

Barclays PLC

Please note this is a section from the full Annual Report the contents of which are below.



Wherever you see the excel symbol there is a corresponding download of that table.

Section 1 – Review

- 1 Financial Highlights
- 2 Chairman’s Statement
- 3 Group Chief Executive’s Statement
- 6 Financial Performance
Group Deputy Chief Executive
- 10 Corporate Social Responsibility

Section 2 – Impact

- 14 Directors and Officers of Barclays PLC
and Barclays Bank PLC
- 17 Directors’ Report
- 19 Corporate Governance Report
- 23 Barclays Report on Remuneration
- 35 Accountability and Audit
- 36 Presentation of Information
- 37 Risk Management

Section 3 – Results

- 73 Financial Data
- 76 Business Description
- 82 Financial Review
- 108 Other Information
- 112 Auditors’ Reports
- 114 Consolidated Accounts Barclays PLC
- 219 Shareholder Information
- 226 Group Senior Management and Principal Offices

This document contains certain forward-looking statements within the meaning of section 21E of the US Securities Exchange Act of 1934, as amended and section 27A of the US Securities Act of 1933, as amended, with respect to certain of the Group’s plans and its current goals and expectations relating to its future financial condition and performance. The Group may also make forward-looking statements in other written materials, including other documents filed with or furnished to the SEC. In addition, the Group’s senior management may make forward-looking statements orally to analysts, investors, representatives of the media and others. In particular, among other statements, certain statements in the Financial Review and Business Description with regard to management objectives, trends in results of operations, margins, costs, return on equity, risk management, and competition are forward looking in nature. These forward-looking statements can be identified by the fact that they do not relate only to historical or

current facts. Forward-looking statements often use words such as ‘anticipate’, ‘target’, ‘expect’, ‘estimate’, ‘intend’, ‘plan’, ‘goal’, ‘believe’, or other words of similar meaning. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. The Group’s actual future results may differ materially from those set out in the Group’s forward-looking statements. There are many factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. Any forward-looking statements made by or on behalf of the Group speak only as of the date they are made. Barclays does not undertake to update forward-looking statements to reflect any changes in the Group’s expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based. The reader should, however, consult any additional disclosures Barclays may make in documents it files with the SEC.

Corporate Governance

Barclays Report on Remuneration

Barclays Report on Remuneration

Statement from the Chairman of the Board Remuneration Committee (the Committee)

The primary purpose of the Committee is to determine the Group's policy on the remuneration of executive Directors and their specific remuneration packages. The Committee is made up exclusively of non-executive Directors.

This report describes the current components of the remuneration policy and details the remuneration for each person who served as a Director during 2003.

Barclays emphasis on reward for performance, and alignment with shareholders' interests, is illustrated by the following points:

- Executive Directors' bonuses for 2003 reflect strong corporate performance for the year. Group profit before tax and Group economic profit¹ are 20% and 15% higher than in 2002. The Committee compares Barclays total shareholder return with a peer group of eleven other major banks, and also against the FTSE 100 Index. Barclays total shareholder return (TSR) for 2003 was 37%, which was higher than both the average for the peer group and the FTSE 100 Index. 2003 was also the end of a four-year performance cycle, a period during which the primary goal was to deliver top quartile TSR relative to peers. Barclays met this goal, being ranked third of twelve major banks with a TSR of 31%, which was almost double the 16% average of the peer group.
- The main performance condition for executive Directors in the Incentive Share Option Plan is TSR relative to a peer group of eleven other major banks. This performance condition is very challenging. The maximum number of shares under option vests only if Barclays is ranked first in this peer group. The 2000 grant under the ISOP vested in 2003. Although Barclays was ranked third of the twelve banks and therefore in the top quartile, this performance was sufficient only for 50% of the maximum number of shares under the TSR condition to vest. The other 50% lapsed.
- As shown in the table on page 34, the executive Directors each have a personal interest in Barclays shares, through shares they own, and shares and options held in employee share plans on their behalf. A significant percentage of annual bonus was delivered in Barclays shares and payment of the shares element was deferred for at least three years.

The Committee unanimously recommend that you vote in favour of this report at the AGM.

Sir Nigel Rudd

Board Remuneration Committee Chairman

Notes

¹ Economic profit (EP) is defined as profit after tax and minority interests plus certain gains (and losses) reported within the statement of total recognised gains and losses where they arise from the Group's business activities and are in respect of transactions with third parties, less a charge for the cost of average shareholders' funds (which includes purchased goodwill).

² Towers Perrin and Mercer have given their written consent to the inclusion of references to their names in the form and context in which they appear.

Board Remuneration Committee Members

The Committee comprised the following independent non-executive Directors:

Sir Nigel Rudd, Chairman
David Arculus
Sir Brian Jenkins
Sir Nigel Mobbs^(a)
Graham Wallace^(b)

Notes

(a) Sir Nigel Mobbs retired from the Board on 24th April 2003.

