

Corporate governance

Barclays report on remuneration

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

All members of the Committee are independent non-executive Directors. 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 also determines the aggregate level of bonus and incentive funding throughout the Group. This includes setting the framework for reward in Barclays Capital and Barclays Global Investors, and approving their aggregate levels of bonus and incentive expenditure, and strategic investment expenditure on new hires.

The Committee undertakes a periodic review of strategic human resources matters. This includes succession for senior roles below Board level, the longer term availability of talent within the Group, equality and diversity policy and key employee relations issues.

This report details the current components of the remuneration policy and details the remuneration for each person who served as a Director during 2004.

- Executive Directors' bonuses for 2004 reflect very strong corporate performance for the year. Group profit before tax and Group economic profit (EP)¹ are 20% and 32% higher than in 2003.
- The Committee compares Barclays total shareholder return (TSR) with a peer group of eleven other major banks, and also against the FTSE 100 Index. Barclays TSR for 2004 was 23%, which was higher than both the average for the peer group and the FTSE 100 index. 2004 was the first year of a four-year performance cycle, a period during which the primary goal is to deliver top quartile TSR relative to peers. Barclays was ranked first for 2004.
- The main performance condition for executive Directors in the Incentive Share Option Plan (the ISOP) 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 the peer group. The 2001 grant under the ISOP vested in 2004. Barclays was ranked fourth of the twelve banks over the three-year period. This performance was sufficient for 25% of the maximum number of shares under the TSR condition to vest. The other 75% lapsed.
- As shown in the table on page 39, 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 proportion of annual bonus is made up of an award over Barclays shares deferred for a period of at least three years.

The Committee unanimously recommends that you vote to approve this report at the AGM.

Signed on behalf of the Board



Sir Nigel Rudd
Board HR and Remuneration Committee Chairman

Notes

¹ The definition of economic profit (EP) is set out as footnote 1 on page 9.

² Towers Perrin, Mercer Human Resource Consulting and Kepler Associates have given their written consent to the inclusion of references to their names in the form and context in which they appear.

Board HR and Remuneration Committee Members

The Committee comprised the following independent non-executive Directors:

Sir Nigel Rudd, Chairman David Arculus Sir Richard Broadbent ^(a) Sir Brian Jenkins ^(b)

Notes

(a) Sir Richard Broadbent joined the Board on 1st September 2003 and the Committee on 1st April 2004.

(b) Sir Brian Jenkins ceased to be a member of both the Board and the Committee on 1st September 2004.

The Committee members are considered by the Board to be 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 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 to the Committee any potential conflict of interest.

During the year Towers Perrin, Mercer Human Resource Consulting and Kepler Associates² advised the Committee on general remuneration matters. Towers Perrin and Mercer Human Resource Consulting 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 and Barclays Private Clients.

The Chairman of the Board, the Group Chief Executive, the Human Resources Director and, as necessary, members of the Group Executive Committee, also advise the Committee. They are not permitted to participate in discussions or decisions relating to their own remuneration. The Human Resources Director is responsible for providing professional support to line management in HR policy and administration and for monitoring compliance with prescribed policy and programmes across Barclays. The Human Resources Director is not a Board Director, and is not appointed by the Committee.

Our Remuneration Policy

We are committed to using reward to support a high-performance culture. Executive Directors can expect outstanding reward if performance is outstanding and below median reward for below median performance. 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.

