, therefore, the market value of the Notes. With respect to any of the activities described above, neither the Company nor its affiliates has any obligation to take the needs of any buyer, seller or Noteholder of the 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.

**Risk Factors related to Secondary Market**

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

We expect that the market value of your Notes, like that of a traditional debt security, will be affected by changes in interest rates, although these changes may affect your Notes and a traditional debt security to different degrees. In general, if interest rates increase, we expect that the value of your Notes will decrease and, conversely, if interest rates decrease, we expect that the market value of your 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, purchasers may not be able to resell Notes purchased under this pricing supplement. 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. Although the Dealer intends to maintain a secondary market for the sale of Notes to the Dealer using the FundSERV network, there can be no assurance that the Dealer will maintain a secondary market for the Notes throughout the term of the Notes. The Dealer may cease to maintain a secondary market for the Notes, in its sole discretion, at any time without any prior notice to Noteholders. No other secondary market for the Notes will be available. 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 original 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 Note were maturing

on such day and which do not necessarily reflect any increase in the Closing Value of the Reference Index up to the date of such sale. A sale of Notes originally purchased from a distributor on the FundSERV network will be subject to certain additional procedures and limitations, including that an investor must sell FundSERV-enabled Notes by using the “redemption” procedures of FundSERV; any other sale or redemption is not possible. Investors should be aware that from time to time such “redemption” mechanism to sell FundSERV-enabled Notes may be suspended by FundSERV for any reason without notice, thus effectively preventing investors from selling their FundSERV-enabled Notes. Potential investors requiring liquidity should carefully consider this possibility before purchasing FundSERV-enabled Notes. Please see “FundSERV” in the pricing supplement for more information. 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 Principal Amount.

### ***Early Trading Charge***

The Notes are designed for investors who hold the Notes to maturity. If an investor sells any Notes in the secondary market to the Dealer on or prior to the date that is 360 days after the Issue Date (being on or about April 16, 2011) the proceeds of sale of the Notes will reflect the deduction of an early trading charge commencing at 2.52% of the Principal Amount and declining daily by 0.007% to 0.00% after the date that is 360 days after the Issue Date.

### ***If the value or level of the Reference Index changes, the market value of the Notes may not change in the same manner***

The market value of the Notes may not have a direct relationship with the value or level of the Reference Index, and changes in the value or level of the Reference Index 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 such day. The Dealer’s daily secondary market price for the Notes in the secondary market 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.

Many factors affect the daily secondary market of the Notes. The daily secondary market price for a Note at any time will be dependent upon, among other things, (i) how much the Closing Value of the Reference Index has 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 credit rating, financial condition and results of operations, the “time value” associated with the Notes, volatility in the Reference Index, the dividend yields of the shares in the Reference Index, 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 a Note. In particular, Noteholders should understand that the daily secondary market (a) might have a non-linear sensitivity to rises and falls in the performance of the Reference Index (i.e., the trading price of the Notes might increase and decrease at a different rate compared to the respective percentage increase and decrease in the price performance of the Reference Index) and (b) may be substantially affected by changes in the level of interest rates independent of the volatility in the Reference Index. Please see “Specific Terms of the Notes” and “Secondary Market for Notes” for more information.

## **Risk factors related to the Reference Index**

### ***Return on a Note depends on the Closing Value of the Reference Index on the Valuation Date***

If the Reference Index Return on the Valuation Date is negative, Noteholders will be entitled to a Maturity Amount that is less than the original Principal Amount of the Notes. As a result, a Noteholder could lose up to their entire investment in the Notes.

### ***The Index Sponsor has no obligations relating to the Notes or the Noteholders***

The Index Sponsor has 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 Index Sponsor will not receive any of the proceeds of the offering of the Notes and is not responsible for, and has not participated in, the offering of the Notes and is not responsible for, and will not participate in, the determination or calculation of the amount receivable by beneficial owners of the Notes.

The Index Sponsor is under no obligation to continue the calculation and dissemination of the Reference Index. The Notes are not sponsored, endorsed, sold or promoted by the Index Sponsor. No inference should be drawn from the information contained in this pricing supplement or the accompanying Prospectus that the Index Sponsor 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 ability of the Reference Index to track general stock market performance.

### ***Changes that affect the Reference Index will affect the market value of the Notes and the Maturity Amount***

The policies of the Reference Index concerning the calculation of the Reference Index, additions, deletions or substitutions of the constituents of the Reference Index and the manner in which changes affecting the constituents of the Reference Index, such as stock dividends, reorganizations or mergers, are reflected in the Reference Index, could affect the Reference Index and, therefore, could affect the amount payable on the Notes at maturity, and the market value of the Notes prior to maturity.

### ***Changes in dividend yields of the stocks included in the Reference Index are expected to affect the trading value of the Notes***

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

### ***Independent Investigation Required***

The Company and the Dealer have not performed any due diligence investigation or review of the Reference Index, the securities included in the Reference Index or the Index Sponsor. Any information relating to the Reference Index and the Index Sponsor was derived from publicly available sources. The Company and the Dealer assume no responsibility for the adequacy of the information concerning the Reference Index, the securities included in the Reference Index or the Index Sponsor contained in this pricing supplement and Prospectus or that is publicly available otherwise. A prospective investor should undertake such independent investigation of the Reference Index, the securities included in the Reference Index and the Index Sponsor as the investor considers necessary in order to make an informed decision as to the merits of an investment in the Notes.

## **THE REFERENCE INDEX**

The Notes are designed to allow Noteholders to participate in the performance of the Reference Index from the Issue Date to the Valuation Date. The performance of the Reference Index is the return of the Reference Index without taking into consideration dividends or other distributions by the issuers that comprise the Reference Index.

The Index Sponsor does 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 Index Sponsor will not receive any of the proceeds of the offering of the Notes and is not responsible for, and has not participated in, the offering of the Notes and is 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 Reference Index is presented in summary form and is derived from publicly available sources and assumed to be reliable, although its accuracy 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 Reference Index. Historical performance of the Reference Index is shown below. Historical performance will not necessarily predict future performance of the Reference Index or how much return on the Notes may be payable. For purposes of certainty, the price version (as opposed to the total return version) of the Reference Index will be used.

### **S&P/TSX 60 Index™**

S&P/TSX 60 Index™ is a market capitalization-weighted index of 60 large, liquid publicly traded companies in Canada. This index is calculated and sponsored by S&P®. S&P/TSX 60 Index™ is governed by the S&P®'s Canadian Index Committee (the "Committee"). The Committee, comprised of seven members representing both S&P® and the TSX, is responsible for selecting the securities which comprise the S&P/TSX 60 Index™, setting policy and making adjustments to the index. A guiding principle of S&P®'s index management is the minimization of turnover among index constituents. The Committee chooses companies for inclusion in the S&P/TSX 60 Index™ with the aim of achieving a distribution by broad industry groupings. Relevant criteria employed by the Committee include the viability of the particular company, the extent to which that company represents the industry group to which it is assigned, the extent to which the market price of that company's common stock is generally responsive to changes in the affairs of the respective industry and the market value and trading activity of the common stock of that company. The S&P/TSX 60 Index™ may be adjusted by the Committee from time to time because of various events affecting a constituent company, such as the acquisition of such company as a result of a merger, amalgamation or plan of arrangement or bankruptcy, restructuring or other corporate actions. Any index additions will be made according to their market size and liquidity, with a view of preserving sector representation. The Committee may from time to time, in its sole discretion, add companies to, or delete companies from, the S&P/TSX 60 Index™ to achieve the objectives stated above.

The following table shows, as at March 4, 2010, the constituent securities in the Reference Index, each constituent's weighting in the Reference Index and the sector represented by the constituent.