(b) Graham Wallace resigned from the Board on 2nd April 2003.

The Committee members are independent of management and free from any business or other relationship which could materially affect the exercise of their independent judgement.

The constitution and operation of the Committee comply with the Best Practice Provisions on Directors' Remuneration in the Combined Code adopted by the UK Listing Authority.

Advisers to the Committee

The Committee has access to executive remuneration consultants to ensure that it receives the best independent advice. The selection of advisers is entirely at the discretion of the Committee Chairman. Advisers are appointed by the Committee for specific pieces of work, as necessary, and are required to disclose any potential conflict of interest to the Committee.

Towers Perrin and Mercer² advised the Committee on latest developments in market compensation. Both companies have advised the Company on other human resource related issues including advice in such areas as employee reward, pensions and employee communication. In addition, Towers Perrin gave actuarial and other advice to the Barclays UK life assurance companies.

The Chairman of the Board, Group Chief Executive and Group Human Resources Director also advise the Committee, but are not permitted to participate in discussions or decisions relating to their own remuneration. The Group Human Resources Director is responsible for personnel within Barclays, is not a Board Director, and is not appointed by the Committee.

Our Remuneration Policy

We are committed to using reward to support a performance-oriented culture. Executive Directors can expect outstanding reward if performance is outstanding. This philosophy applies to reward policies and practices for all employees in the Group. The Committee considers reward levels across the Group when determining remuneration for executive Directors.

The remuneration policy is:

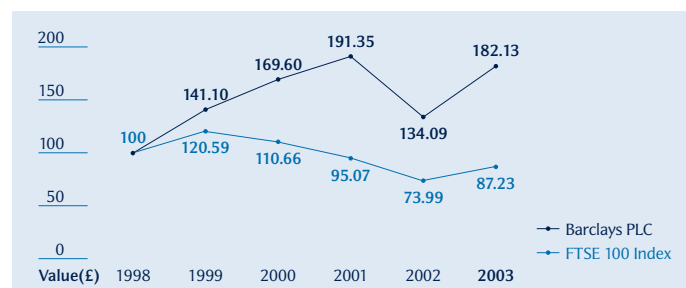
- to align the interests of executive Directors with those of the shareholders to create value;
- to recognise excellent performance of the Group, business and individual;
- to encourage the right behaviours to achieve excellent performance;
- that reward is to be commercially competitive; and
- that reward is to be transparent, well communicated and easily understood.

Corporate Governance

Barclays Report on Remuneration

Barclays reward programmes are designed to support and facilitate generation of TSR. The graph below shows the TSR for the FTSE 100 Index and Barclays since 31st December 1998. The FTSE 100 is the index of the hundred largest UK quoted companies by market capitalisation. It is a widely recognised performance comparison for large UK companies. It shows that, by the end of 2003, a hypothetical £100 invested in Barclays on 31st December 1998 would have generated a total return of £82, compared with a loss of £13 if invested in the FTSE 100 Index. Barclays therefore significantly outperformed the FTSE 100 for this period.

Total Shareholder Return



Note
The Directors' Remuneration Report Regulations require that the graph shows TSR for the five years ending with the relevant financial year.

The Reward Package for Executive Directors

The reward package for the executive Directors and other senior executives comprises:

- base salary;
- annual bonus including the Executive Share Award Scheme (ESAS);
- the Incentive Share Option Plan (ISOP); and
- pension and other benefits.

The Committee reviews the elements of the reward package relative to the practice of other comparable organisations.

The sections that follow explain how each of the elements of remuneration listed above is structured. Each part of the package is important and has a specific role in achieving the aims of the remuneration policy. The combined potential earnings from bonus and ISOP outweigh the other elements, and are subject to performance conditions, thereby placing a large proportion of total reward at risk. The component parts for each Director are detailed in tables accompanying this Report.

Base Salary

This is a fixed cash sum, payable monthly. The Committee reviews salaries each year as part of the total reward package, recognising market levels and individual contribution.

Annual Bonus Including Executive Share Award Scheme (ESAS)

The annual bonus for executive Directors is linked to Group economic profit performance and individual performance. Cash bonuses for executive Directors who were on the Board during 2003 were 174% of base salary at 31st December 2003 for the Group Chief Executive, and between 90% and 103% of base salary for the other executive Directors. Up to 75% of any bonus award is normally paid as cash and the balance as a mandatory award of shares under ESAS (see page 30 for details), which must be held for at least three years.

Incentive Share Option Plan (ISOP)

The ISOP is designed to provide the opportunity for individuals to receive rewards for creating sustained shareholder value growth. Participants are granted options over Barclays PLC ordinary shares, which are normally exercisable after three years at the market price at the time of grant. The number of shares over which options can be exercised depends upon Barclays performance against specific targets. In establishing the performance targets, the Committee has sought to encourage excellent business performance. The two measures of performance used for the 2003 grant were EP growth and relative TSR. These are both good measures of the value created for shareholders. EP is used as a key internal value creation metric.