Barclays remuneration policy is as follows:

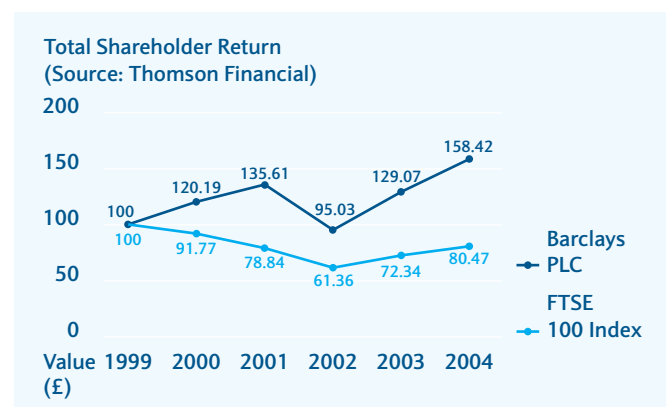
- to incentivise excellence and balance in both short term (one year) and longer term (three year plus) performance such that the primary goal of achieving top quartile TSR is met and sustained;

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- to enable the Group to attract and retain people of proven ability, experience and skills in the pools in which we compete for talent;
- to encourage behaviours which lead to excellence and appropriate balance in: financial performance, governance and controls, customer service, human resource management, brand and reputation management, and risk management;
- to promote attention to maximising personal contribution, contribution to the business in which the individuals work, and contribution to the Group overall; and
- to ensure, both internally and externally, that remuneration policies and programmes are transparent, well communicated, easily understood and serve well the interests of shareholders.

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 1999. The FTSE 100 Index 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 2004, a hypothetical £100 invested in Barclays on 31st December 1999 would have generated a total return of £58, compared with a loss of nearly £20 if invested in the FTSE 100 Index. Barclays therefore significantly outperformed the FTSE 100 Index for this period.



This graph shows the value, by 31st December 2004, of £100 invested in Barclays on 31st December 1999 compared with the value of £100 invested in the FTSE 100 Index. The other points plotted are the values at intervening financial year-ends. TSR above is calculated on a net dividend reinvestment basis.

Note

The Directors' Remuneration Report Regulations 2002 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 comprised:

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

All the executive Directors met a Committee guideline that they should hold the equivalent of 1x their base salary in Barclays shares, including shares held on their behalf in ESAS.

The Committee reviews the elements of the reward package relative to the practice of other comparable organisations. Reward is benchmarked against the markets in which Barclays competes for talent.

This includes benchmarking against other leading international banks and financial services organisations, and other companies of similar size to Barclays in the FTSE 100 Index.

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.

The annual base salaries for the Chairman and the current executive Directors are shown in the table below:

	As at 1st Jan 2004	As at 1st Jan 2005
MW Barrett	£1,100,000	£650,000
JS Varley ^(a)	£700,000	£850,000
RJ Davis	£500,000	£500,000
GA Hoffman	£500,000	£500,000
N Kheraj	£500,000	£500,000
DL Roberts	£500,000	£500,000

Note

(a) John Varley's base salary increased from £700,000 to £850,000 on 1st September 2004.

Annual Bonus Including Executive Share Award Scheme (ESAS)

The 2004 annual bonuses for executive Directors were linked to Group EP performance and individual performance. Group EP was more than 30% above the level for 2003, which contributed to bonuses being paid towards the top end of the range for 2004. For 2004, the maximum bonus opportunity for outstanding performance was 187.5% of base salary in cash and a further 62.5% in deferred shares. Cash bonuses for current executive Directors for 2004 performance were 154% of base salary as at 31st December 2004 for Mr Varley, and between 150% and 187.5% of base salary for the other current Directors.

The shares element of the annual bonus referred to above must be held for at least three years and is subject to potential forfeit if the individual resigns and commences employment with a competitor business.

Matthew W Barrett's bonus for 2004 takes account of his former role as Group Chief Executive up to and including 31st August 2004. Mr Barrett is not eligible for a bonus for the performance year starting 1st January 2005.

Incentive Share Option Plan (ISOP)

The ISOP is designed to provide the opportunity for executive Directors and senior managers 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. For the 2000, 2001, 2002 and 2003 ISOP grants, the performance metrics were TSR and EP growth. The measure of performance used for the 2004 grant was TSR, which is a good measure of the value created for shareholders. The awards are also subject to an underlying financial health condition, that EP for the relevant period is more than for the previous three-year period.

