



BARCLAYS BANK PLC

(Incorporated with limited liability in England and Wales)

BARCLAYS CAPITAL (CAYMAN) LIMITED

(Incorporated with limited liability in the Cayman Islands)

(Guaranteed by Barclays Bank PLC)

GLOBAL STRUCTURED SECURITIES PROGRAMME

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

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

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

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

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

This Supplement has been approved by the United Kingdom Financial Services Authority, which is the United Kingdom competent authority for the purposes of the Prospectus Directive and the relevant implementing measures in the United Kingdom, as a prospectus supplement issued in compliance with

the Prospectus Directive and the relevant implementing measures in the United Kingdom for the purpose of giving information with regard to the issue of securities under the Base Prospectus.

The purpose of this Supplement is to make the following amendment to the Base Prospectus. The section of the Base Prospectus entitled "PROPRIETARY EQUITY INDEX ANNEX" on pages 490 to 517 shall be deleted and replaced in its entirety by Schedule 1 to this Supplement (the "**Proprietary Equity Index Annex**").

Arranger

Barclays Capital

The date of this Supplement is 4 November 2010.

Doc no.: 12586744

SCHEDULE 1

PROPRIETARY EQUITY INDEX ANNEX

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PART A – DESCRIPTION AND RISK FACTORS

Brief description of Proprietary Index Linked Securities

Proprietary Index Linked Securities are Securities where the repayment of principal will be calculated by reference to and/or contingent upon the performance of a Proprietary Index over a period of time or on certain dates. The Proprietary Index's performance is based on a multi-asset strategy which by operation of an algorithm dynamically adapts allocations to various components, which are a share, an equity index, a commodity index, a bond and/or cash.

Risk Factors relating to Proprietary Index Linked Securities

General Considerations

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

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

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

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

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

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

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

- (i) have sufficient knowledge and experience to evaluate the Proprietary Index Linked Securities, the merits and risks of investing in the Proprietary Index Linked Securities and the

information contained or incorporated by reference in the Base Prospectus or any applicable supplement;

- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Proprietary Index Linked Securities and the impact the Proprietary Index Linked Securities will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Proprietary Index Linked Securities;
- (iv) understand thoroughly the terms of the Proprietary Index Linked Securities, and be familiar with the Index and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Proprietary Index Linked Securities are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A prospective investor should not invest in the Proprietary Index Linked Securities unless it has the expertise (either alone or with a financial adviser) to evaluate how the Proprietary Index Linked Securities will perform under changing conditions, the resulting effects on the value of the Proprietary Index Linked Securities and the impact this investment will have on the prospective investor's overall investment portfolio.

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

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

- (i) market interest rates;
- (ii) fluctuations in currency exchange rates;
- (iii) fluctuations in equity prices;
- (iv) the liquidity of the Proprietary Index Linked Securities in the secondary market;
- (v) the time remaining to any redemption date; and
- (vi) economic, financial, regulatory, political, terrorist, military or other events in one or more jurisdictions, including factors affecting capital markets generally or the stock exchanges on which any Proprietary Index Linked Securities may be traded.

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

Due to the additional risk characteristics of the Proprietary Index Linked Securities, prospective investors in the Proprietary Index Linked Securities should understand the risks of transactions involving the Proprietary Index Linked Securities and should reach an investment decision only after careful consideration, with their advisers when appropriate, of the suitability of the Proprietary Index Linked

Securities in light of their particular financial circumstances, the information set forth herein and the information regarding the Proprietary Index Linked Securities and the Index.

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

Securityholders will have no claim against any sponsor of any Index

A Proprietary Index Linked Security will not represent a claim in respect of any sponsor or other connected person in respect of such Index. In the event that the amount paid by the Issuer on redemption is less than the aggregate nominal amount or the Issue Price (as the case may be) of such Proprietary Index Linked Security, a holder will not have recourse under such Proprietary Index Linked Security to any sponsor, or other connected person in respect of such Index. The Proprietary Index Linked Securities are not in any way sponsored, endorsed or promoted by any sponsor or other connected person in respect of any Index and such entities have no obligation to take into account the consequences of their actions on any Securityholder.