The Committee agrees a level of ISOP award for each executive Director taking account of market practice for comparable positions and performance. For the 2003 ISOP grant, a proportion of the award for executive Directors was subject to the EP measure and a proportion to the TSR measure.

1. Growth in Economic Profit

This measure encourages both profitable growth and the efficient use of capital.

If cumulative EP is above the target range at the end of the three-year performance period, options over double the number of target award shares will become exercisable. If cumulative EP is below the target range at the end of the three-year performance period, options over half of the target award shares will become exercisable. Where EP is below the three-year cumulative EP for the previous three years, the options lapse. This is described, for the 2003 awards, in the following table.

EP ranges for 2003 grant of ISOP for performance period 2003 to 2005^(a)

Performance Achieved	Number of shares under option that become exercisable
Above the 'Target' range (i.e. the 3-year cumulative EP for the performance period is above £5,200m)	2 x Target Award
In the 'Target' range (i.e. the 3-year cumulative EP for the performance period is between £3,900m and £5,200m)	1 x Target Award
Below the 'Target' range (i.e. the 3-year cumulative EP for the performance period is below £3,900m)	0.5 x Target Award
EP growth is not positive (i.e. the 3-year cumulative EP for the performance period is not more than the cumulative EP for the previous 3-year period)	Zero

Note

(a) EP for 2003, the first year of the 3-year performance period was £1,420m.

For the 2000 grant of ISOP, which vested during 2003, the outcome of the EP performance condition was above target, which provided a vesting of 2 x target award.

2. Total Shareholder Return

A proportion of the shares under option are subject to a separate performance condition based on TSR measured against a financial services peer group approved by the Committee. This peer group comprises eleven other UK and international financial institutions that have been chosen to reflect Barclays business mix. For the performance period 2003 to 2005, the 2003 peer group is Abbey, ABN Amro, BBVA, BNP Paribas, Citigroup, Deutsche Bank, HBOS, HSBC, Lloyds TSB, Royal Bank of Scotland and Standard Chartered.

If Barclays is ranked first, second or third in the peer group, then the options will become exercisable over quadruple, triple or double the target award shares, respectively. If Barclays is ranked fourth, fifth or sixth in the peer group, the options will become exercisable over the target award shares. However, if Barclays is ranked below sixth after three years, there will be a re-test on the fourth anniversary, over the full four-year period. If Barclays is not ranked sixth or higher after four years, the options will lapse.

The method for measuring relative performance is shown in the table that follows, together with the multiple of target award.

Performance achieved in the TSR ranking scale out of 12 financial institutions including Barclays	Number of shares under option that become exercisable ^(a)
1st place	4 x Target Award
2nd place	3 x Target Award
3rd place	2 x Target Award
4th – 6th place	1 x Target Award
7th – 12th place	Zero

Note

(a) Under the TSR condition, the ability to exercise is also subject to the condition that EP for the three-year performance period is greater than the previous performance period.

For the 2000 grant of ISOP which vested during 2003, Barclays relative TSR performance ranking was third, which provided a vesting of 2 x target award. Therefore, 50% of the options granted, that would have vested had Barclays been ranked first, lapsed.

Options must normally be held for three years before they can be exercised and lapse ten years after grant if not exercised.

Sharesave

All eligible employees including executive Directors have the opportunity to participate in Barclays Sharesave Scheme. Sharesave is an Inland Revenue approved all-employee share plan. The Inland Revenue does not permit performance conditions to be attached to the exercise of options. Under the plan, participants are granted options over Barclays PLC ordinary shares. Each participant may save up to £250 per month to purchase Barclays shares at a discount. For the 2003 grant, the discount was 20% of the market value at the time the option was granted.

Share Incentive Plan

The Share Incentive Plan was introduced in January 2002. It is an Inland Revenue approved all-employee share plan. The plan is open to all eligible UK employees including executive Directors. Under the plan, participants are able to purchase up to £125 worth of Barclays PLC ordinary shares each month, which, if kept in trust for five years, can be withdrawn from the plan tax-free. Any shares in the plan will earn dividends in the form of additional shares, which must normally be held by the trustee for three years before being eligible for release.

Pensions

A pension is payable on retirement at contractual retirement date (normally 60), and is calculated either by reference to an executive Director's length of service and pensionable salary or to a money purchase arrangement, depending upon date of hire. Matthew Barrett is not a member of the Group's main pension schemes. A notional fund is accruing on his behalf outside the pension scheme (see page 28 for further details).