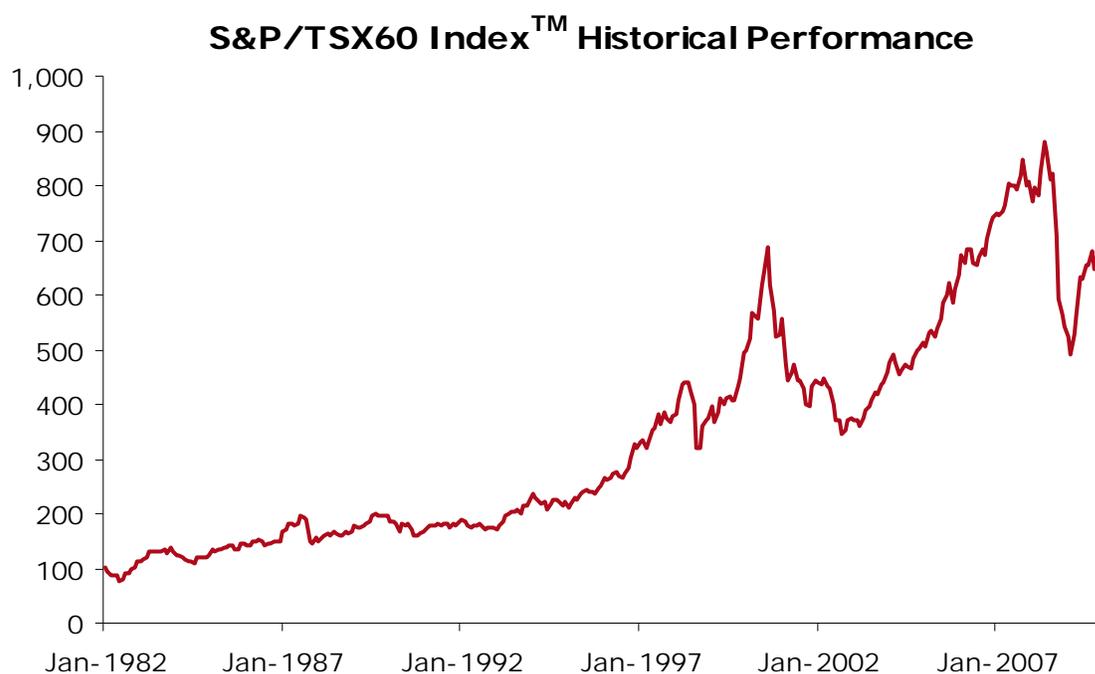
<b>Name</b>	<b>% Weight in the Index</b>	<b>Sector</b>
Royal Bank of Canada	8.04%	Financial
The Toronto-Dominion Bank	5.91%	Financial
Bank of Nova Scotia	4.97%	Financial
Suncor Energy Inc.	4.86%	Energy
Barrick Gold Corp.	3.97%	Basic Materials
Canadian Natural Resources Ltd	3.85%	Energy
Research In Motion Ltd.	3.57%	Technology
Potash Corp of Saskatchewan Inc.	3.46%	Basic Materials
Manulife Financial Corp.	3.42%	Financial
Bank of Montreal	3.23%	Financial
Goldcorp Inc.	2.94%	Basic Materials
Canadian Imperial Bank of Commerce	2.78%	Financial
Canadian National Railway Co.	2.63%	Industrial
EnCana Corp.	2.58%	Energy

TransCanada Corp.	2.42%	Energy
BCE Inc.	2.27%	Communications
Teck Resources Ltd.	1.93%	Basic Materials
Cenovus Energy Inc.	1.92%	Energy
Talisman Energy Inc.	1.91%	Energy
Enbridge Inc.	1.75%	Energy
Sun Life Financial Inc.	1.71%	Financial
Rogers Communications Inc.	1.68%	Communications
Canadian Oil Sands Trust	1.34%	Energy
Kinross Gold Corp.	1.33%	Basic Materials
Thomson Reuters Corp.	1.31%	Communications
Nexen Inc.	1.22%	Energy
Brookfield Asset Management Inc.	1.21%	Financial
TELUS Corp.	1.11%	Communications
Cameco Corp.	1.08%	Basic Materials
Agrium Inc.	1.07%	Basic Materials
Power Corp of Canada/Canada	1.01%	Financial
National Bank of Canada	0.99%	Financial
Imperial Oil Ltd.	0.99%	Energy
Agnico-Eagle Mines Ltd.	0.96%	Basic Materials
Shoppers Drug Mart Corp.	0.95%	Consumer, Cyclical
Canadian Pacific Railway Ltd.	0.92%	Industrial
Penn West Energy Trust	0.88%	Energy
Bombardier Inc.	0.87%	Industrial
Yamana Gold Inc.	0.79%	Basic Materials
SNC-Lavalin Group Inc.	0.75%	Industrial
Shaw Communications Inc.	0.74%	Communications
Eldorado Gold Corp.	0.71%	Basic Materials
Magna International Inc.	0.67%	Consumer, Cyclical
Husky Energy Inc.	0.65%	Energy
First Quantum Minerals Ltd.	0.62%	Basic Materials
Tim Hortons Inc.	0.57%	Consumer, Cyclical
IAMGOLD Corp.	0.57%	Basic Materials
ARC Energy Trust	0.51%	Energy
Fortis Inc/Canada	0.48%	Utilities
TransAlta Corp.	0.48%	Utilities
Metro Inc.	0.44%	Consumer, Non-cyclical
Canadian Tire Corp Ltd.	0.42%	Consumer, Cyclical
Enerplus Resources Fund	0.41%	Energy
Saputo Inc.	0.41%	Consumer, Non-cyclical
Loblaw Companies Ltd.	0.37%	Consumer, Non-cyclical
George Weston Ltd.	0.32%	Consumer, Non-cyclical
Yellow Pages Income Fund	0.31%	Communications
Inmet Mining Corp.	0.27%	Basic Materials
Gildan Activewear Inc.	0.26%	Consumer, Cyclical
Biovail Corp.	0.25%	Consumer, Non-cyclical

(Source: Bloomberg)

### *Historical Monthly Closing Values*

The following chart shows the performance of the price version of the S&P/TSX 60 Index™ based on the month-end Closing Values from January 29, 1982 to and including February 26, 2010. Over that period, the starting Closing Value was 100; the lowest Closing Value was 75.99 on July 8, 1982; the highest Closing Value was 900.93 on June 18, 2008; and the ending Closing Value was 680.76 on February 26, 2010. As of March 4, 2010, the market capitalization of the Reference Index was \$1.09 trillion, the 52 week high was 702.97 and the 52 week low was 458.69. On March 4, 2010 the Closing Value was 693.37.



(Source: Bloomberg)

### *Historical Three-Year Returns*

The following information regarding historical returns of the Reference Index is based on data from Bloomberg. During the period from 1983 to 2009: 7 out of 25 three-year price returns of the S&P/TSX 60 Index™ were between 0% and 26% and would have generated a Variable Return of 26% had a Note been issued at the beginning of each of the observed three-year periods. During the period from 1983 to 2009, the average 3-year rates of return of the S&P/TSX 60 Index™ was 25.81%, determined by taking the average price return of the Reference Index over rolling 3-year periods from 1983 to 2009. During the period from 1983 to 2009, the volatility of 3-year rates of return of the S&P/TSX 60 Index™ was 27.28%. Volatility of the 3-year rates of return represents the variability of 3-year rates of return experienced, both positive and negative, around the mean or average 3-year rates of return experienced by the Reference Index. Past performance of the Reference Index is not indicative of future results, please see “Risk Factors” in this pricing supplement.

### *License Agreement and Disclaimer*

S&P® and the Company have entered into a nonexclusive license agreement providing for the license to the Company, in exchange for a fee, of the right to use indices owned and published by S&P® in connection with the Notes.

The license agreement between S&P<sup>®</sup> and the Company provides that the following language must be stated in this pricing supplement:

"S&P<sup>®</sup>, S&P/TSX 60<sup>™</sup> and Standard & Poor's<sup>®</sup> are trademarks of The McGraw-Hill Companies, Inc. and have been licensed for use by the Company. TSX<sup>®</sup> is a trademark of the Toronto Stock Exchange and has been licensed for use by Standard & Poor's<sup>®</sup>. The Notes are not sponsored, endorsed, sold or promoted by Standard & Poor's<sup>®</sup> and neither Standard & Poor's<sup>®</sup> nor the Toronto Stock Exchange make any representation regarding the advisability of investing in the Notes."

"The Notes are not sponsored, endorsed, sold or promoted by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P<sup>®</sup>"). Neither S&P<sup>®</sup> nor the Toronto Stock Exchange make any representation or warranty, express or implied, to the holders of the Notes or any member of the public regarding the advisability of investing in securities generally or in the Notes particularly or the ability of the S&P/TSX 60 Index<sup>™</sup> to track general stock market performance. S&P's<sup>®</sup> and the Toronto Stock Exchange's only relationship to the Company (other than transactions entered into in the ordinary course of business) is the licensing of certain trademarks and trade names of S&P<sup>®</sup> and the Toronto Stock Exchange and of the S&P/TSX 60 Index<sup>™</sup> which is determined, composed and calculated by S&P<sup>®</sup> without regard to the Notes. S&P<sup>®</sup> and the Toronto Stock Exchange have no obligation to take the needs of the Company or the holders of the Notes into consideration in determining, composing or calculating the S&P/TSX 60 Index<sup>™</sup>. S&P<sup>®</sup> and the Toronto Stock Exchange are not responsible for and have not participated in the determination of the timing of the sale of the Notes, prices at which the Notes are to initially be sold, or quantities of the Notes to be issued or in the determination or calculation of the equation by which the Notes are to be converted into cash. S&P<sup>®</sup> and the Toronto Stock Exchange have no obligation or liability in connection with the administration, marketing or trading of the Notes."

"S&P<sup>®</sup> AND THE TORONTO STOCK EXCHANGE DO NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE S&P/TSX 60 INDEX<sup>™</sup> OR ANY DATA INCLUDED THEREIN AND S&P<sup>®</sup> AND THE TORONTO STOCK EXCHANGE SHALL HAVE NO LIABILITY FOR ANY ERRORS, OMISSIONS, OR INTERRUPTIONS THEREIN. S&P<sup>®</sup> AND THE TORONTO STOCK EXCHANGE MAKE NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE OBTAINED BY THE COMPANY, OWNERS OF THE NOTES OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE S&P/TSX 60 INDEX<sup>™</sup> OR ANY DATA INCLUDED HEREIN. S&P<sup>®</sup> MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE S&P/TSX 60 INDEX<sup>™</sup> OR ANY DATA INCLUDED THEREIN. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL S&P<sup>®</sup> OR THE TORONTO STOCK EXCHANGE HAVE ANY LIABILITY FOR ANY SPECIAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES."