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

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

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

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

Early Redemption or Cancellation of Proprietary Index Linked Securities

If the Proprietary Index Linked Securities are redeemed or cancelled prior to their Redemption Date, the Issuer will take into account when determining the relevant redemption amount, and deduct therefrom, an amount in respect of all costs, losses and expenses (if any) incurred (or expected to be incurred) by or on behalf of the Issuer in connection with the redemption or cancellation of the Proprietary Index Linked Securities, including, without duplication or limitation, hedging unwind and funding breakage

costs and Local Market Expenses (if any). Such costs, losses and expenses will reduce the amount received by Securityholders on redemption or cancellation and may reduce the relevant redemption amount to zero. The Issuer is not under any duty to hedge itself at all or in any particular manner, and is not required to hedge itself in a manner that would (or may be expected to) result in the lowest costs, losses and expenses.

Adjustments, Suspension and Termination of the Index

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

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

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

Hedging

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

Certain Additional Risk Factors Associated with the Index

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

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

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

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

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

The value of the Proprietary Index Linked Securities may be expected to be affected, in part, by investors' general appraisal of the creditworthiness of the Issuer and/or the Group. Such perceptions are generally influenced by the ratings accorded to the outstanding securities of the Issuer by standard statistical rating services, such as Moody's, Standard & Poor's and Fitch. A reduction in the rating, if any, accorded to outstanding debt securities of the Issuer by one of these or other rating agencies could result in a reduction in the trading value of the Proprietary Index Linked Securities.

Risks relating to securities generally

- *Market Disruption.* Markets may become disrupted. Local market disruptions can have a global effect. Market disruption can adversely affect the performance of the Proprietary Index Linked Securities.
- *Credit Risk.* The product bears the Issuer's credit risk. A decline in the Issuer's creditworthiness may reduce the market value of the Proprietary Index Linked Securities. If the Issuer becomes insolvent it will not be able to meet its payment obligations under the Proprietary Index Linked Securities.
- *Credit Ratings.* Credit ratings may be lowered or withdrawn without notice. A rating is not a recommendation as to the Issuer's creditworthiness or the risks, returns or suitability of the Proprietary Index Linked Securities.
- *Volatility.* These Securities may be volatile. The level of change in value of the Proprietary Index Linked Securities is their "volatility". The Proprietary Index Linked Securities' volatility may be affected by the performance of the underlying assets, along with financial, political, and economic events and other market conditions.
- *Structured Products.* This is a structured product. Its return may differ from those of the underlying financial assets it references.
- *Interest Rate Risk.* The Proprietary Index Linked Securities carry interest rate risk. Changes in interest rates will impact the performance of the Proprietary Index Linked Securities. Interest rates tend to change suddenly and unpredictably.
- *No Direct Claim in Underlying Assets.* You have no claim to the underlying assets. Buying the Proprietary Index Linked Securities is not the same as a direct investment in the underlying assets. The market value of the Proprietary Index Linked Securities may not reflect movements in the price of the constituents of the underlying assets.
- *Principal Protection.* If Proprietary Index Linked Securities are specified in the applicable Final Terms to be principal protected, such Securities are principal protected only at maturity.

If such Proprietary Index Linked Securities redeem before their scheduled maturity, they may return less than the principal protected amount or even zero.

- *Interaction Risk.* The Proprietary Index Linked Securities may combine investment types. Different types of financial risk may interact unpredictably, particularly in times of market stress.
- *Other Risks.* This document cannot disclose all possible risks of the product. Before investing, you must satisfy yourself that you fully understand the risks of investment.
- *No Government Protection.* This product is not protected by the Financial Services Compensation Scheme or similar government protection scheme.
- *No Fiduciary Duty.* Neither the Issuer nor the Determination Agent assumes any fiduciary duty or responsibility to, or has any relationship of agency or trust with, any party, including any investors or prospective investors in the Proprietary Index Linked Securities described in this Annex. Each of the Issuer and the Determination Agent is acting solely as principal and not as a fiduciary or agent for, or as an advisor to, any party in respect of its duties contained in this document and any document prepared in connection with the Proprietary Index Linked Securities.

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

- *Indicative Valuations.* Valuations are indicative only. Valuations that may be provided by the Issuer in connection with the Proprietary Index Linked Securities are not binding, may differ from third party valuations and may not reflect actually realised early redemption values. Valuations are not advice. The Issuer specifically disclaims liability for any use which an investor in the Proprietary Index Linked Securities may make of any valuation including, without limitation, use of such valuation in preparation of its own financial books and records. If valuations are provided to an investor in the Proprietary Index Linked Securities, they are provided solely for such investor's information and should not be disclosed to any third party. The Issuer is not obligated to inform any investor in the Proprietary Index Linked Securities of a change to any valuation.