Service Contracts

The Group has service contracts with its Chairman, executive Directors and senior executives¹. The effective dates of the contracts for the Chairman and executive Directors who served during 2003 are shown in the table below. Non-executive Directors do not have service contracts. The service contracts do not have a fixed term but provide for a notice period from the Group of one year and normally for retirement at age 60². The Committee's policy is that executive Directors' contracts should allow for termination with contractual notice from the Company, except in circumstances of gross misconduct when notice is not given. The Committee's approach when considering payments in the event of termination is to take account of the individual circumstances including the reason for termination, contractual obligations and share scheme rules.

	Effective date of contract	Notice period	Normal retirement date	Potential compensation for loss of office
Sir Peter Middleton ³	1st May 1999	1 year	n/a	1 year's contractual remuneration
MW Barrett	1st Jan 2002	1 year	19th Sep 2009	"
CJ Lendrum	15th Jun 1992	1 year	14th Jan 2007	"
JS Varley	1st Jan 2004	1 year	31st Mar 2016	"

In the Barclays report on remuneration for 2002, we reported that, exceptionally, Mr Barrett's contract provided for a pre-determined payment of twice annual remuneration if his contract was terminated following a change of control of Barclays. This provision will be voluntarily removed from Mr Barrett's contract with effect from 15th March 2004.

¹ Details of executive Directors standing for re-election at the 2004 AGM are set out on page 17.

² Mr Barrett's contract provides for normal retirement at age 65.

³ Sir Peter Middleton's service contract does not provide for a retirement date.

Corporate Governance

Barclays Report on Remuneration

Non-executive Directors

The Board determines the fees of non-executive Directors. The Board's policy is that fees should reflect individual responsibilities and membership of Board Committees.

Barclays encourages its non-executive Directors to build up a holding in the Company's shares. £20,000 of their basic Director's fee is used to buy shares in the Company for each non-executive Director. These shares, together with reinvested dividends, are retained on behalf of the non-executive Directors until they retire from the Board. They are included in the table of Directors' interests in ordinary shares of Barclays PLC on page 34. Non-executive Directors do not receive awards in share schemes for employees.

For each non-executive Director, the effective date of their letter of appointment, notice period and the Group's liability in the event of early termination are shown in the table below:

	Effective date of letter of appointment	Notice period	Group liability in the event of early termination
TDG Arculus	1st Feb 1997	6 months	6 months' fees
Sir Richard Broadbent	1st Sep 2003	"	"
HM Cropper	1st Jun 1998	"	"
Professor Dame Sandra Dawson	1st Mar 2003	"	"
Sir Brian Jenkins	25th Oct 2000	"	"
Sir Nigel Rudd	1st Feb 1996	"	"
SG Russell	25th Oct 2000	"	"
Dr Jürgen Zech	30th Jul 2002	"	"

Each appointment is for an initial six-year term, renewable for one term of three years thereafter.

Details of non-executive Directors standing for re-election at the 2004 AGM are set out on page 17.

The performance of each non-executive Director is reviewed annually by the Chairman, and at the end of the initial term.

Forward Looking Statement

The Committee will keep the existing remuneration arrangements, as detailed in this Report, under review during 2004 and ensure that Barclays reward programmes remain competitive and provide appropriate incentive for performance. As usual, there will be individual reviews of base salary, annual bonus (including ESAS) and ISOP awards. As we informed shareholders in 2000, Barclays will review the ISOP after five years to consider whether it still meets the Group's business needs.

2003 Annual Remuneration^(a)

	Salary and fees £000	Compensation for loss of office £000	Benefits ^(b) £000	Annual cash bonus £000	2003 Total £000	2002 Total £000	Executive Share Award Scheme ESAS ^(c)	
							2003 £000	2002 £000
Chairman								
Sir Peter Middleton ^(d)	550	–	16	–	566	528	–	–
Executive Directors								
MW Barrett	1,100	–	69	1,919	3,088	1,697	831	223
CJ Lendrum	419	–	10	439	868	560	–	65
JS Varley	471	–	9	425	905	668	184	86
Former Director								
JM Stewart ^(e)	278	257	6	–	541	1,602	–	–
Non-executive Directors^(f)								
TDG Arculus	58	–	–	–	58	52	–	–
Sir Richard Broadbent ^(g)	17	–	–	–	17	–	–	–
HM Cropper	57	–	–	–	57	52	–	–
Professor Dame Sandra Dawson ^(h)	44	–	–	–	44	–	–	–
Sir Brian Jenkins	144	–	–	–	144	100	–	–
Sir Nigel Rudd	62	–	–	–	62	57	–	–
SG Russell	77	–	–	–	77	58	–	–
Dr Jürgen Zech	57	–	–	–	57	21	–	–
Former Directors								
Sir Nigel Mobbs ⁽ⁱ⁾	26	–	–	–	26	79	–	–
Graham Wallace ^(j)	19	–	–	–	19	52	–	–