#### OBJECTIVE OF THE NOTES

The objective of the Notes is to provide a return at maturity equal to: (i) 26% if the Reference Index Return is greater than or equal to 0% and less than or equal to 26%; (ii) 1.0 times the Reference Index Return, if the Reference Index Return is greater than 26%; and (iii) 1.0 times the Reference Index Return, if the Reference Index Return is less than 0%.

Reference Index Return	Variable Return
≥ 0% and ≤ 26%	26%
> 26%	1.0 times the Reference Index Return
< 0%	1.0 times the Reference Index Return

#### 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, 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.

## General

This offering consists of Notes at a price of \$100 each. The minimum subscription price per Noteholder is \$5,000 (50 Notes). The maximum size of the offering is \$25,000,000 (250,000 Notes).

## Payment at Maturity

The Notes will mature on the third anniversary of the Issue Date, provided that if such day is not a Business Day, the Notes will mature on the next Business Day. On the Maturity Payment Date, a Noteholder of record on the Valuation Date will be entitled to receive from the Company in respect of each Note held by such Noteholder, the amount (the “Maturity Amount”) equal to the product of:

- (A) \$100, and
- (B) 100% plus the Variable Return.

The Variable Return will be calculated as follows:

- (A) where the Reference Index Return is greater than or equal to 0% but less than or equal to 26%, the Variable Return will be equal to 26%;
- (B) where the Reference Index Return is greater than 26%, the Variable Return will be equal to the Reference Index Return; and
- (C) where the Reference Index Return is less than 0%, the Variable Return will be equal to the Reference Index Return.

The Valuation Date will be the third Business Day preceding the Maturity Date, provided that if such day is not an Exchange Day, then the Valuation Date will be the immediately preceding Exchange Day, (subject to the occurrence of a Market Disruption Event).

The Reference Index Return in respect of the Reference Index will be a number, expressed as a percentage, determined as follows:

$$\frac{(\text{Index End Value} - \text{Index Start Value})}{\text{Index Start Value}}$$

where:

- the Index End Value will be the Closing Value of the Reference Index on the Valuation Date; and
- the Index Start Value will be the Closing Value of the Reference Index on the Issue Date.

The table below shows the Maturity Amount per Note that a Noteholder would receive based on various hypothetical Reference Index Returns:

Reference Index Return ("RIR")	Variable Return	Maturity Amount (per Note) (\$100 x (100% + Variable Return))	Annual Compounded Return
80%	80%	\$180	21.64%
70%	70%	\$170	19.35%
60%	60%	\$160	16.96%
50%	50%	\$150	14.47%
40%	40%	\$140	11.87%
30%	30%	\$130	9.14%
20%	26%	\$126	8.01%
10%	26%	\$126	8.01%
8%	26%	\$126	8.01%
5%	26%	\$126	8.01%
0%	26%	\$126	8.01%
-20%	-20%	\$80	-7.17%
-40%	-40%	\$60	-15.66%
-60%	-60%	\$40	-26.32%
-80%	-80%	\$20	-41.52%
-100%	-100%	\$0	-100%

The return on the Notes will not reflect the total return that a Noteholder would receive if such Noteholder owned the securities included in the Reference Index. A Noteholder will not have, and the Notes will not represent, any direct or indirect ownership or other interest in the securities included in the Reference Index. The dividend yield of the Reference Index posted by the TMX Group Inc., which owns and operates the Toronto Stock Exchange, as of March 4, 2010 was 2.54%; however, Noteholders will not have any right to receive any distributions or dividends on any securities included in the Reference Index nor will Noteholders have the right to exercise any voting rights for such securities and will only have a right against the Company to be paid the Maturity Amount at maturity. The Maturity Amount will be a function of the return of the Reference Index, which will not take into consideration dividends or other distributions by the issuers of the securities that comprise the Reference Index.

Certain information regarding the Notes and the Reference Index, including (i) the daily secondary market price of the Dealer for the Notes (and any applicable Early Trading Charge), (ii) the Closing Values of the Reference Index, and (iii) the performance of the Reference Index to date, in each case as determined by the Calculation Agent, will be posted by the Dealer on the website [www.cibcnotes.com](http://www.cibcnotes.com). However, these calculations, valuations and determinations are unofficial and are based on other publicly available information not produced or controlled by 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 indicative value 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 ten 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 the Global Note maintained by the Dealer. See “Specific Terms of the Notes - Clearing and Settlement – CDS Procedures” in this pricing supplement.

### **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), 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” or (iii) upon the occurrence of certain Extraordinary Events, see “– Market Disruption Event – Extraordinary Event”.

### **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.

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 a 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, through CDS or its nominee.

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 date that but for that event would be the Valuation Date, then the Variable Return will be calculated (and the applicable Closing Value will be determined) on the basis that such Valuation Date will be postponed to the immediately following Exchange Day on which there is no Market Disruption Event in effect in respect of the Reference Index.

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

- (i) such tenth Exchange Day shall be the Valuation Date, and

- (ii) where on that tenth Exchange Day a Market Disruption Event has occurred and is continuing, then the Closing Value of the Reference Index for such Valuation Date used for determining the value of the Reference Index Return in the calculation of the Variable Return will be a value determined by the Calculation Agent as at such Valuation Date in accordance with the formula for and method of calculating that Reference Index last in effect prior to the occurrence of the Market Disruption Event using the Exchange traded or quoted price on that tenth Exchange Day of each security comprised in the Reference Index (or, if an event giving rise to a Market Disruption Event has occurred in respect of the relevant security on that tenth Exchange Day, its good faith estimate of the value for the relevant security on that tenth Exchange Day).

If a Market Disruption Event occurs, the Company will appoint an Independent Calculation Expert to confirm the calculations of the Calculation Agent. See “Appointment of an Independent Calculation Expert” below.

“Market Disruption Event” means, in respect of the Reference Index, any bona fide event, circumstance or cause (whether or not reasonably foreseeable) beyond the reasonable control of the Company or any person that does not deal at arm’s length with the Company which has or will have a material adverse effect on the ability of equity dealers generally to place, maintain or modify hedges of positions in respect of the Reference Index. A Market Disruption Event may include, without limitation, any of the following events:

- (a) any failure of trading to commence, or the permanent discontinuation of trading, or any suspension of or limitation imposed on trading by the Exchange or any Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the Exchange or Related Exchange or otherwise (i) on the Exchange relating to securities that comprise 20 percent or more of the value of the Reference Index, or (ii) in futures or options contracts or futures contracts relating to the Reference Index on any Related Exchange;
- (b) the failure of an Index Sponsor to announce or publish the Closing Value for the Reference Index (or the information necessary for determining the Closing Value), or the temporary or permanent discontinuance or unavailability of the Index Sponsor;
- (c) the closure (“**Early Closure**”) on any Exchange Day of the Exchange or any Related Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by the Exchange or Related Exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on the Exchange or Related Exchange on such Exchange Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the close of trading on such Exchange Day;
- (d) any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, on the Exchange, securities that comprise 20 percent or more of the value of the Reference Index, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the Reference Index on any Related Exchange;
- (e) the failure on any Exchange Day of the Exchange or any Related Exchange to open for trading during its regular trading session; or
- (f) any outbreak or escalation of hostilities or other national or international calamity or crisis (including, without limitation, natural calamities) which has or would have a material adverse effect on the ability of the Company to perform its obligations under the Notes or of equity dealers generally to place, maintain or modify hedges of positions with respect to the Reference Index or a material and adverse effect on the Canadian economy or the trading of securities generally on the Exchange or any Related Exchange.

For purposes of an Extraordinary Event described below, subparagraphs (a), (c), (d) and (e) may be collectively referred to as an “Exchange Disruption” and subparagraph (b) may be referred to as an “Index Sponsor Disruption”.

### *Extraordinary Event*

If the Calculation Agent determines that one or more Market Disruption Events in respect of the Reference Index have occurred and are continuing, and if any such Market Disruption Event has continued for at least eight consecutive Exchange Days (an “**Extraordinary Event**”), the Company may, at its option on an Exchange Day (the “**Extraordinary Event Date**”), elect to discharge its obligations in respect of the Maturity Amount by instructing the Calculation Agent to determine on the Extraordinary Event Date the amount of a final payment (the “**Final Payment Amount**”) per Note determined as of the close of business of the Calculation Agent in New York on the third Exchange Day prior to the Extraordinary Event Date. The Final Payment Amount will be determined by the Calculation Agent acting in good faith in accordance with industry-accepted methods and based on the relevant applicable factors. The relevant applicable factors may include, among other things, how much the Closing Value of the Reference Index has risen or fallen since the Issue Date and its performance concluded up to such time, and a number of other inter-related factors, including, without limitation, volatility in the Reference Index, the prevailing level of interest rates, the dividend yields of the securities comprising the Reference Index, the time remaining to the Valuation Date, and the market demand for the Notes. The relationship among these factors is complex. It is possible that the Final Payment Amount may be substantially less than the Principal Amount or may not reflect any increase in the price performance of the Reference Index up to the Extraordinary Event Date.