The Committee agrees a level of ISOP award for each executive Director, taking account of market practice for comparable positions and performance. The maximum annual target award under the ISOP is 200% of remuneration; however, target awards granted to Directors in 2004 were well below this level at 70% to 82% of base salary. Mr Barrett did not receive a grant of ISOP in 2004, and will not be eligible for awards of this kind as Chairman.

A proposed new long-term incentive plan has been submitted to shareholders for approval at the AGM on 28th April 2005. Details of the new Plan are included in the Notice of Meeting which has been posted to shareholders with their Report. It can be accessed via the Company's website at www.investorrelations.barclays.co.uk. Awards made in 2004 were made under the existing ISOP Plan.

ISOP Total Shareholder Return, Performance Condition

A proportion of the shares under option are subject to a challenging performance condition based on TSR measured against a financial services peer group approved by the Committee. This peer group comprises eleven other leading UK and international financial institutions that have been chosen to reflect Barclays business mix. For the performance period 2004 to 2006, the peer group is ABN Amro, BBVA, BNP Paribas, Citigroup, Deutsche Bank, HBOS, HSBC, Lloyds TSB, Royal Bank of Scotland, JP Morgan Chase and UBS.

Performance achieved in the TSR ranking scale out of 12 financial institutions including Barclays	Number of shares under option that become exercisable
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

If Barclays is ranked below sixth after three years, the performance condition requires 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. For ISOP, TSR is calculated on a net dividend reinvestment basis. The re-test provision will not be included in the new Performance Share Plan for which we are seeking shareholder approval at the 2005 AGM in April.

Note

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 2001 grant of ISOP, which vested during 2004, Barclays relative TSR performance ranking was fourth, which provided a vesting of 1x target award. Therefore, 75% of the options granted under the TSR condition, which 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 the 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 2004 grant, the discount was 20% of the market value at the time the option was granted.

Sharepurchase (previously named Share Incentive Plan)

Sharepurchase 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 £1,500 worth of Barclays PLC ordinary shares per tax year, 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.

Employee Benefits Trust (EBT)

The shares provided to employees in the ESAS are held in an EBT. The trustees of the Barclays EBT have informed Barclays that their normal policy is to abstain in any shareholder voting, in respect of the Barclays shares held in trust.

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. Pensionable pay comprises base salary only. Matthew W Barrett is not a member of the Group's main pension schemes. A notional fund has accrued on his behalf outside the pension scheme (see page 32 for further details).

John Varley is a member of a closed non-contributory pension scheme and his contract provides for a pension of 60% of pensionable salary without reduction for early retirement if he retires at age 55 with 28 years of service and two-thirds of pensionable salary at age 60 with 33 years of service.

Service Contracts

The Group has service contracts with its Chairman, executive Directors and senior executives. The effective dates of the contracts for the Chairman and executive Directors who served during 2004 are shown in the table on page 30. 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 60. 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 plan rules.

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Directors ^(a)	Effective date of contract	Notice period	Normal retirement date	Potential compensation for loss of office
MW Barrett ^(b)	1st Sep 2004	1 year	n/a	1 year's contractual remuneration
JS Varley	1st Sep 2004	1 year	31st Mar 2016	"
RJ Davis	1st Jan 2004	1 year	3rd Jun 2016	"
GA Hoffman	1st Jan 2004	1 year	20th Oct 2020	"
N Kheraj	1st Jan 2004	1 year	14th Jul 2024	"
DL Roberts	1st Jan 2004	1 year	11th Sep 2022	"
Former Directors				
Sir Peter Middleton ^(c)				
	1st May 1999	1 year	n/a	–
CJ Lendrum	15th Jun 1992	1 year	n/a	–

Notes

(a) Details of executive Directors standing for re-election at the 2005 AGM are set out on page 19.

(b) There is no formal retirement date under Mr Barrett's contract.

(c) Sir Peter Middleton's service contract did not provide for a retirement date.