Notes

- (a) Emoluments include amounts, if any, payable by subsidiary undertakings and by other companies where services are undertaken at the Group's request.
- (b) The Chairman and executive Directors receive benefits in kind, which may include life cover, the use of a company owned vehicle, or cash equivalent, and medical insurance, on similar terms to other senior executives.
- (c) The amounts shown for ESAS 2003 represent payments which are expected to be made by the trustee to fund the provisional allocation of shares in 2004, including a maximum potential 30% bonus share element, which is added to the award in two parts: 20% after 3 years, 10% after 5 years.
- (d) Sir Peter Middleton received pension payments through the Barclays Bank UK Retirement Fund for 2003 of £73,000 (2002: £72,000). Details of the payments are not included in the table above since this is a pension in payment relating to his Barclays service prior to becoming Chairman.
- (e) John Stewart ceased to be a Director with effect from 27th February 2003. After ceasing to be a Director, he remained an employee of Barclays until 7th August 2003. In accordance with his contract of employment, on 7th August he received a payment of base salary for the balance of his 12-month notice period ending 26th February 2004. All other benefits, including pension accrual ceased on 7th August 2003.
- (f) Fees to non-executive Directors include an amount of not less than £20,000 which, after tax, is used to buy Barclays PLC ordinary shares for each non-executive Director. Further details are provided on page 26.
- (g) Sir Richard Broadbent was appointed as a non-executive Director on 1st September 2003.
- (h) Professor Dame Sandra Dawson was appointed as a non-executive Director on 1st March 2003.
- (i) Sir Nigel Mobbs retired from the Board on 24th April 2003.
- (j) Graham Wallace resigned from the Board on 2nd April 2003.

Corporate Governance

Barclays Report on Remuneration

Executive Directors' annual pension accrued assuming retirement at contractual age^{(e)(f)}

	Age at 31st December 2003	Years of service	Accrued pension at 31st December 2002 £000	Pension accrued during 2003 (including increase for inflation) £000 ^(a)	Accrued pension at 31st December 2003 £000	Transfer value of accrued pension at 31st December 2002 £000	Transfer value of accrued pension at 31st December 2003 £000	Increase in transfer value during the year £000	Other contributions made in 2003 £000
Executive									
MW Barrett ^(b)	59	4	–	–	–	–	–	–	990
CJ Lendrum ^(c)	56	34	238	19	257	3,415	4,069	654	–
JS Varley ^(c)	47	21	167	14	181	1,693	2,177	484	–
Former Director									
JM Stewart ^(d)	54	26	245	9	254	3,218	3,845	627	–

Notes

- (a) Pension accrued during the year represents the increase in accrued pension (including inflation at the prescribed rate of 2.8%) which occurred during the entire year. All pensions are reviewed annually, with a guaranteed increase in line with retail price inflation, up to a maximum of 5%.
- (b) Matthew Barrett is not a member of the Group's main pension schemes. A notional fund is accruing on his behalf outside the pension scheme. In the event of Mr Barrett's death before retirement, a capital sum of up to four times salary would be payable.
- (c) The Group has a closed non-contributory pension scheme, which provides that, in the case of death before retirement, a capital sum of up to four times salary is payable together with a spouse's pension of approximately 50% of the member's prospective pension at retirement. For death in retirement, a spouse's pension of approximately 50% of the member's pre-commutation pension is payable. If a member, granted a deferred pension, dies before their pension becomes payable, their widow/widower will immediately be paid a pension of 50% of their deferred pension. In all circumstances, children's allowances are payable, usually up to the age of 18. Enhanced benefits are payable if a member is unable to continue to work as a result of serious ill health. Chris Lendrum and John Varley are members of the closed non-contributory pension scheme and are entitled to enhanced benefits that will give them two-thirds of their pensionable salary at age 60.
- (d) John Stewart ceased to be a Director with effect from 27th February 2003. After ceasing to be a Director, he remained an employee of Barclays until 7th August 2003. He was entitled to a pension of two-thirds of pensionable salary if he served to age 60. He retired early on 7th August 2003 and his accrued pension benefit, detailed in the table above, based on actual service, became a pension in payment from 8th August 2003. The pension in payment is reviewed annually in line with retail price inflation, subject to a minimum of 3% and a maximum of 5%.
- (e) The accrued pension amounts at the end of the year for Mr Lendrum and Mr Varley are the values if the Director left service on that date.
- (f) The transfer values have been calculated in a manner consistent with 'Retirement Benefit Schemes – Transfer Values (GNII)' published by the Institute of Actuaries and the Faculty of Actuaries.