If the Calculation Agent determines that an Extraordinary Event has occurred in respect of the Reference Index and the Extraordinary Event is the result of an Exchange Disruption or an Index Sponsor Disruption, then, in lieu of electing to pay the Final Payment Amount, the Company may use an alternative Exchange or Index Sponsor, as the case may be, to determine the Closing Value for the Reference Index, or replace the Closing Value for the Reference Index with an alternative reference source or basis for determining the Closing Value for the Reference Index which, in the reasonable determination of the Company, most closely approximates the value for the Reference Index, and thereafter such alternative reference source or basis for determining the value may become the reference source for determining the Closing Value for the Reference Index in the future.

### *Discontinuance or Modification of the Reference Index or Occurrence of a Hedging Event*

If the Reference Index is (i) not calculated and announced by the Index Sponsor existing on the Issue Date but is calculated and announced by a Successor Index Sponsor, or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the Reference Index, then the Reference Index will be deemed to be the index so calculated and announced by the Successor Index Sponsor or that successor index, as the case may be, and the Variable Return will be calculated by reference to the Closing Value of that index in accordance with the formula previously set out herein.

If any of the following occurs in respect of the Reference Index (each, a “Material Index Change”):

- (i) on or prior to any Valuation Date, the Index Sponsor announces that it will make a material change in the formula for or the method of calculating that Reference Index or in any other way materially modifies the Reference Index (other than a modification prescribed in that formula or method to maintain the Reference Index in the event of changes in constituent stock and capitalization and other routine events) or permanently cancels the Reference Index and no successor index exists,
- (ii) the Company determines that it has ceased to have any necessary licensing rights to utilize the Reference Index in connection with the Notes, or
- (iii) on any Valuation Date, the Index Sponsor fails to calculate and announce the Reference Index,

or if a Hedging Event occurs, as the case may be, then the Calculation Agent may (A) calculate the Variable Return using, in lieu of a published value for the Reference Index, the value for the Reference Index as at that Valuation Date as determined by the Calculation Agent in accordance with the formula for and method of calculating the Reference Index last in effect prior to the change, failure or cancellation, but using only those securities that

comprised the Reference Index immediately prior to that Material Index Change, or (B) determine if another comparable equity index exists that (1) is reasonably representative of the equity market which was represented by the Reference Index affected by the Material Index Change or in respect of which the Hedging Event occurred, as the case may be (the “Affected Index”), and (2) may be as efficiently and economically hedged by dealers in such equity market as such Affected Index was. If the Calculation Agent determines that such other comparable index exists, then such other comparable index (the “New Index”) shall replace the Affected Index as of the date of such determination. Upon any such replacement (a “Replacement Event”), the New Index shall be deemed to be the Affected Index for purposes of determining the Variable Return and the Company shall, as soon as practicable after such Replacement Event, make adjustments to any one or more of the Index Start Value of the New Index, the formula for calculating the Reference Index Return of the New Index, or any other component or variable relevant to the determination of the Variable Return. Adjustments will be made in such a way as the Calculation Agent determines appropriate to account in the calculation of the Variable Return for the performance of the Affected Index up to the occurrence of such Replacement Event and the subsequent performance of the New Index in replacement thereof thereafter. Upon any Replacement Event and the making any such adjustment, the Calculation Agent shall promptly give notice and brief details to the registered owner of the Global Note.

“Hedging Event” means, in respect of the Reference Index, the occurrence of an event that has a material adverse effect on the Company’s ability to place, maintain or modify any hedge with respect to the Reference Index including, without limitation, (i) the adoption of or any change in any applicable law or regulation (including tax law), or the promulgation or any change in the interpretation by any court, tribunal or regulatory authority of any applicable law or regulation (including by a taxing authority), (ii) the termination of any hedging contract with a third party, (iii) the inability of the Company, after using commercially reasonable efforts, to acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction or asset for hedging its price risk in relation to the Reference Index, or realize, recover or remit the proceeds of any such transaction or asset, or (iv) a material increase in the amount of tax, duty, expense or fee to acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction or asset for hedging its equity price risk in relation to the Reference Index or realize, recover or remit the proceeds of any such transaction or asset.

### **Default Amount on Acceleration**

If an event of default occurs under the indenture and the maturity of the Notes is accelerated, we will pay you the default amount in respect of the principal of the Notes at such accelerated maturity date. We describe the default amount below under “– Default Amount”. Please see the discussion under the heading “Description of Notes and Details of the Offering – Senior Events of Default” on page 20 of the Prospectus 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 medium-term notes, of which the Notes are a part, are entitled to take any action under the indenture, we 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 medium-term notes, holders of specified percentages in principal amount of all medium-term notes, together in some cases with other series of our debt securities, will be able to take action affecting all the medium-term notes, including the Notes. This action may involve changing some of the terms that apply to the medium-term notes, accelerating the maturity of the medium-term notes after a default or waiving some of our obligations under the indenture. We discuss these matters in the Prospectus under “Description of Notes and Details of the Offering”.

### ***Default Amount***

In the event that a default under the Notes occurs before the Valuation Date, the default amount for the Notes on any day will be an amount in Canadian dollars equal to the cost of having a qualified financial institution, of the kind and selected as described below, expressly assume all our payment and other obligations with respect to the Notes as of that day and as if no default or acceleration had occurred, or to undertake other obligations providing substantially equivalent economic value to you with respect to the Notes. That cost will equal:

- the lowest amount that a qualified financial institution would charge to effect this assumption or undertaking, plus

- the reasonable expenses, including reasonable attorneys' fees, incurred by the holders of the Notes in preparing any documentation necessary for this assumption or undertaking.

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

In the event that a default under the Notes occurs on or after the Valuation Date, the default amount shall be the amount calculated under “– Payment at Maturity” above.

### ***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 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.

### **Credit Ratings**

The medium-term notes are rated AA- by S&P. An AA- rating from S&P generally indicates that the Company's capacity to meet its financial commitment on the obligations arising from the program is very strong. This rating does not take into account market risk or the performance related risks of the investment (including, without limitation, the risks associated with the potential negative performance of the Reference Index to which the Notes is linked). The medium-term notes are also rated Aa3 by Moody's. The Notes, however, have not been and will not be specifically rated by any rating agency. 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 “Ratings” in the Prospectus.

## **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 Securities are purchased in accordance with practices and procedures of such investment dealer. See also “FundSERV” in this pricing supplement.

### ***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 registered owner 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 registered owner 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 registered owner 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 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 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 change 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 Reference Index Return, Variable Return, Closing Value of the Reference Index, Index Start Value, Index End Value, Maturity Amount, Default Amount, Business Days, Maturity Date, the information made available on the website [www.cibcnotes.com](http://www.cibcnotes.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 and the Reference Index. Absent manifest error, all calculations, valuations and determinations of the Calculation Agent

will be final and binding on the registered owner of the 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 Reference Index Return, Variable Return, Closing Value of the Reference Index, Index Start Value, Index End Value, Maturity Amount, Default Amount, Valuation Date, Maturity Date, Maturity Payment Date and in making certain other calculations, valuations or determinations with regard to the value of the Notes and the Reference Index. The Calculation Agent will carry out its duties in good faith and using its reasonable judgment. Neither the registered owner of the Global Note nor the Noteholders will be entitled to any compensation from the Company 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 Index and the securities comprising the Reference Index. 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 registered owner of the 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 registered owner of the 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, a Market Disruption Event, an Extraordinary Event, a Material Index Change or a Hedging Event, 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 to enter into hedging transactions involving purchases of instruments linked to the Reference Index 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 Index;
- 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 Index, 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 securities comprising the Reference Index, or exchange-traded or over-the-counter options, futures or other instruments linked to the securities comprising the Reference Index or the Reference Index.

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 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, the Company’s 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.

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

#### ***Payments of Maturity Amount – 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 such circumstances, the payment of that part of the Maturity Amount which 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 the payment of some or all of the Maturity Amount was treated as interest for United Kingdom withholding tax purposes, the payment of that part of the Maturity Amount which is treated as interest may be made 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 the payment of some or all of the Maturity Amount was 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 under the provisions of an applicable double taxation treaty or to any other exemption which may apply.

#### ***Payments of Maturity Amount – 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 will not be subject 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 Finance Act 1995, 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 or business in the United Kingdom through any permanent establishment in the United Kingdom.

#### ***Provision of Information***

Noteholders should note that the Company or any persons in the United Kingdom paying interest to or receiving interest on behalf of another person may be required to provide certain information to HM Revenue & Customs regarding the identity of the payee or person entitled to the interest and, in certain circumstances, such information may be exchanged with tax authorities in other countries.

Under EC Council Directive 2003/48/EC (the “**Directive**”) on the taxation of savings income, each Member State 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 as from 1 January 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.

On 13 November 2008 the European Commission published a proposal for amendments to the Directive, which included a number of suggested changes which, if implemented, would broaden the scope of the requirements described above. The European Parliament approved an amended version of this proposal on 24 April 2009. 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 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, 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 will generally not be liable to United Kingdom inheritance tax in respect of his holding of Notes. This will be the case so long as the Notes are situated outside the United Kingdom (which should be the case so long as the Global Note is deposited and held outside the United Kingdom) and the Notes are only enforceable outside 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 in respect of 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.

#### *HSBC case – possible consequences*

On 1 October 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 clearing service is contrary to European Community law. HM Revenue & Customs have announced 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. The law in this area may therefore be particularly susceptible to change.

### **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. 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.

#### **Accrual of Interest**

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 on an understanding of the CRA's administrative practice, there should be no deemed accrual of interest on the Notes under these provisions prior to the date upon which the Maturity Amount, Final Payment Amount or a Reimbursement Under Special Circumstances 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 above.

