



U.S. Department of Justice

Criminal Division

Washington, D.C. 20530

June 26, 2012

Steven R. Peikin, Esq.
David H. Braff, Esq.
Jeffrey T. Scott, Esq.
Matthew S. Fitzwater, Esq.
Sullivan & Cromwell LLP
125 Broad Street
New York, NY 10004

Re: Barclays Bank PLC

Dear Messrs. Peikin, Braff, Scott, and Fitzwater:

On the understandings specified below, the United States Department of Justice, Criminal Division, Fraud Section ("Fraud Section") will not criminally prosecute Barclays Bank PLC and its parent, subsidiaries and affiliates (collectively, "Barclays") for any crimes (except for criminal tax violations, as to which the Fraud Section cannot and does not make any agreement) related to Barclays's submissions of benchmark interest rates, including the London InterBank Offered Rate (known as LIBOR) and the Euro Interbank Offered Rate (known as EURIBOR), as described in the attached Appendix A, which is incorporated by reference to this Agreement.

It is understood that Barclays admits, accepts, and acknowledges responsibility for the conduct set forth in Appendix A and agrees not to make any public statement contradicting Appendix A.

The Fraud Section enters into this Agreement based, in part, on the following factors: (a) Barclays's timely, voluntary, and complete disclosure of the facts described in Appendix A; (b) Barclays's thorough and timely cooperation and commitment to future cooperation with the Fraud Section and other government authorities in the United States and United Kingdom; (c) the remedial efforts already undertaken and to be undertaken by Barclays; and (d) certain mitigating aspects of Barclays's conduct relating to the events set forth in Appendix A. Barclays's cooperation stands out as a particularly significant consideration in the Fraud Section's decision to enter into this Agreement. After government authorities began investigating allegations that banks had engaged in manipulation of benchmark interest rates, Barclays was the first bank to cooperate in a meaningful way in disclosing its conduct relating to LIBOR and EURIBOR. Its disclosure included relevant facts that at the time had not come to the government's attention. Barclays's cooperation has been of substantial value in furthering the Fraud Section's investigation of the conduct relevant to this Agreement. From the outset of the investigation to the present, Barclays's cooperation has been extraordinary and extensive, in terms of the quality and type of information and assistance provided to the Fraud Section. To

date, the nature and value of Barclays's cooperation has exceeded what other entities have provided in the course of this investigation.

This Agreement does not provide any protection against prosecution for any crimes except as set forth above, and applies only to Barclays and not to any other entities or to any individuals, including but not limited to employees or officers of Barclays. The protections provided to Barclays shall not apply to any acquirer or successor entities unless and until such acquirer or successor formally adopts and executes this Agreement.

This Agreement shall have a term of two years from the date of this Agreement, except as specifically provided below. It is understood that for the two-year term of this Agreement, Barclays shall: (a) commit no United States crime whatsoever; (b) truthfully and completely disclose non-privileged information with respect to the activities of Barclays, its officers and employees, and others concerning all matters about which the Fraud Section inquires of it, which information can be used for any purpose, except as otherwise limited in this Agreement; (c) bring to the Fraud Section's attention all potentially criminal conduct by Barclays or any of its employees that relates to fraud or violations of the laws governing securities and commodities markets; and (d) bring to the Fraud Section's attention all criminal or regulatory investigations, administrative proceedings or civil actions brought by any governmental authority in the United States by or against Barclays or its employees that alleges fraud or violations of the laws governing securities and commodities markets.

Until the date upon which all investigations and prosecutions arising out of the conduct described in this Agreement are concluded, whether or not they are concluded within the two-year term specified in the preceding paragraph, Barclays shall, in connection with any investigation or prosecution arising out of the conduct described in this Agreement: (a) cooperate fully with the Fraud Section, the Federal Bureau of Investigation, and any other law enforcement or government agency designated by the Fraud Section; (b) assist the Fraud Section in any investigation or prosecution by providing logistical and technical support for any meeting, interview, grand jury proceeding, or any trial or other court proceeding; (c) use its best efforts promptly to secure the attendance and truthful statements or testimony of any officer, agent or employee at any meeting or interview or before the grand jury or at any trial or other court proceeding; and (d) provide the Fraud Section, upon request, all non-privileged information, documents, records, or other tangible evidence about which the Fraud Section or any designated law enforcement or government agency inquires.

It is understood that, if the Fraud Section determines in its sole discretion that Barclays has committed any United States crime subsequent to the date of this Agreement, or that Barclays has given false, incomplete, or misleading testimony or information at any time, or that Barclays has otherwise violated any provision of this Agreement, Barclays shall thereafter be subject to prosecution for any federal violation of which the Fraud Section has knowledge, including perjury and obstruction of justice. Any such prosecution that is not time-barred by the applicable statute of limitations on the date of the signing of this Agreement may be commenced against Barclays, notwithstanding the expiration of the statute of limitations between the signing

of this Agreement and the expiration of the term of the agreement plus one year. Thus, by signing this Agreement, Barclays agrees that the statute of limitations with respect to any prosecution that is not time-barred on the date that this Agreement is signed shall be tolled for the term of this Agreement plus one year.