Current executive Directors: illustration of change in value of shares owned beneficially, or held under option or award under employee share plans during the year^(a)

	Number at 31st December 2003					Total	Notional value based on share price of £3.85 ^(d) £000	Notional value based on share price of £4.98 ^(e) £000	Change in notional value £000
	Shares owned beneficially ^(b)	Executive Share Award Scheme	Executive Share Option Scheme	Incentive Share Option Plan ^(c)	Sharesave				
Executive									
MW Barrett	277,656	245,949	766,628	2,852,000	2,479	4,144,712	2,016	3,585	1,569
CJ Lendrum	224,456	100,532	–	576,000	2,714	903,702	1,323	2,062	739
JS Varley	303,735	139,838	–	600,000	4,096	1,047,669	1,778	2,678	900

Notes

- (a) The register of Directors' interests, which shows full details of Directors' current share awards and options, is available for public inspection at the Group's Head office in London.
- (b) The number shown includes shares held under the Profit Sharing Scheme and the Share Incentive Plan.
- (c) The number of shares shown represent the target award shares under option, or the actual number of shares under option if the award has vested.
- (d) The value is based on the share price as at 31st December 2002. The notional value of shares under option under the Incentive Share Option Plan (ISOP), Executive Share Option Scheme (ESOS) and Sharesave have been set at zero where the market price at 31st December 2002 is lower than the exercise price per share.
- (e) The value is based on the share price as at 31st December 2003. The notional value of shares under option under ISOP, ESOS and Sharesave have been set at zero where the market price at 31st December 2003 is lower than the exercise price per share.

Market price per share at 31st December 2003 was 498p. The highest and lowest market prices per share during the year were 527p and 311p respectively.

Under the Executive Share Award Scheme (ESAS), ISOP and ESOS, nothing was paid by these participants on the grant of options.

Corporate Governance

Barclays Report on Remuneration

Executive Directors: shares provisionally allocated and shares under option under Executive Share Award Scheme (ESAS)^(a)

	Number at 1st January 2003	During 2003			Number at 31st December 2003	Nil cost option granted at 3rd anniversary ^(c)	Date from which exercisable	Latest expiry date	Awarded in 2004 in respect of the results for 2003 ^(d)
		Awarded in respect of the results for 2002	Released ^(b)	Market price at release date £					
Executive									
MW Barrett	185,724	60,225	–	–	245,949	66,932	21/2/03	20/2/05	169,327
CJ Lendrum	91,164	17,520	8,152	3.80	100,532	37,060	26/2/02	20/2/05	–
JS Varley	195,704	23,214	79,080	3.80	139,838	62,304	26/2/02	20/2/05	37,493
Former Director									
JM Stewart ^(e)	25,940	–	–	–	25,940	–	–	–	–

Notes

- (a) The size of any award under ESAS is subject to the same Group and individual performance criteria as the annual bonus. Awards under ESAS are granted in the form of provisional allocations over Barclays PLC ordinary shares, which do not give rise to any entitlement to these shares. Normally, the trustees will permit the executive to call for the shares from the end of the third year from grant of an award by granting a right to acquire shares (a nil cost option) exercisable for two years. As this nil cost option is part of the structure of an ESAS award described above, which is a deferred share award scheme, it would not be appropriate to attach a performance condition to the exercise of options. If the right is not exercised, the trustees may at the end of the fifth year release all of the shares, including bonus shares equal to 30% of the basic award. If the right is exercised, an executive may lose the opportunity of receiving one-third of the bonus shares. The number of shares shown in the table includes the bonus shares.
- (b) The trustees may release additional shares to participants which represent accumulated net dividends in respect of shares under award. During 2003, the trustees released the following accumulated dividend shares – 1,456 to Chris Lendrum and 14,121 to John Varley. These are not awarded as part of the original award and consequently are not included in the Released column.
- (c) The shares under option shown in this column are already included in the numbers shown at 1st January 2003 and relate to provisional allocations made in 1999 and 2000 except that the figures do not include accumulated dividend shares under option as follows: 4,779 shares for Matthew Barrett, 2,636 shares for Chris Lendrum and 4,426 shares for John Varley. Under ESAS, a participant pays £1 to exercise an option, irrespective of the number of shares involved. No options were either exercised or lapsed during the year.
- (d) The awards in respect of 2003 were made in February 2004. The shares awarded represent shares purchased by the trustees after 16th February 2004 at £4.91 in respect of a recommendation by the Company for an award, including a maximum potential 30% bonus shares, of £831,395 to Matthew Barrett and £184,092 to John Varley.
- (e) John Stewart ceased to be a Director with effect from 27th February 2003.