### **Payment at Maturity or as a consequence of an Extraordinary Event or Special Circumstance**

The amount of the excess, if any, of the Maturity Amount over the Principal Amount of a Note that is payable to a Noteholder will be included in the Noteholder’s income in the taxation year in which the Valuation Date of the Notes occurs 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. If the Final Payment Amount is paid as a consequence of an Extraordinary Event or the Reimbursement Under Special Circumstances is paid, the excess, if any, of such payment over the 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 is 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 Date or earlier as a consequence of an Extraordinary Event or a Special Circumstance, a Noteholder will realize a capital loss to the extent that the Maturity Amount, Final Payment Amount or Reimbursement Under Special Circumstances, as the case may be, received at such time is less than the Noteholder’s adjusted cost base of the Note.

### **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 or Reimbursement Under Special Circumstances, as the case may be, becomes calculable, while the matter is not free from doubt, a 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. 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 or Reimbursement Under Special Circumstances, 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. The 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, registered retirement income funds, registered education savings plans, registered disability savings plans, tax-free savings accounts (“**TFASAs**”) 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 if the holder of the TFSA holds a significant interest (as defined in the Act) in the Company or any person or partnership that does not deal at arm’s length with the Company or if such holder does not deal at arm’s length with the Company.

## 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 October 15, 2009 (the “**Dealer Agreement**”) and an underwriting agreement to be dated on or about April 16, 2010 (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 commencing March 25, 2010 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 offerings is expected to occur on the Issue Date. See “FundSERV – Notes Purchased through FundSERV”.

In consideration for its services in connection with this offering, the Company has agreed to pay the Dealer a fee equal to \$2.00 per \$100 principal amount of Notes sold which 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.

## FUNDSERV

Subscribers may purchase Notes through the Dealer and other firms that facilitate purchase and related settlement through a clearing and settlement service operated by FundSERV Inc. (“**FundSERV**”). The following information about FundSERV, which is based on publicly available information, is pertinent for such Noteholders.

### General Information

FundSERV is owned and operated by both fund sponsors and distributors and provides distributors of funds and certain other financial products with online order access to such financial products. The FundSERV network enables its participants to clear certain financial product transactions between participants, to settle the payment obligations arising from such transactions and to make other payments between themselves.

### Notes Purchased through FundSERV

The Notes will be issued in book-entry form and will be represented by a fully registered Global Note deposited with CDS. See “Specific Terms of the Notes – Clearing and Settlement” above for further details on CDS as a depository and related matters with respect to the Global Note. Noteholders holding Notes purchased using the FundSERV network will therefore have an indirect beneficial interest in the Global Note. That beneficial interest will be recorded in CDS as being owned by the Dealer. The Dealer in turn will record in its books respective

beneficial interests in the Notes purchased using the FundSERV network. The Dealer will make such recordings using the FundSERV network as instructed by the holder's financial advisor.

In order to complete the purchase of FundSERV-enabled Notes, the full subscription price (i.e., the aggregate principal amount) must be delivered to the Dealer in immediately available funds by no later than three (3) Business Days prior to the Issue Date. Despite delivery of such funds, the Dealer reserves the right not to accept any offer to purchase FundSERV-enabled Notes. If FundSERV-enabled Notes are not issued to the investor for any reason, such funds will be returned forthwith to the investor.

Whether or not the FundSERV-enabled Notes are issued, no interest or other compensation will be paid to the investor on such subscription funds.

### **Sale of Notes through FundSERV**

Any Noteholder wishing to sell a FundSERV-enabled Note should consult with his or her financial advisor in advance in order to understand the timing and other procedural requirements and limitations of selling. An investor must sell FundSERV-enabled Notes by using the "redemption" procedures of FundSERV; any other sale or redemption is not possible. Accordingly, a Noteholder will not be able to negotiate a sales price for FundSERV-enabled Notes. Instead, the financial advisor for the Noteholder will need to initiate an irrevocable request to "redeem" the FundSERV-enabled Note in accordance with the then established procedures of FundSERV. Generally, this will mean the financial advisor will need to initiate such request by 1:00 p.m. (Toronto time) on a Business Day (or such other time as may hereafter be established by FundSERV). Any request received after such time will be deemed to be a request sent and received on the next following Business Day. The sales request must be initiated by the financial advisor at least five Business Days prior to the Maturity Date. Sale of the FundSERV-enabled Note will be effected at a sale price equal to (i) the "net bid price" of a Note as of the close of business on the applicable Business Day as posted to the FundSERV network by the Dealer, minus (ii) any applicable Early Trading Charge. Although the "redemption" procedures of FundSERV would be utilized, the FundSERV-enabled Notes of the Noteholder will not be redeemed by the Company, but rather will be sold in the secondary market to the Dealer. In turn, the Dealer will be able, in its discretion, to sell those FundSERV-enabled Notes to other parties at any price or to hold them in its inventory.

From time to time such "redemption" mechanism to sell FundSERV-enabled Notes may be suspended for any reason without notice, thus effectively preventing investors from selling their FundSERV-enabled Notes. Potential investors requiring liquidity should carefully consider this possibility before purchasing FundSERV-enabled Notes.

The Dealer is the "fund sponsor" for the FundSERV-enabled Notes within the FundSERV network. It is required to provide a "net bid price" for the FundSERV-enabled Notes on a daily basis, which value may also be used for valuation purposes in any statement sent to investors. Please see "Secondary Market for Notes – Factors Affecting the Daily Secondary Market Price of the Notes" for some of the factors that will determine the "net bid price" of the Notes at any time. The sale price will actually represent the Dealer's "net bid price" for the Notes as of the close of business for the applicable Business Day less any applicable Early Trading Charge. There is no guarantee that the sale price for any day is the highest "net bid price" possible in any secondary market for the Notes, but will represent the Dealer's "net bid price" generally available to all investors as at the relevant close of business, including clients of the Dealer.

A Noteholder holding FundSERV-enabled Notes should realize that such FundSERV-enabled Notes may not be transferable to another dealer, if the investor were to decide to move his or her investment account to such other dealer. In that event, the investor would have to sell the FundSERV enabled Notes pursuant to the procedures outlined above.

### **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, purchasers may not be able to resell Notes purchased under this pricing supplement. 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.**

The Dealer intends to maintain a secondary market for the sale of Notes to the Dealer using the FundSERV network, 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 sale of Notes using the FundSERV network carries certain restrictions, including selling procedures that require that an irrevocable sale order be initiated at a bid price that will not be known prior to placing such sale order. 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 Dealer will record in its records the beneficial ownership of Notes as instructed using the FundSERV network by a Noteholder's financial advisor. 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. See "FundSERV" in this pricing supplement. 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 Principal Amount.

Noteholders should be aware that, although the "redemption" procedures of FundSERV would be utilized, the Notes of the Noteholders will not be redeemed by the Company, but rather will be sold in the secondary market to the Dealer. In turn the Dealer will be able in its discretion to sell those Notes to other parties (including affiliates of the Company) at any price or to hold them in its inventory.

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 indicative daily value 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 performance of the Reference Index*** - The bid price of the Notes will be affected by increases or decreases in the Reference Index Return since the Issue Date, and whether the Reference Index Return measured on any date is less than 0% or greater than 26%. However, the bid price might have a non-linear sensitivity to the rises and falls in the Reference Index 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 Reference Index Return).

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

***The Company's credit rating, financial condition and results of operations*** - Actual or anticipated changes in the Company's current credit 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. Time value is the value that can be attributed to the potential to receive a future, as yet unknown, Maturity Amount. The magnitude of the time value 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 Reference Index Return since the Issue Date, whether the Reference Index Return measured on any date is less than 0% or greater than 26%, the length of the remaining term of the Notes, and the amount by which the Reference Index is 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 Reference Index 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 Index*** – 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 Index 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 Reference Index Return since the Issue Date, whether the Reference Index Return measured on any date is less than 0% or greater than 26%, and the length of the remaining term of the Notes. For example, on the Issue Date, an increase in the expected volatility of the Reference Index will tend to result in a lower bid price for the Notes. After the Issue Date, if the Reference Index Return is negative, there are situations where an increase in the expected volatility of the Reference Index may result in a higher bid price for the Notes.

***The dividend yields of the shares in the Reference Index*** – 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 shares in the Reference Index 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 shares in the Reference Index will result in a lower bid price for the Notes.

***Upfront sales fee*** – The upfront sales fee paid by the Dealer to the investment advisors 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 360 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. If an investor sells any Notes in the secondary market to the Dealer during the 360 days after the Issue Date, the proceeds of sale of the Notes will reflect the deduction of an Early Trading Charge commencing at 2.52% of the Principal Amount and declining daily by 0.007% to 0.00% after the date that is 360 days after the Issue Date (being on or about April 16, 2011).

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

The indicative daily value of the Notes posted on [www.cibcnotes.com](http://www.cibcnotes.com) and daily secondary market price quoted to the investor to sell his or her Notes, will be before the application of any applicable Early Trading Charge.