It is understood that, if the Fraud Section determines in its sole discretion that Barclays has committed any United States crime after signing this Agreement, or that Barclays has given false, incomplete, or misleading testimony or information at any time, or that Barclays has otherwise violated any provision of this Agreement: (a) all statements made by Barclays or any of its employees to the Fraud Section or other designated law enforcement agents, including Appendix A, and any testimony given by Barclays or any of its employees before a grand jury or other tribunal, whether prior or subsequent to the signing of this Agreement, and any leads derived from such statements or testimony, shall be admissible in evidence in any criminal proceeding brought against Barclays; and (b) Barclays shall assert no claim under the United States Constitution, any statute, Rule 410 of the Federal Rules of Evidence, or any other federal rule that such statements or any leads derived therefrom are inadmissible or should be suppressed. By signing this Agreement, Barclays waives all rights in the foregoing respects.

The decision whether any public statement contradicts Appendix A and whether it shall be imputed to Barclays for the purpose of determining whether Barclays has breached this Agreement shall be in the sole discretion of the Fraud Section. If the Fraud Section determines that a public statement contradicts in whole or in part a statement contained in Appendix A, the Fraud Section shall so notify Barclays, and Barclays may avoid a breach of this Agreement by publicly repudiating such statement(s) within five business days after notification. This paragraph is not intended to apply to any statement made by any former Barclays officers, directors, or employees. Further, nothing in this paragraph precludes Barclays from taking good-faith positions in litigation involving a private party that are not inconsistent with Appendix A. In the event that the Fraud Section determines that Barclays has breached this Agreement in any other way, the Fraud Section agrees to provide Barclays with written notice of such breach prior to instituting any prosecution resulting from such breach. Barclays shall, within 30 days of receipt of such notice, have the opportunity to respond to the Fraud Section in writing to explain the nature and circumstances of such breach, as well as the actions Barclays has taken to address and remediate the situation, which explanation the Fraud Section shall consider in determining whether to institute a prosecution.

It is understood that Barclays, by its branch in New York, agrees to pay a monetary penalty of \$160,000,000. Barclays must pay this sum to the United States Treasury within ten days of executing this Agreement. Barclays acknowledges that no tax deduction may be sought in connection with this payment.

It is further understood that Barclays has strengthened its compliance and internal controls standards and procedures, and that it will further strengthen them as required by the United States Commodity Futures Trading Commission ("CFTC"). In addition, in light of the United Kingdom Financial Services Authority's (the "FSA") active investigation of the conduct

described in Appendix A and the role that the FSA will continue to play in reviewing Barclays's compliance standards, the Fraud Section has determined that adequate compliance measures have been and will be established. It is further understood that Barclays has no objection to the CFTC and FSA providing any reports about Barclays's compliance to the Fraud Section.

It is further understood that this Agreement does not bind any federal, state, local, or foreign prosecuting authority other than the Fraud Section. The Fraud Section will, however, bring the cooperation of Barclays to the attention of other prosecuting and investigative authorities, if requested by Barclays.

It is further understood that Barclays and the Fraud Section may disclose this Agreement to the public.

With respect to this matter, from the date of execution of this Agreement forward, this Agreement supersedes all prior, if any, understandings, promises and/or conditions between the Fraud Section and Barclays. No additional promises, agreements, and conditions have been entered into other than those set forth in this Agreement and none will be entered into unless in writing and signed by all parties.

Sincerely,

DENIS McINERNEY
Chief
Criminal Division, Fraud Section
United States Department of Justice

By: Daniel Braun / RL
Daniel Braun, Deputy Chief
Robertson Park, Assistant Chief
Rebecca Rohr, Assistant Chief
Alexander Berlin, Trial Attorney

AGREED AND CONSENTED TO:

Barclays Bank PLC

By: Mark Harding
Mark Harding, Esq.
General Counsel, Barclays Bank PLC

27 June 2012
Date

APPROVED:

By: _____
Steven R. Peikin, Esq.
David H. Braff, Esq.
Jeffrey T. Scott, Esq.
Matthew S. Fitzwater, Esq.
Sullivan & Cromwell LLP
Attorneys for Barclays Bank PLC

Date

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Sincerely,

DENIS McINERNEY
Chief
Criminal Division, Fraud Section
United States Department of Justice

By: Daniel Braun / RL
Daniel Braun, Deputy Chief
Robertson Park, Assistant Chief
Rebecca Rohr, Assistant Chief
Alexander Berlin, Trial Attorney

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General Counsel, Barclays Bank PLC

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Steven R. Peikin, Esq.
David H. Braff, Esq.
Jeffrey T. Scott, Esq.
Matthew S. Fitzwater, Esq.
Sullivan & Cromwell LLP
Attorneys for Barclays Bank PLC

June 27, 2012
Date