- *Index Information.* The Issuer does not take any responsibility for the Index Information. The Index Information may include more complete descriptions of the risks associated with the Index.
- *Due Diligence Performed by the Issuer or Determination Agent is for Their Benefit Only.* No representations or warranties have been or are given by either the Issuer or the Determination Agent in respect of the Index and/or any Index Sponsor. You should place no reliance on either the Issuer or the Determination Agent having conducted any investigations, due diligence, searches or other enquiries, any such investigations, due diligence, searches or other enquiries made thereby would be made by such party for its own benefit and for its own purposes in accordance with its own criteria and neither party assumes any responsibility to conduct any such investigations, due diligence, searches or other enquiries or if it does conduct any such investigations, due diligence, searches or other enquiries to notify investors of the content or results thereof of any such due diligence.
- *Index Sponsor Action.* The Index Sponsor is involved in the Proprietary Index Linked Securities. They may take actions that adversely affect the value and performance of the Proprietary Index Linked Securities.
- *Leverage.* If the participation is set above 100% then the Proprietary Index Linked Securities shall be leveraged. Leverage increases volatility and amplifies losses and gains.
- *Limited Participation in the Performance of the Index.* If the participation is set below 100% the participation in the performance of the Index will be limited. Such participation is limited by a notional exposure to the Index of less than 100%.
- *Foreign Exchange Risk.* This product may carry foreign exchange risk. Foreign exchange (FX) rates tend to change suddenly and unpredictably. Changes in FX rates relative to your home currency will impact the value of the Proprietary Index Linked Securities to you.
- *No Collateral.* The Proprietary Index Linked Securities are not secured.

Possible Illiquidity of the Secondary Market

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

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

Issuer and Conflicts of Interest

The Issuer and its Affiliates may engage in trading and market-making activities and may hold long or short positions in the Index, its components and other instruments or derivative products based on or related to the Index for their proprietary accounts or for other accounts under their management. The Issuer and its Affiliates may also issue other securities in respect of the Index, or issue derivative instruments in respect thereof. To the extent that the Issuer, directly or through its Affiliates, serves as issuer, agent, manager, sponsor or underwriter of such securities or other instruments, its interests with

respect to such products may be adverse to those of the Securityholders. The Issuer or its Affiliates may also act as underwriter in connection with future offerings of securities which are linked to the Index. Such activities could present certain conflicts of interest, could influence the prices of such Index and could adversely affect the value of the Proprietary Index Linked Securities.

During the course of normal business operations, the Index Sponsor (Barclays Capital, a division of the Issuer) may determine, calculate and publish the Index, and may issue, enter into, promote, offer or sell transactions or investments linked, in whole or in part, to the Index. In addition, Barclays Capital may have, or may have had, interests or positions, or may buy, sell or otherwise trade positions in or relating to the underlying assets linked to the Index. Such activities may or may not have an impact on the level of the Index. In view of the different roles performed by Barclays Capital, Barclays Capital as an entity is subject to potential conflicts of interests.

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

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

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

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

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

In connection with the offering of the Proprietary Index Linked Securities, the Issuer, the Determination Agent and/or any of their respective subsidiaries or Affiliates may enter into one or more hedging transactions with respect to the Index, underlyings or related derivatives. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities, the Issuer, the Determination Agent and/or any of their respective subsidiaries or Affiliates may enter into transactions referencing the Index, underlyings or related derivatives which may, but are not intended to,

affect the market price, liquidity or value of the Proprietary Index Linked Securities and which could be deemed to be adverse to the interest of the relevant Securityholders.

Such activities could be conducted in circumstances where the interests of Securityholders may be in conflict with the interests of the Issuer, the Determination Agent or those of any of their subsidiaries or Affiliates and such transactions and activities may adversely affect the value of the Proprietary Index Linked Securities. The Issuer, the Determination Agent and their respective subsidiaries and Affiliates owe no duty or responsibility to any Securityholder (or any other party) to avoid such conflicts.