Executive Directors: shares under option under Incentive Share Option Plan (ISOP)^{(a)(b)(f)}

	Number held as at 1st January 2003		During the year ^(c)				Number held as at 31st December 2003		Shares due to vest in 2004 ^(d)	Exercise price per share £	Date from which exercisable	Expiry date
	Target Award Shares 000	Maximum number over which potentially exercisable 000	Granted		Lapsed		Target Award Shares 000	Maximum number over which potentially exercisable 000				
			Target Award Shares 000	Maximum number over which potentially exercisable 000	Target Award Shares 000	Maximum number over which potentially exercisable 000						
MW Barrett												
2002												
EP	40	80	–	–	–	–	40	80	–	5.20	20/03/05	19/03/12
TSR	1,960	7,840	–	–	–	–	1,960	7,840	–	5.20	20/03/05	19/03/12
2001												
EP	40	80	–	–	–	–	40	80	20	5.34	12/03/04	11/03/11
TSR	300	1,200	–	–	–	–	300	1,200	300	5.34	12/03/04	11/03/11
2000												
EP	40	80	–	–	–	–	–	80	–	3.90	18/05/03	17/05/10
TSR	216	864	–	–	–	432	–	432	–	3.90	18/05/03	17/05/10
CJ Lendrum												
2003												
EP	–	–	40	80	–	–	40	80	–	3.26	14/3/06	13/3/13
TSR	–	–	80	320	–	–	80	320	–	3.26	14/3/06	13/3/13
2002												
EP	40	80	–	–	–	–	40	80	–	5.20	20/03/05	19/03/12
TSR	80	320	–	–	–	–	80	320	–	5.20	20/03/05	19/03/12
2001												
EP	40	80	–	–	–	–	40	80	20	5.34	12/03/04	11/03/11
TSR	80	320	–	–	–	–	80	320	80	5.34	12/03/04	11/03/11
2000												
EP	40	80	–	–	–	–	–	80	–	3.90	18/05/03	17/05/10
TSR	68	272	–	–	–	136	–	136	–	3.90	18/05/03	17/05/10
JS Varley												
2003												
EP	–	–	40	80	–	–	40	80	–	3.26	14/3/06	13/3/13
TSR	–	–	80	320	–	–	80	320	–	3.26	14/3/06	13/3/13
2002												
EP	40	80	–	–	–	–	40	80	–	5.20	20/03/05	19/03/12
TSR	80	320	–	–	–	–	80	320	–	5.20	20/03/05	19/03/12
2001												
EP	40	80	–	–	–	–	40	80	20	5.34	12/03/04	11/03/11
TSR	80	320	–	–	–	–	80	320	80	5.34	12/03/04	11/03/11
2000												
EP	40	80	–	–	–	–	–	80	–	3.90	18/05/03	17/05/10
TSR	80	320	–	–	–	160	–	160	–	3.90	18/05/03	17/05/10
Former Director												
JM Stewart^(e)												
2002												
EP	40	80	–	–	–	–	40	80	–	5.20	20/03/05	19/03/12
TSR	80	320	–	–	–	–	80	320	–	5.20	20/03/05	19/03/12
2001												
EP	40	80	–	–	–	–	40	80	20	5.34	12/03/04	11/03/11
TSR	80	320	–	–	–	–	80	320	80	5.34	12/03/04	11/03/11

Notes

- (a) The Register of Directors' interests, which shows full details of Directors' current share awards and options, is available for inspection at the Group's Head office in London.
- (b) For details of the performance targets which must be satisfied for options to become exercisable and the extent to which options will become exercisable see pages 24 and 25.
- (c) As there were no options exercised during the year, the table does not show the market price on the exercise date.
- (d) The 2001 grant is due to vest on 12th March 2004. The number of shares due to vest represents the number over which an option may be exercised after the third anniversary from grant, as determined by the Committee in respect of the performance conditions attached to the options originally set at the time of the grant of the option. The shares under option that are not due to vest will lapse. The result of the economic profit performance against the target has resulted in half the Target Award vesting. The result of the relative TSR performance target against the comparator group of companies placed Barclays in 4th position for the 2001 to 2003 performance period with a vesting multiplier of one times the Target Award.
- (e) John Stewart ceased to be a Director with effect from 27th February 2003.
- (f) Market price per share at 31st December 2003 was 498p. The highest and lowest market prices per share during the year were 527p and 311p respectively.

Corporate Governance

Barclays Report on Remuneration

Executive Directors: shares under option under Sharesave^{(a)(b)}

	Number held at 1st January 2003	During 2003		Number at 31st December 2003	Information as at 31st December 2003				
		Granted	Exercised		Exercise price per share £	Weighted average exercise price £	Market price on date of exercise £	Date from which exercisable	Latest expiry date
Executive									
MW Barrett	3,064	2,479	3,064	2,479	3.16	3.73	4.97	01/11/06	30/04/07
CJ Lendrum	6,626	–	3,912	2,714	1.99	3.50	4.97	01/11/05	30/04/06
JS Varley	4,096	–	–	4,096	–	4.11	–	01/11/06	30/04/07
Former Director									
JM Stewart ^(c)	5,588	–	5,588	–	3.08	–	4.38		

Notes


- (a) The Register of Directors' interests, which shows full details of Directors' current share awards and options, is available for inspection at the Group's Head office in London.
- (b) Please see page 25 for details of the Sharesave scheme. No options lapsed during the year.
- (c) John Stewart was previously awarded an option over Woolwich plc shares. This option was rolled over into an option over Barclays PLC shares in accordance with the scheme of arrangement for the acquisition of Woolwich plc. These figures represent options held under the Woolwich plc Sharesave Scheme. Mr Stewart ceased to be a Director with effect from 27th February 2003.