Barclays Capital and Barclays Global Investors

The Committee has established frameworks for the governance and control of compensation in these businesses. Ranges have been set for key financial and compensation ratios such as operating costs to net revenue, compensation to pre-compensation Profit Before Tax and bonus expenditure as a percentage of pre-bonus profits. The Committee approves aggregate bonus and long-term incentive expenditure, and strategic investment on new hires, in these businesses, taking account of these agreed ratios. The Committee also approves individual compensation for the members of the management teams in these businesses.

Non-executive Directors

The Board determines the fees of non-executive Directors, which are reviewed annually.

The basic fee for a non-Executive Director is £50,000 p.a. with an additional £15,000 p.a. paid to members of the following committees: Board Audit, Board Risk, Board HR and Remuneration, and Board Corporate Governance and Nominations. The Chairmen of the Board Risk and the Board Audit Committees receive £25,000 p.a.. As Senior Independent Director, Sir Richard Broadbent receives an additional fee of £25,000 p.a.. As Deputy Chairman, Sir Nigel Rudd receives £150,000 p.a. without any additional fee for chairing the Board HR and Remuneration Committee or membership of the Board Corporate Governance and Nominations Committee. Similarly, as Chairman, Matthew W Barrett receives a salary of £650,000 p.a. from 1st January 2005, without any additional fee for chairing the Board Corporate Governance and Nominations Committee.

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 each Director's basic fee of £50,000 is used to buy shares in the Company. 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 39. Non-executive Directors do not receive awards in share or share option plans for employees, nor do they accrue pension benefits from Barclays for their non-executive services.

Non-executive Directors do not have service contracts. For each non-executive Director, the effective date of their appointment, notice period and the Group's liability in the event of early termination are shown in the table below:

Non-executive Directors	Appointment date	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	"	"
RL Clifford	1st Oct 2004	"	"
Former Directors			
Professor Dame Sandra Dawson	1st Mar 2003	"	"
Sir Andrew Likierman	1st Sep 2004	"	"
Sir Nigel Rudd	1st Feb 1996	"	"
SG Russell	25th Oct 2000	"	"
Dr Jürgen Zech	30th Jul 2002	"	"
Former Directors			
Dame Hilary Cropper	1st Jun 1998	"	–
Sir Brian Jenkins	25th Oct 2000	"	–

Each appointment is for an initial six-year term, renewable for a single term of three years thereafter. Details of non-executive Directors standing for re-election at the 2005 AGM are set out on page 19.

Future Policy

The Committee intends to continue to review the existing remuneration arrangements, as detailed in this Report during 2005 and will seek to ensure that Barclays reward programmes remain competitive and provide appropriate incentive to perform. As usual, there will be individual reviews of base salary, annual bonus (including ESAS) and awards under the long-term incentive plans.

Mr Barrett's base salary from 1st January 2005 has been reduced to £650,000 p.a.. He will not be eligible for any performance bonus in respect of the 2005 performance year. He will also not be eligible for pension accrual or long-term incentive awards. Mr Varley's base salary from 1st September 2004 is £850,000 p.a. reflecting his role as Group Chief Executive from that date.

A proposal has been submitted to shareholders to seek approval for a new long-term incentive plan for Directors and other senior leaders effective from 2005. The new plan is designed to drive outstanding relative TSR performance. It includes performance shares rather than share options. There is no performance condition re-test in the new plan.

Audited Information

As required by Part 3 of Schedule 7A of the Companies Act 1985, the Group's auditors, PricewaterhouseCoopers LLP, have audited the information contained on pages 31 to 38.