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

Determination Agent and Conflicts of Interest

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

Status of the Proprietary Index Linked Securities

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

Nominee Arrangements

Where the distributor and/or a nominee service provider is used by an investor to invest in the Proprietary Index Linked Securities, such investor will only receive payments on the basis of arrangements entered into by the investors with the distributor or nominee service provider as the case may be. Such Investors must look exclusively to the distributor or nominee service provider for all payments in respect of the Proprietary Index Linked Securities. Neither the Issuer nor the Determination Agent nor any other person will be responsible for the acts or omissions of the distributor or nominee service provider, nor makes any representation or warranty, express or implied, as to the services provided by the distributor or nominee service provider.

Taxation

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

A holder of Proprietary Index Linked Securities must pay all Taxes and expenses (other than in relation to Taxes) payable on or in respect of, or in connection with the redemption of, Proprietary Index Linked Securities and “**Taxes**” means any tax, duty, impost, levy, charge or contribution in the nature of taxation or any withholding or deduction for or on account thereof, including any applicable stock exchange tax, turnover tax, stamp duty, stamp duty reserve tax and/or other taxes, duties, assessments or governmental charges of whatever nature chargeable or payable and includes any interest and penalties in respect thereof.

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

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

Non-registration under the Securities Act and Restrictions on Transfer

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

Substitution of Issuer

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

Disclaimer

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

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

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

PART B – ADDITIONAL TERMS AND CONDITIONS FOR PROPRIETARY INDEX LINKED SECURITIES

*The terms and conditions applicable to Proprietary Index Linked Securities shall comprise the Base Conditions and the additional terms and conditions set out below (the “**Proprietary Equity Index Conditions**”), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the Base Conditions and the Proprietary Equity Index Conditions set out below, the Proprietary Equity Index Conditions shall prevail. In the event of any inconsistency between the (i) Equity Linked Conditions and/or Commodity Linked Conditions and (ii) the Proprietary Equity Index Conditions, the Proprietary Equity Index Conditions shall prevail. In the event of any inconsistency between (i) the Base Conditions and/or the Proprietary Equity Index Conditions and/or the Equity Linked Conditions and/or the Commodity Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail. This Proprietary Equity Index Annex is a Product Annex and a Relevant Annex for the purposes of the Base Conditions and any Securities specified to be Proprietary Index Linked Securities in the applicable Final Terms. Capitalised terms used herein but not otherwise defined shall have the meanings given to them in the Base Conditions, Equity Linked Annex, Commodity Linked Annex or the applicable Final Terms. Capitalised terms defined herein that are also defined in the Equity Linked Annex and/or Commodity Linked Annex, shall have the meaning given to them in this Proprietary Equity Index Annex.*

Notwithstanding any terms in the Proprietary Equity Index Annex, the terms and conditions set out in this Part B shall not apply to any of the following proprietary indices:

- (i) Barclays Capital Advanced Emerging Market Index; and
- (ii) Barclays Capital Chip Index Family.

1 Risk Factors relating to the Terms and Conditions For Proprietary Index Linked Securities

Index Disrupted Days in relation to the Index

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

Interest

The Base Conditions and provisions in the Final Terms relating to interest shall not apply to Proprietary Index Linked Securities.

2 Redemption

2.1 Settlement Method

With respect to Base Condition 5, the Settlement Method for Proprietary Index Linked Securities shall always be “Cash Settlement”.

2.2 Early Redemption

Where the Determination Agent determines that an Additional Disruption Event has occurred with respect to a Proprietary Index Linked Security, then an “Early Redemption Event” shall be deemed to have occurred on the Business Day on which the Determination Agent has made such determination. The Determination Agent shall, on behalf of the Issuer, give notice of such determination to the Securityholders. If an Early Redemption Event occurs, the Issuer may, subject to Base Conditions 7, 8 and 9, redeem each Proprietary Index Linked Security (in whole or in part) at its Early Cash Settlement Amount on the Early Cash Redemption Date.

3 Index Component Disruption

This Proprietary Equity Index Condition 3 shall apply solely to Index Components that are a Share, Index or Commodity Index.