Directors: closed Group incentive schemes (Executive Share Option Scheme (ESOS) and Woolwich Executive Share Option Plan (ESOP))

In addition, executive Directors continue to have interests under the ESOS and Woolwich plc 1998 ESOP schemes (as indicated in the table below). No further awards will be made under these schemes. Under the ESOS, options granted (at market value) to executives were exercisable only if the growth in earnings per share of the Company over a three-year period was, at least, equal to the percentage increase in the UK Retail Prices Index plus 6%, over the same period. The performance target for the 1999 ESOS grant was met.

Under the ESOP, options originally granted over Woolwich plc shares at market value were exercised in 2001 or exchanged, in accordance with the proposals made under the Offer to acquire the Woolwich, for options over Barclays PLC shares. Under the rules of ESOP, the performance conditions attached to the exercise of options were disappplied on acquisition of Woolwich plc by Barclays.

Directors: awards under closed Group incentive schemes^(a)

	Number at 1st January 2003	During the year ^(b)		Number at 31st December 2003 ^(c)	Exercise price per share £	Market price on exercise date £	Weighted average exercise price	Date from which exercisable	Latest expiry date
		Exercised	Lapsed						
 Executive MW Barrett ^(d) ESOS	766,628	–	–	766,628	–	–	4.43	04/10/02	03/10/09
Former Director JM Stewart ^(e) Woolwich ESOP ^(f)	396,516	–	–	396,516	–	–	3.65	14/12/02	06/02/04

Notes

- (a) The register of Directors' interests, which shows full details of Directors' current share awards and options, is available for public inspection at the Group's Head office in London.
- (b) No options were granted under these plans.
- (c) Or on cessation of employment if earlier.
- (d) The independent trustee of the Barclays Group (PSP and ESOS) employees' benefit trust granted Matthew Barrett a share award in 1999 comprising an option on similar terms to options granted under ESOS. For convenience these are described as granted under ESOS in the above table.
- (e) John Stewart ceased to be a Director with effect from 27th February 2003. After ceasing to be a Director, he remained an employee of Barclays until 7th August 2003.
- (f) Under The Woolwich ESOP, John Stewart held an option over Woolwich plc shares. This was rolled over into a new option over Barclays PLC shares under the terms of The Woolwich ESOP in accordance with proposals offered to all Woolwich employees participating in The Woolwich ESOP following the acquisition of Woolwich plc.

Corporate Governance

Barclays Report on Remuneration

Directors: interests in ordinary shares of Barclays PLC^(a)

	At 1st January 2003 ^(b)		At 31st December 2003	
	Beneficial	Non-beneficial	Beneficial	Non-beneficial
Chairman				
Sir Peter Middleton	163,748	6,000	163,748	6,000
Executive				
MW Barrett	263,384	–	277,656	–
CJ Lendrum ^(c)	202,860	–	224,456	–
JS Varley ^(c)	247,448	–	303,735	–
Non-executive				
TDG Arculus	11,391	–	14,289	–
Sir Richard Broadbent ^(d)	–	–	2,000	–
HM Cropper	9,703	–	12,886	–
Professor Dame Sandra Dawson ^(e)	–	–	2,808	–
Sir Brian Jenkins	3,576	105,200	5,138	105,200
Sir Nigel Rudd	8,604	–	11,427	–
SG Russell	7,125	–	10,609	–
Dr Jürgen Zech	2,500	–	5,195	–

Notes

- (a) Beneficial interests in the table above represent shares held by Directors who were on the Board as at 31st December 2003, either directly or through a nominee, their spouse and children under 18. They include any interests held through the 1991 UK Profit Sharing Schemes (PSS) and the Share Incentive Plan, but do not include any awards under ESAS, ISOP, PSP, ESOS, Sharesave schemes or under the Woolwich Sharesave or the Woolwich plc 2000 Sharesave Scheme (together The Woolwich Sharesave scheme), or the ESOP. At 31st December 2003, Sir Peter Middleton and the executive Directors, together with other senior executives, were potential beneficiaries in respect of a total of 82,797,943 Barclays PLC ordinary shares (1st January 2003: 70,656,045) held by the trustees of the Barclays Group Employees' Benefit Trusts. At 11th February 2004, a total of 82,797,943 shares were held by the trustees.
- (b) Or date appointed to the Board if later.
- (c) Between 31st December 2003 and 11th February 2004, John Varley and Chris Lendrum each purchased 48 ordinary shares through the Share Incentive Plan.
- (d) Appointed with effect from 1st September 2003.
- (e) Appointed with effect from 1st March 2003.