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 19, 2010 with the U.S. Securities and Exchange Commission (“SEC”) on Form 20-F in respect of the year ended December 31, 2009, including the audited consolidated accounts of the Company in respect of the year ended December 31, 2009, together with the report of the Company’s auditors thereon; and
- (b) the joint report of Barclays PLC and the Company as filed with the SEC on Form 6-K dated January 8, 2010 including, among other things, opinions of counsel to the Company as to the validity of its 5.125% Senior Notes due 2020.

The Company will file the French version of the Annual Report on Form 20-F in respect of the year ended December 31, 2009 on SEDAR no later than April 23, 2010.

All documents of the type listed in (a) to (e) on page 4 of the Prospectus that the Company incorporates by reference into the prospectus dated February 10, 2009 and prospectus supplement dated March 1, 2010, 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](http://www.sedar.com) and incorporated by reference into the accompanying 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: March 25, 2010

To the best of our knowledge, information and belief, the short form base shelf prospectus dated November 14, 2008, 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.

**CIBC WORLD MARKETS INC.**

By: (signed) "William Bamber"  
**William Bamber**

## **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.*

*A registration statement covering various types of securities of Barclays Bank PLC, including these Medium-Term Notes, Series A, has been filed with the United States Securities and Exchange Commissions and has previously become effective.*

**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 200 Park Avenue, New York, New York 10166, Attention: General Counsel (telephone: 212-412-4000) or from Barclays Capital, 200 Cedar Knolls Road, Building E, 4th Floor, Whippany, New Jersey 07981, Attention: U.S. Syndicate Operations, and are also available electronically at [www.sedar.com](http://www.sedar.com). For the purpose of the Province of Québec, this simplified prospectus contains information to be completed by consulting the permanent information record. A copy of the permanent information record may be obtained from Barclays Bank PLC at the above-mentioned addresses and telephone number and is also available electronically at [www.sedar.com](http://www.sedar.com).

### **SHORT FORM BASE SHELF PROSPECTUS**

#### **NEW ISSUE**

November 14, 2008

## **BARCLAYS BANK PLC** **1 Churchill Place, London E14 5HP, United Kingdom**

**U.S.\$21,000,000,000**  
**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 Medium-Term Notes, Series A (the "Notes"), described in this short form prospectus (the "Short Form Prospectus"). The Notes we issue 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 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 27, 2008 and prospectus supplement dated August 27, 2008 (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 Notes (excluding credit linked Notes) have received a credit rating of AA by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P"), and Aa1 by Moody's Investors Service Ltd. ("Moody's").

The Notes will be issued 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 this Short Form Prospectus remains valid.

The offering of the Notes hereunder will be made as contemplated by National Instrument 44-102 *Shelf Distributions* of the Canadian Securities Administrators 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.**

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 Bank of New York (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 collect from the Trustee judgments obtained in Canadian courts predicated on the civil liability provisions of securities legislation.

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### **Rates on Application**

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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.

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”.

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## 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. 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 "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, impairment charges, business strategy, 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 and of further write-downs and credit exposures, market related risks such as changes in interest rates and exchange rates, 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, 2007, which is available on the SEC's website at <http://www.sec.gov> and on SEDAR at [www.sedar.com](http://www.sedar.com). Any forward-looking information and forward-looking statements made by or on our behalf speak only as of the date they are made. We do not undertake to update forward-looking information and forward-looking statements to reflect any changes in expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents, filed with the securities commissions or regulatory authorities 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 with the SEC on March 26, 2008 on Form 20-F in respect of the year ended December 31, 2007, including the audited consolidated accounts of the Company in respect of the year ended December 31, 2007, 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 October 31, 2008 regarding Barclays PLC announcement of capital raising;
- (c) the joint report of Barclays PLC and the Company as filed on October 31, 2008 with the SEC on Form 6-K regarding Barclays PLC Interim Management Statement;
- (d) the report of the Company as filed with the SEC on Form 6-K dated October 17, 2008 including the Capitalisation and Indebtedness Table;
- (e) the joint report of Barclays PLC and the Company as filed with the SEC on Form 6-K dated October 14, 2008 providing an update on capital, dividends and current trading;
- (f) the joint report of Barclays PLC and the Company as filed with the SEC on Form 6-K dated September 17, 2008 in respect of Barclays PLC announcement of agreement to acquire Lehman Brothers North American investment banking and capital markets businesses;
- (g) the joint report of Barclays PLC and the Company as filed with the SEC on Form 6-K dated August 7, 2008 in respect to Barclays PLC interim results announcement;
- (h) the joint report of Barclays PLC and the Company as filed with the SEC on Form 6-K dated July 18, 2008 in respect to the Barclays PLC result of placing and open offer;
- (i) the joint report of Barclays PLC and the Company as filed with the SEC on Form 6-K dated June 25, 2008 including risk factors related to Barclays PLC and the Company;
- (j) the joint report of Barclays PLC and the Company as filed with the SEC on Form 6-K dated June 25, 2008 announcing a share issue of 1,576 million New Ordinary Shares;
- (k) the joint report of Barclays PLC and the Company as filed with the SEC on Form 6-K dated April 22, 2008 including an opinion of counsel to the Company as to validity of the 6,000,000 Non-Cumulative Callable Dollar Preference Shares, Series 5;
- (l) the joint report of Barclays PLC and the Company as filed with the SEC on Form 6-K dated April 11, 2008 in respect to the issuance of Non-Cumulative Callable Dollar Preference Shares, Series 5;
- (m) the report of the Company as filed with the SEC on Form 6-K dated December 10, 2007 including an opinion of Sullivan & Cromwell LLP as to certain tax matters;
- (n) the joint report of Barclays PLC and the Company as filed with the SEC on Form 6-K dated December 7, 2007 in respect of issuance by the Company of Non-Cumulative Callable Preference Shares, sold in the form of American Depositary Shares; and
- (o) the joint report of Barclays PLC and the Company as filed with the SEC on Form 6-K dated May 8, 2007 including an opinion of United States counsel to the Company.

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 commissions and similar regulatory authorities in each of the provinces of Canada through [www.sedar.com](http://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 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 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, 200 Park Avenue, New York, New York 10166, Attention: General Counsel (telephone: 212-412-4000) or Barclays Capital, 200 Cedar Knolls Road, Building E, 4th Floor, Whippany, New Jersey 07981, Attention: U.S. Syndicate Operations.

**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 variable 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.

## **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 November 13, 2008 was 0.5487 British Pounds Sterling per Canadian dollar and 0.8120 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>
2007 .....	0.5102
2006 .....	0.4381
2005 .....	0.4991
2004 .....	0.4336

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>
2007 .....	1.0120
2006 .....	0.8577
2005 .....	0.8581
2004 .....	0.8308

### THE BARCLAYS BANK GROUP

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

### 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>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Ratio of earnings to fixed charges (U.S. GAAP).....	-	1.23	1.22	1.31	1.24
Ratio of earnings to fixed charges (IFRS).....	1.19	1.23	1.25	1.31	-
Ratio of earnings to fixed charges (U.K. GAAP).....	-	-	-	-	1.35

### Six-month period ended June 30,

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Ratio of earnings to fixed charges (U.S. GAAP).....	-	1.24	1.30
Ratio of earnings to fixed charges (IFRS).....	1.14	1.23	1.31

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 Notes (excluding credit linked Notes) are currently rated AA by S&P and Aa1 by Moody's. Credit 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 ten 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 mid-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 Aa1 rating assigned to the Notes (excluding credit linked Notes) by Moody's is the second highest rating assigned by Moody's. According to information made publicly

available by Moody's, an obligation rated Aa1 is considered to be of high quality and is subject to very low credit risk.

Such credit 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 credit 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 credit ratings may affect the market value of the Notes.

### **USE OF PROCEEDS**

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, 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.

### **DESCRIPTION OF NOTES AND DETAILS OF THE OFFERING**

#### **General**

The Notes 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*. 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 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 one another, and from debt securities of other series, in their terms. When we refer to the Notes, we mean our 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 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 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 this Short Form Prospectus. However, we may issue additional Notes in amounts that exceed the amount on the cover 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 commissions or regulatory authorities in each of the provinces of Canada and is available electronically at [www.sedar.com](http://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 other 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. If your Notes are contingently protected, the applicable pricing supplement will specify the "buffer level", "buffer percentage" or "protection price" described below. If your principal investment is not principal protected, you may receive less, and possibly significantly less, than the amount you invested.

### **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 Notes will bear interest, if any, from the original issue date or any other date as specified in the applicable pricing supplement at either a fixed-rate, floating-rate or linked to a reference asset as specified in the applicable pricing supplement. Some Notes may not bear interest 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 below 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.

In the event that the maturity date is postponed as described above, the related payment of interest, and other amounts payable on the Notes at maturity without additional interest will be made 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 and generally provides that, upon redemption or acceleration of its maturity, an amount less than its principal amount will be payable. A discount Note may be a zero coupon Note.

## **Issue Price and Variable Price Offer**

The Notes may have a fixed price (such as par) or a "variable price offer" where the Notes are sold in one or more negotiated transactions (at prices that may be different than par), and these sales 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 and the redemption price may equal 100% or some other percentage of par. The applicable pricing supplement will specify the issue price or the maximum issue price.

## **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, formula 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 greater than or less than the face 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 Note 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 market value of the Notes at maturity, the price, value or level of the reference asset, market disruption events, business days, the default amount upon any acceleration (only in the case of a market disruption event), the maturity date, any early redemption date, the interest rate and the amount

payable in respect of your Notes 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 Noteholders. The calculation agent will carry out its duties and functions as calculation agent in good faith and using 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.