3.1 Application of the Equity Linked Annex and Commodity Linked Annex

Where the Index Component:

- 3.1.1** is a Share or an Index, the equity index adjustment provisions and the equity market disruption provisions in the Equity Linked Annex, as amended by these Proprietary Equity Index Conditions, shall be deemed to be incorporated herein and shall apply to such Index Component; and
- 3.1.2** is a Commodity Index, the commodity index adjustment provisions and the commodity market disruption provisions in the Commodity Linked Annex, as amended by these Proprietary Equity Index Conditions, shall be deemed to be incorporated herein and shall apply to such Index Component.

3.2 Consequence of an Index Disrupted Day

If, in the opinion of the Determination Agent, an Observation Date, Averaging Date or the Valuation Date is an Index Disrupted Day, the Determination Agent shall determine the level of each Index component and the resulting Proprietary Index (in its reasonable discretion) for such Observation Date, Averaging Date or Valuation Date as set out in this Proprietary Equity Index Condition 3.2.

Notwithstanding anything to the contrary in the Equity Linked Annex or the Commodity Linked Annex, as the case may be:

- 3.2.1** the level of each Index Component (or sub-component thereof) that is not subject to any of the events described in the definition of “Index Disrupted Day” shall be determined separately by the Determination Agent on such day as if such day was not an Index Disrupted Day; and
- 3.2.2** the level of each Index Component (or sub-component thereof) that is subject to any of the events described in the definition of “Index Disrupted Day” shall be determined separately in accordance with the relevant disruption or fallback provisions specified in

the Equity Linked Annex or Commodity Linked Annex, as amended by these Proprietary Equity Index Conditions, as the case may be.

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

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

3.3 Consequence of an Index Market Disruption Event

The consequence of an Index Market Disruption Event is as follows:

- 3.3.1** with respect to an Index Component that is an Index or a Share, to the extent that a Market Disruption Event occurs or has occurred on an Observation Date, Averaging Date or the Valuation Date, the Final Cash Settlement Amount may be adjusted by the Determination Agent in its reasonable discretion to take into account any adjustment to such Index Component (or sub-component thereof) as a result of such Market Disruption Event, as described above; and
- 3.3.2** with respect to an Index Component that is a Commodity Index, to the extent that a Commodity Market Disruption Event occurs or has occurred on an Observation Date, Averaging Date or the Valuation Date, the Final Cash Settlement Amount may be adjusted by the Determination Agent in its reasonable discretion to take into account any adjustment to such Index Component (or sub-component thereof) as a result of such Commodity Market Disruption Event, as described above.

4 Proprietary Index Modification, Cancellation or Adjustment

This Proprietary Equity Index Condition 4 shall apply solely to the Proprietary Index.

4.1 Index Adjustment Events

If:

- 4.1.1** on or prior to any date on which the level of the Index is to be calculated, including without limitation any Observation Date and the Valuation Date (a “**Determination Date**”), in respect of Securities, the relevant Index Sponsor announces that it will make a material change in the formula for or the method of calculating that Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalisation and other routine events) (a “**Proprietary Index Modification**”) or permanently cancels the Index and no successor Index exists (a “**Proprietary Index Cancellation**”); or
- 4.1.2** on any Determination Date the Index Sponsor fails to calculate and announce the level of the Index (a “**Proprietary Index Disruption**” and together with a Proprietary Index Modification and a Proprietary Index Cancellation, a “**Proprietary Index Adjustment Event**”),

then the Determination Agent shall on each relevant Determination Date determine if such Proprietary Index Adjustment Event has a material effect on the Securities and if so shall

calculate the level of that Index by using, in lieu of a published level for the relevant Index, the level for that Index as at that Determination Date as determined by the Determination Agent in accordance with the formula for and method of calculating that Index last in effect prior to that Proprietary Index Adjustment Event, but using only those Index Components (or components thereof) that constituted the relevant Index immediately prior to that Proprietary Index Adjustment Event.

In the event that the Determination Agent determines that it can no longer continue to calculate the Index, the Determination Agent may, in its sole discretion, deem such Proprietary Index Adjustment Event to constitute an Additional Disruption Event for the purposes of these provisions and shall adjust, redeem, cancel and/or take any other necessary action in accordance with the applicable provisions of Condition 5 or 6 as the case may be in respect of the Securities.

4.2 Successor Index Sponsor or Substitution of Index with substantially similar calculation

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

4.3 Correction of the Index

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

4.4 Index Components Comprising Bonds or Cash

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

5 Commodity Business Day Convention

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

PART C – DEFINITIONS APPLICABLE TO PROPRIETARY INDEX LINKED SECURITIES

Notwithstanding any terms in the Proprietary Equity Index Annex, the definitions set out in this Part C shall not apply to any of the following proprietary indices:

- (i) **Barclays Capital Advanced Emerging Market Index; and**
- (ii) **Barclays Capital Chip Index Family.**

Definitions Relating To Proprietary Index Linked Securities

“Averaging Date” means, in respect of the Proprietary Index Linked Securities each date specified as an Averaging Date in the applicable Final Terms or, if any such date is not an Index Business Day, the immediately following Index Business Day unless, in the opinion of the Determination Agent, any such day is an Index Disrupted Day. If any such day is an Index Disrupted Day, then the Averaging Date shall be deemed to be postponed in accordance with Proprietary Equity Index Condition 3.2.

“Bonds” means an Index Component specified in Part D of this Proprietary Equity Index Annex or in the applicable Final Terms comprising a debt security or debt securities.

“Cash” means an Index Component specified in Part D of this Proprietary Equity Index Annex or in the applicable Final Terms comprising cash.

“Commodity Index” means an Index Component specified in Part D of this Proprietary Equity Index Annex or in the applicable Final Terms that is an index comprising one or more commodities or commodities futures contracts.

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

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

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

“Early Redemption Event” has the meaning given to it in Proprietary Equity Index Condition 2.2.

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

the Share has temporarily relocated provided that the Determination Agent has determined that there is comparable liquidity relative to such Share on such temporary substitute exchange or quotation system as on the original Exchange.

“Final Cash Settlement Amount” shall have the meaning given to it, in the applicable Final Terms, subject as set out in Proprietary Equity Index Condition 3.

“Index” means (i) the Proprietary Index or (ii) with respect to an Index Component, an Index Component specified in Part D of this Proprietary Equity Index Annex or in the applicable Final Terms that is an index or indices (including, but not limited to, a proprietary index created by the Issuer or an associate of the Issuer).

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

“Index Component” means a Share, Index, Commodity Index, Bond and/or Cash that comprises the Proprietary Index or any other index component specified in the applicable Final Terms.

“Index Disrupted Day” means:

- (a) in relation to any Index Component that is a Share, any Scheduled Trading Day on which a relevant Exchange or Related Exchange fails to open for trading during its regular trading session or a Market Disruption Event has occurred;
- (b) in relation to an Index Component that is an Index, any Scheduled Trading Day on which (i) the Index Sponsor fails to publish the level of the Index; (ii) the Related Exchange fails to open for trading during its regular trading session; or (iii) a Market Disruption Event has occurred; or
- (c) in relation to an Index Component that is a Commodity Index, any Commodity Business Day on which a Commodity Market Disruption Event has occurred.

“Index Market Disruption Event” means a Market Disruption Event or a Commodity Market Disruption Event, as the case may be.

“Index Sponsor” means, in relation to an Index, the corporation or entity that is responsible for setting and reviewing the rules and procedures, and the methods of calculation and adjustments, if any, related to such Index.

“Observation Date” means each Index Business Day from and including the Strike Date to and including the Valuation Date.

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

“Price Source” means, in respect of a Commodity Reference Price, the publication (or such other origin of reference, including an Exchange) containing (or reporting) the Specified Price (or prices from which the Specified Price is calculated) as specified in the applicable Final Terms or, otherwise, in the relevant Commodity Reference Price.

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

“Proprietary Index” means the Proprietary Index specified in the applicable Final Terms. Further information on the Proprietary Index is set out in Part D of this Proprietary Equity Index Annex and in the applicable Final Terms.

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

“Related Exchange” means, in respect of an Index Component, subject to the proviso below, each exchange or quotation system specified as such for an Index Component in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures and options contracts relating to such Index Component has temporarily relocated (provided that the Determination Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index Component on such temporary substitute exchange or quotation system as on the original Related Exchange), provided, however that where “All Exchanges” is specified as the Related Exchange in the applicable Final Terms, “Related Exchange” shall mean each exchange or quotation system where trading has a material effect (as determined by the Determination Agent) on the overall market for futures or options contracts relating to such Index Component.

“Share” means an Index Component specified in Part D of this Proprietary Equity Index Annex or in the applicable Final Terms that is a copy definition from the Equity Linked Annex.