## **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. If any information in the pricing supplement is inconsistent with this Short Form Prospectus, you should rely on the information in the pricing supplement. Any pricing supplement should be read in connection with this Short Form Prospectus. 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, a description of the components thereof;
- ticker symbol or other identification of the reference asset;
- stated 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 prospectus supplement;
- dealer's commission or discount, if any;
- to the extent the reference asset is based on multiple indices, the relative weighting of each index 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;
- to the extent the Notes are exchangeable for reference assets, the specified property or the cash value of the specified property the holder may receive at the specified currency exchange rate, at maturity or otherwise;
- 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, option redemption dates, 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.

With respect to the reference assets which are interest rates, "business day" means any day that:

- for any Note, is a Monday, Tuesday, Wednesday, Thursday or Friday and that is not a day on which banking institutions in New York City generally are authorized or obligated by law or executive order to be closed,
- for LIBOR Notes only, is also a London business day,
- for Notes having a specified currency other than U.S. dollars only, other than Notes denominated in Euros, is also not a day on which banking institutions in the principal

financial centre (as described below) of the country of the specified currency generally are authorized or obligated by law or executive order to close, and

- for EURIBOR Notes, Notes denominated in Euros or LIBOR Notes for which the index currency is Euros only, is also a Euro business day.

As used above, a principal financial center means the capital city of the country issuing the specified currency. However, for U.S. dollars, Australian dollars, Canadian dollars and Swiss francs, the principal financial center will be New York City, Sydney, Toronto and Zurich, respectively.

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, redemption dates, valuation dates, etc.) 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 valuation date, as defined in the applicable pricing supplement, falls on a day that is not a business day, the interest payment date, redemption date or valuation date, 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 may 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 may 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 may instead be paid on the first preceding day that is a business day.

In each case, if a payment is made on the following or preceding business day in accordance with the procedures described above with the same effect as if paid on the original due date and without payment of any additional interest, the business day convention is "unadjusted".

### **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 periods divided by 360.

*30/360.* Each month is treated as having 30 days and the year is considered to have 360 days.

*ACT/ACT or Actual/Actual.* Each month represents the actual number of days divided by the actual number of days in the year.

*ACT/365 or Actual/365 Fixed.* Each month represents the actual number of days, and the year is assumed 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 exceed 1.

*30/365.* Extension to 30/360 where each month is treated as having 30 days and the year is considered to have 365 days.

*ACT/366 or Actual /366.* Extension to ACT/365 where each month represents the actual number of days and the denominator is set to 366, ensuring the quotient never exceeds 1.

*ACT/252 or BUS/252 or Actual/252 or Business Days/252.* The number of business days in a nominal year of 252 business days. (Weekends and holidays are excluded; thus, Friday to Monday would be considered 1 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 with Reference that are Currencies or an Index of Currencies" 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 depository as in effect from time to time. Under those policies, we will pay directly to the depository, 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 depository and its participants, as described below 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 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 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 depository or its nominee will be made by the Company or a paying agent to the depository 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. 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 interest 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 depository'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 depository's actions or for its records of ownership interests in the global security. We and the Trustee also do not supervise the depository in any way.
- The depository 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 subsections 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 depository notifies us that it is unwilling, unable or no longer qualified to continue as depository.
- 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 depository (and not we 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 “holder” means direct holders and not street name or other indirect holders of the global securities. Indirect holders should read the subsection 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 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. Investors 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 that has the power to tax, 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, principal of, any premium, or any interest on, any Notes;

- 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 to an individual and is made pursuant to the Directive on the Taxation of Savings Income 2003/48/EC (the "Directive") adopted by the Council of the European Union (the "Council") on June 3, 2003 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, principal of, any premium, or any interest on the Notes failed to make any necessary claim or to comply with any certification, identification or other requirements concerning the nationality, residence, identity or connection with the taxing jurisdiction of the holder or beneficial owner, if that claim or compliance 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 upon not less than 35 nor more than 60 days' notice 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 taxing jurisdiction, including any treaty to which the taxing jurisdiction is a party, or a change in an official application or interpretation of those laws or regulations, including a decision of any court or tribunal, which becomes effective on or after the date of the applicable prospectus supplement (and, in the case of a successor entity, which becomes effective on or after the date of that entity's assumption of our obligations), we (or any successor entity) will or would be required to pay holders Additional Amounts.

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. 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, 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, 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.
- 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 any 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.

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 in the open market or by tender (available alike to each holder of Notes) or by private agreement, if applicable law allows. We will treat as cancelled and no longer issued and outstanding any Notes 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 the 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 Note 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;

### **Senior Events of Default**

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

- we do not pay any principal or interest on any Notes 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 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 the 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 a 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 may at their discretion declare the Notes to be due and repayable immediately (and the Notes 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 holder(s) of a majority in aggregate principal amount of the outstanding Notes 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 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 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 as defined in the Senior Debt Indenture or if such payment is possible as soon as any doubt as to the validity or applicability of the law, regulation or order is resolved. The notice will give the date on which the Withheld Amount and the interest accrued on it will be

paid. This date will be the earliest day after the day on which it is decided Withheld Amounts can be paid on which the interest bearing deposit falls due for repayment or may be repaid without penalty. On such date, we shall be bound to pay the Withheld Amount together with interest accrued on it. For the purposes of this subsection this date will be the due date for those sums. Our obligations under this paragraph are in lieu of any other remedy against us in respect of Withheld Amounts. Payment will be subject to applicable laws, regulations or court orders, 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 holder(s) of a majority of the aggregate principal amount of the outstanding Notes 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.

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, that Senior Event of Default 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, give to each affected holder of the Notes 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 holder(s).

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.***

#### **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 without the consent of any holder. We, however, must irrevocably guarantee, the obligations of the subsidiary under the Notes. If we do, all of its direct obligations under the Notes and the Senior Debt Indenture shall immediately be discharged.

Unless the relevant pricing supplement provides otherwise, any Additional Amounts under the Notes 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 issue 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. However, the determination of whether the applicable solvency condition has been satisfied shall continue to be made with reference to us, unless applicable law requires otherwise.

#### **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, 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, 200 Park Avenue, New York, New York 10166, 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. 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.

#### **Trustee**

The Trustee has two principal functions:

- First, it can enforce an investor's rights against us if we default on debt securities issued under the Indenture. There are some limitations on the extent to which the Trustee acts on an investors

behalf, described under “Senior Events of Default”; and

- Second, the Trustee performs administrative duties for us, such as sending the investor’s interest payments, transferring debt securities to a new buyer and sending investors notices.

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

## 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 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, depository and custodial links among themselves and others, either directly or through custodians and depositories. These links allow securities to be issued, held and transferred among the clearing systems without the physical transfer of certificates.

Special procedures to facilitate clearance and settlement have been established among these clearing systems to trade securities across borders in the secondary market. Where payments for Notes we issue in global form will be made in U.S. dollars, these procedures can be used for cross-market transfers and the securities will be cleared and settled on a delivery against payment basis.

Global Notes distributed pursuant to this Short Form Prospectus, as supplemented, will be issued in bearer form and deposited with a nominee for CDS. Alternatively, if the applicable pricing supplement so provides, global Notes may be registered in the name of a nominee for, and accepted for settlement and clearance by, one or more of Euroclear, Clearstream, Luxembourg, DTC and any other clearing system identified in the applicable 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 depositories, 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 depositories’ 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 investors’ 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 securities may wish to take steps to augment the transmission to them of notices of significant events with respect to the securities, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, beneficial owners of 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, 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.
- 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 and Finance Commission (Commission Bancaire et Financière) 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, banks, 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 owned one-third by investment dealers, one-third by banks and one-third by trust companies through their respective industry associations. 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, Vancouver and Halifax 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 class 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.

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 depository for a global Note, or its nominee, is the bearer of the global Note, the depository 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 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 Note. 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 Note desires to give any notice or take any action which a holder is entitled to give or take under a global Note, 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.

## **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.

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.

*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 preposition funds for settlement, either from cash or from existing lines of credit, as for any settlement occurring within Euroclear or Clearstream, Luxembourg. Under this approach, participants may take on credit exposure to Euroclear or Clearstream, Luxembourg until the securities are credited to their accounts one business day later.

As an alternative, if Euroclear or Clearstream, Luxembourg has extended a line of credit to them, participants can choose not to pre-position funds and will instead allow that credit line to be drawn upon to finance settlement. Under this procedure, Euroclear participants or Clearstream, Luxembourg participants purchasing securities would incur overdraft charges for one business day (assuming they cleared the overdraft as soon as the securities were credited to their accounts). However, interest on the securities would accrue from the value date. Therefore, in many cases, the investment income on securities that is earned during that one business day period may substantially reduce or offset the amount of the overdraft charges. This result will, however, depend on each participant's particular cost of funds.

Because the settlement will take place during New York business hours, DTC participants will use their usual procedures to deliver securities to the 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 they will only be able to make and receive deliveries, payments and other communications involving the Notes through CDS, Clearstream, Luxembourg and Euroclear on days when those systems are open for business. Those systems may not be open for business on days when banks, brokers and other institutions are open for business in the United States.