“Strike Date” means the date specified in the applicable Final Terms or if such date is not an Index Business Day, the immediately following Index Business Day.

“Valuation Date” means the date specified as a Valuation Date in the applicable Final Terms (the **“Scheduled Valuation Date”**), or if such date is not an Index Business Day, the immediately following Index Business Day. If the Scheduled Valuation Date is an Index Disrupted Day, then the Valuation Date shall be deemed to be postponed in accordance with Proprietary Equity Index Condition 3.2.

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

PART D - GENERAL INFORMATION RELATING TO THE PROPRIETARY INDEX

ARMOUR Index (Barclays Capital ARMOUR EUR 10% Excess Return Index (Bloomberg Code: BXIIA10E Index))

Description of Index

Where Securities are linked to the performance of the Barclays Capital ARMOUR EUR 10% Excess Return Index (Bloomberg: BXIIA10E Index), on the Redemption Date of the relevant Security, Investors will receive 100 per cent. of the denomination of such Security plus the product of (i) the participation in the performance of the Index (being 100 per cent.) and (ii) the performance of the Index, subject to a minimum of zero. If the performance of the Index is less than or equal to zero then, on the Redemption Date, the Investor will only receive 100 per cent. of the denomination of each Security.

The performance of the ARMOUR Index is linked to the performance of the Index Components selected by the index methodology as further described below. The performance of the Index may therefore be positive or negative. The value of an Index Component (other than cash) on an Averaging Date or Valuation Date is its published value in respect of such date (subject to adjustments).

The ARMOUR Index is an excess return index based on a multi-asset strategy which by operation of an algorithm dynamically adapts allocations based on a quantitative model. The strategy is applied to a set of assets from 6 different asset class underlyings: (i) Shares (iShares MSCI Emerging Markets Index and SPDR Gold Trust); (ii) Indices (Euro Stoxx 50 Total Return Index EUR); (iii) Commodity Indices (S&P GSCI Total Return Index); (iv) Bonds (Barclays Capital Nominal Swap Coupon 10 Year EUR TR Index); and (v) Cash (Euribor 1 Month).

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

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

The Index also attempts to manage the risk (measured by 20 day historic realised volatility) below a specified fixed target level (10%): if the observed risk in the market increases above this threshold, the exposure to assets is reduced. This should help to reduce the exposure in uncertain volatile markets, empirically observed during downturns.

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

The sponsor of the Index is Barclays Capital.

Note: The above description is only a summary of the Index and is subject to the index rules of the Index Sponsor. The index rules are available upon request (subject to confidentiality requirements) from the Distributor.

6 Q-BES Indices

Description of Index

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

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

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

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

A daily level for the Index (for this purpose the "**Index Value**") will be calculated by the Index Sponsor. The Index Value will be published by the Index Sponsor as soon as reasonably possible on each Index Business Day, subject to the occurrence of an Index Disrupted Day as described herein. The Index will be calculated in USD, and the relevant provisions shall be read *mutatis mutandis*.

7 CEEMA Indices

Description of Index

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

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

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

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

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

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

A daily value for the Index (for this purpose the "**Index Value**") will be calculated by the Index Sponsor. The Index Value will be published by the Index Sponsor as soon as reasonably possible on each Index Business Day, subject to the occurrence of an Index Disrupted Day as described herein. The Index will be calculated in USD.

8 GSP Indices

Description of Index

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

Barclays Capital GSP indices are market neutral strategies that rely on the use of a Growth at a Reasonable Price (GARP) strategy, a mixture of growth and value investing strategies. The strategies are rebalanced monthly to select an optimized portfolio of stocks filtered through a number of 'value' metrics, while going short the underlying index. The final and key metric of the strategies is the PEG or Price/Earnings to Growth Ratio. This enables the strategies to invest in growth stocks at a reasonable price. The Barclays Capital GSP indices consist of Large Cap US, Small Cap US and Europe Indices.

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

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

A daily level for the Index (for this purpose the “**Index Value**”) will be calculated by the Index Sponsor. The Index Value will be published by the Index Sponsor as soon as reasonably possible on each Index Business Day, subject to the occurrence of an Index Disrupted Day as described herein. The Index will be calculated in USD, and the relevant provisions shall be read *mutatis mutandis*.

9 Turn of the Month (TOM) Indices

Description of Index

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

The Barclays Capital TOM™ Long Index invests in the relevant underlying equity benchmark Index on the close of the 4th business day before each month end and closes this position 3 business days after the same month end. The Long Index is not invested during the rest of the month. The TOM™ Long index is available in price return, excess return and total return versions. The Barclays Capital TOM™ Long Indices are available for Europe, the United States, Japan, Germany and the United Kingdom.

The Barclays Capital TOM™ Long/Short Index takes a short equity position on the close of the 11th last business day before each month-end and closes this position on the 5th last business day before month-end. It then takes a long position Index on the close of the 4th last business day before each month end and closes this position 3 business days after the same month end. The long/short index is not invested during the rest of the month. The Barclays Capital TOM™ Long/Short index is available in price return, excess return and total return versions. The Barclays

Capital TOM™ Long/Short Indices are available for Europe, the United States, Japan, Germany and the United Kingdom.

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

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

10 ASTRO Index

Description of Index

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

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

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

A daily level for the Index (for this purpose the “**Index Value**”) will be calculated by the Index Sponsor. The Index Value will be published by the Index Sponsor as soon as reasonably possible on each Index Business Day, subject to the occurrence an Index Disrupted Day as described herein.

11 ARISTO Index

Description of Index

The Barclays Capital ARISTOSM Index is intended to reflect the performance of the Algorithmically Rebalanced Investment Strategy with Optimisation. The index combines three separate quantitative investment strategy indices through an optimisation that determines allocation to the respective index components. The ARISTOSM Index has shown little correlation with respective underlying equity and commodity indices.

On each quarterly rebalancing date, the ARISTOSM Index employs an allocation strategy that combines Q-BES, TOM and ComBATS 6 indices through an optimisation algorithm. The optimisation model determines an ‘index’ consisting of the three index components that maximise historical return to risk. The optimisation is subject to several constraints with respect to the maximum and minimum weights allowed for each index component.

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

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

12 Tracker Indices

Description of Index

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

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

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

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

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

13 LBAR Index

Description of Index

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

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

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

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

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

14 SBAR Index

Description of Index

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

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

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

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

15 NAVIGATOR Index

Description of Index

The Barclays Capital Navigator EUR Excess Return Index reflects the performance of the Navigator Strategy which is based on a technical model described in more detail below.

The Index is constructed with reference to the following five major European Equity Indices: EURO STOXX 50 TOTAL Return Index (Bloomberg ticker: SX5T), DAX 30 Index (Bloomberg ticker: DAX), CAC 40 Total Return Index (Bloomberg ticker: CACR), IBEX 35 Total Return Index (Bloomberg ticker: IBEX35TR), FTSE MIB Total Return Index (Bloomberg ticker: TFTMIBE).

Every two weeks the strategy notionally invests in a long or short or neutral (i.e. no investment) positions on each one of the indices listed above. The choice of the type of position is done according to a quantitative model based on various technical indicators.

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

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

on each Index Business Day, subject to the occurrence of an Index Disrupted Day as described herein.

16 Barclays Capital Advanced Emerging Market Index

Description of Index

The Barclays Capital Advanced Emerging Market Index is designed to provide exposure to Advanced Emerging Market countries that may achieve solid, stable, and sustainable economic growth in the view of Barclay's Capital Research. Barclays Capital Research select emerging market countries using factors such as the growth Sharpe ratio and the tail risk during periods of economic stress.

The Index is constructed by creating a list of stocks for each Advanced Emerging Country, whereby market capitalisation and liquidity criteria are applied. The remaining stocks are ranked and selected according to a combination of three factors, namely revenue growth, volatility and liquidity.

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

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

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

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

17 Barclays Capital Chip Index Family

Description of Index

The Barclays Capital Chips Indices (each one an "Index") are long only indices designed to provide exposure to quality equity stocks on various countries and sectors themes. Each Index screens stocks based on specific factors such as a country factor, a sector factor or an accounting metric. The Index then filters the remaining stocks for quality based on two key metrics, namely the Price Earnings Ratio and the Return on Common Equity Ratio. The top remaining stocks are selected based on liquidity as measured by daily turnover for inclusion into the Index.

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

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

- The Barclays Capital China Chips Index consists of quality Chinese stocks.

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

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

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

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