In addition, because of time-zone differences, there may be problems with completing transactions involving Clearstream, Luxembourg and Euroclear on the same business day as in Canada and the United States. Canadian investors who wish to transfer their interests in the debt securities, or to receive or make a payment or delivery of the debt securities, on a particular day, may find that the transactions will not be performed until the next business day in Luxembourg or Brussels, depending on whether Clearstream, Luxembourg or Euroclear is used.

### **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) 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 dealers 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.

*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 subscribers, which prices may vary as between subscribers and during the period of distribution of the Notes.

The pricing supplement for any of the Notes being offered thereby will name any dealer 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 subscription 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 limited market dealers may also make a market in those Notes. However, no agent, underwriter, broker-dealer or limited 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 description of the material 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.

## 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.

Noteholders 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.

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 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 all other cases, unless the interest on the Notes is paid by a “bank” (as defined in Section 991 of the ITA) in the ordinary course of its business, an amount must be withheld on account of income tax at the basic rate (currently 20%), subject to any such relief as may be available or, any direction to the contrary by HM Revenue & Customs under an applicable double tax treaty. 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 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 991 of the ITA.

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 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 Noteholder does not (in the case of an individual) have a “U.K. representative”, within the meaning of the Finance Act 1995, 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 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 under 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 exchanged with 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.

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.

*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 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, 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 will generally not be liable to United Kingdom inheritance tax in respect of his holding of Notes. This will be the case so long as the Notes are situated outside the United Kingdom (which should be the case so long as the Global Note is deposited and held outside the United Kingdom and provided that, in the case of registered notes, any register of the Notes is held outside the United Kingdom) and the Notes are only enforceable outside 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.

*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.

*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 *ad valorem* 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 (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, 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 it will generally be reimbursed by the Company.

*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 subsections addressing risk factors relating to specific types of reference assets and transaction structures. We have no control over a number of matters, including economic, financial, regulatory, geographic, judicial and political events, that are

important in determining the existence, magnitude and longevity of these risks and their influence on the value of, or the payments made on, 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 reference assets and their components are unpredictable.**

Movements in the level, value or price 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. As a result, it is impossible to predict whether their levels, values or prices 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. As the Notes are 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 assets, 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. 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 maturity 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 maturity, your only alternative, in the absence of any 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, the supply and demand of 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 in the Notes increases, the market value of the Notes may increase. Alternatively, if the supply of the Notes increases and/or the demand in 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/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 Noteholders may enhance the market value of the Notes while a call right by us may adversely affect the market value of the Notes.
- *Our credit ratings, financial condition and results of operations.* Actual or anticipated changes in our current credit ratings, as well as our financial condition or results of operations may significantly affect the market value of the Notes. 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 credit ratings, financial condition 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 of the Notes. As the time remaining to the maturity 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, 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.
- *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 the 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, in secondary market transactions will likely be lower than the original issue price, and could result in a substantial loss to you.

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 obligation, contingent or otherwise, to make any payments in respect of the Notes.

**(8) The Notes are not insured.**

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.

**(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 business day on which no market disruption event occurs or is continuing, *provided* that the valuation date will not be postponed by more than five business 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 level, value or price 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 level, value or price 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) 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 level, value or price 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.

**(17) We cannot control actions by the sponsors or issuers of the reference asset.**

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. 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 sponsor or issuer 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 them 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 assumes any responsibility for the adequacy or accuracy of any publicly available information about the sponsor or issuer 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.

**(18) 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.

**(19) 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.

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

The sponsors of reference assets 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 could adversely affect the market value of the Notes.

In addition, levels, values or prices of the reference asset 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. 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.

**(21) 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 in which the reference assets are calculated could reduce 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 sponsor 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 level of the reference asset 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 sponsor.

**(22) Any discontinuance or suspension of calculation or publication of the closing levels or prices 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 levels or prices of the reference asset is discontinued or suspended, it may become difficult to determine the market value of the Notes or, if the discontinuance or suspension is continuing on a valuation date, 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 to determine the amount of interest, payments at maturity or other amounts payable at maturity.

**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**

**(23) 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 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 a 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.

**(24) 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 or issuers of the security or securities comprising the reference asset.

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

Payments at maturity do not reflect the payment of dividends on any of the common stocks 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 common stocks underlying the reference asset and held them for a similar period.

**(26) 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 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.

**(27) 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 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.

**(28) 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 that 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.

**(29) Time differences between the domestic and international markets and New York City 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 is currently five and 13 hours behind London and Tokyo, respectively) may result in discrepancies between the level of the reference assets (or the price 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 level of the reference assets (or the price of their components) to

remain unchanged for multiple trading days in New York City.

**(30) 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. 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 and, as a result, the market value of the Notes and the amount you will receive at maturity.

**(31) 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. The issuer may take action, such as a merger or sale of assets, without regard to the interests of the holder. 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.

**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**

**(32) Prices of commodities are highly volatile.**

Commodities prices are highly volatile and are affected by numerous factors in addition to economic activity. These include political events, weather, labour activity, direct government intervention, such as embargos, and supply disruptions in major producing or consuming regions. 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 and the amount you will receive at maturity.

**(33) 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 different price. 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 value of the Notes.

**(34) 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. In addition, some futures exchanges have regulations that limit the amount of fluctuation in futures contract prices that may occur during a single business day. These limits are generally referred to as "daily price fluctuation limits" and the maximum or minimum price of a contract on any given

day as a result of these limits is referred to as a "limit price". Once the limit price has been reached in a particular contract, no trades may be made at a different price. Limit prices may have the effect of precluding trading in a particular contract or forcing the liquidation of contracts at disadvantageous times or prices which could have an adverse effect on the market value of the Notes. 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 principal, interest and other amounts payable on the Notes.

**(35) 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.

**(36) 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 commodity 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 commodity or futures contract relating to the reference assets or their components.

**(37) Lack of regulation of the Notes linked to commodities, basket of commodities or index of commodities.**

The net proceeds to be received by us from the sale of Notes relating to one or more commodities or basket (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

(Le., 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 Commodity Futures Trading Commission, commonly referred to as 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 non-U.S. 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.

**(38) 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 level of reference assets or the prices of their components can fluctuate widely due to supply and demand disruptions in major producing or consuming regions. In particular, recent growth in industrial production and gross domestic product has made many developing countries, particularly China, disproportionately large users of commodities and has increased the extent to which the reference assets rely on the markets of these developing countries. Political, economic and other developments that affect these developing countries may affect the level of the reference assets or the price 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 level of those reference assets or the price 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**

### **(39) 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 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.

### **(40) 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 U.S. 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.

### **(41) 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, or in the event of any devaluation or revaluation or imposition of exchange or other regulatory controls or taxes, or 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 Which Are Not Fully Principal Protected or Are Contingently Protected**

### **(42) The Notes are not fully principal protected and you may lose some or all of your principal.**

The full principal amount of your investment is not protected, or is only 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.

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

### **(43) 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 if positive, 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 (i) the principal amount of the Note and (ii) 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**

**(44)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 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 declines and if it ever approaches or falls below the barrier level, barrier percentage or protection price (terms are described in "Terms of the Notes" below). 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 Pay No Interest**

**(45)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 Are a Floating Interest Rate, an Index Containing Floating Interest Rates or Based in Part on a Floating Interest Rate**

**(46)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.

**(47)The interest rate may be below the rate otherwise payable on similar Notes with a floating interest rate issued by as 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.

**(48)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 federal law.

**(49)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 accruing 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.

**(50)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 Contain a Multiplier**

#### **(51) 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)**

#### **(52) 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.

#### **(53) 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.

#### **(54) The amount we will pay you to call your Notes because we are required to pay additional amounts in respect of tax withholding is uncertain.**

If we redeem your Notes because we are required to pay additional amounts in respect of withholding, or deduction of taxes from any payment on the Notes, we will pay you a redemption price for your Notes that will be determined by the calculation agent in a manner reasonably calculated to preserve your and our relative economic positions. This redemption price would take into consideration the net present value of expected future payments of the principal and interest on the Notes. If there are little or no expected future interest

payments on the Notes, the net present value would primarily depend on the present value of the repayment of the principal amount at maturity, which could result in a net present market value of the Notes below par.

### **Additional Risks Relating to Notes with More Than One Reference Asset (a "Basket")**

#### **(55) 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.

#### **(56) 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.

#### **(57) 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.

#### **(58) 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 price, value or level 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.

**(59)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. 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 Linked to the Performance of Only One Reference Asset.**

**(60)Although the Notes may initially be linked to more than one reference asset, losses may be linked to the performance of only one reference asset.**

While the Note may initially be linked to more than one reference asset, losses may be linked to the performance of only one reference asset. 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 if your Notes are

principal protected and a greater risk of loss if your Notes are not principal protected.

**Additional Risks Relating to Digital Notes**

**(61)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.

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

**(62)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.

**(63)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 international 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 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, we will repay that Note in Canadian dollars on the basis of the most recently available currency exchange rate.

**(64) 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, transferability, 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 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.

**(65) 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 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.

**(66) In a lawsuit for payment on a non-U.S. dollar 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, 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 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.

**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](http://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](http://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](http://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, 2007 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: November 14, 2008

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 supplements, constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplements 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) Sir Nigel Rudd  
Director

By: (signed) Frederik Seegers  
Director

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