2004 Annual Remuneration^{(a)(n)}

	Salary and fees £000	Pay in lieu of notice £000	Benefits ^{(b)(f)} £000	Annual cash bonus £000	2004 Total £000	2003 Total £000	Executive Share Award Scheme ESAS ^(c)	
							2004 £000	2003 £000
Chairman								
MW Barrett ^{(d)(e)}	1,100	–	77	1,650	2,827	3,088	715	831
Executive Directors								
JS Varley ^(e)	750	–	11	1,313	2,074	905	569	184
RJ Davis	500	–	12	825	1,337	–	358	–
GA Hoffman ^(e)	500	–	10	825	1,335	–	358	–
N Kheraj ^{(e)(f)}	500	–	125	938	1,563	–	406	–
DL Roberts	500	–	10	769	1,279	–	333	–
Non-executive Directors^(g)								
TDG Arculus	68	–	–	–	68	58	–	–
Sir Richard Broadbent	83	–	–	–	83	17	–	–
RL Clifford ^(h)	13	–	–	–	13	–	–	–
Professor Dame Sandra Dawson	62	–	–	–	62	44	–	–
Sir Andrew Likierman ⁽ⁱ⁾	26	–	–	–	26	–	–	–
Sir Nigel Rudd	98	–	–	–	98	62	–	–
SG Russell	93	–	–	–	93	77	–	–
Dr Jürgen Zech	62	–	–	–	62	57	–	–
Former Directors								
Sir Peter Middleton ^(j)	550	–	16	–	566	566	–	–
CJ Lendrum ^(k)	425	433	10	900	1,768	868	–	–
Dame Hilary Cropper ^(l)	62	–	–	–	62	57	–	–
Sir Brian Jenkins ^(m)	100	–	–	–	100	144	–	–

Notes

- (a) Emoluments include amounts, if any, payable by Barclays subsidiary undertakings.
- (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, medical insurance and tax advice, on similar terms to other senior executives.
- (c) The amounts shown for ESAS represent payments which are expected to be made by the trustee to fund the provisional allocation of shares in 2005, in respect of 2004 performance, including a maximum potential 30% bonus share element, which is added to the award in two parts: 20% after three years, 10% after five years.
- (d) Matthew W Barrett's remuneration reflects his role as Group Chief Executive up to and including 31st August 2004.
- (e) Matthew W Barrett is a member of the Advisory Committee, Federal Reserve Bank of New York, and receives no fee in respect of this position. John Varley is a Director of Ascot Authority (Holdings) Limited and British Grolux Investments Limited, for which he receives fees of £24,565 and £6,000 respectively. Gary Hoffman is a Director of Visa (Europe) Limited, for which he receives no fee. Naguib Kheraj is a member of the Board of Governors of the Institute of Ismaili Studies, for which he receives no fee.
- (f) Benefits for Naguib Kheraj included a cash allowance of 23% of base salary (£115,000) in lieu of pension contributions.
- (g) Fees to non-executive Directors included an amount of not less than £20,000 per annum which, after tax, is used to buy Barclays PLC ordinary shares for each non-executive Director.
- (h) Richard Leigh Clifford was appointed as a non-executive Director on 1st October 2004.
- (i) Sir Andrew Likierman was appointed as a non-executive Director on 1st September 2004.
- (j) Sir Peter Middleton ceased to be Chairman with effect from 1st September 2004. However, his notice period ended on 31st December 2004 and he therefore received remuneration until that date. He received pension payments through the Barclays Bank UK Retirement Fund for 2004 of £74,000 (2003: £73,000). Details of the payment are not included in the table above since this is a pension in payment relating to his Barclays service prior to becoming Chairman.
- (k) Chris Lendrum ceased to be a Director on 31st December 2004. He received a payment in lieu of remuneration in the form of a pension contribution for the balance of his 12-month contractual notice period ending 24th June 2005, less £43,000 for services to Barclays to be undertaken in the period between 1st January and 24th June 2005. These services include Chairmanship of the Barclays Bank UK Retirement Fund.
- (l) Dame Hilary Cropper died on 26th December 2004.
- (m) Sir Brian Jenkins ceased to be a Director on 1st September 2004.
- (n) For those Directors who were appointed during the year and for those who ceased to be Directors during the year the remuneration shown relates to the period for which they were Directors.

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

	Age at 31st December 2004	Years of service	Accrued pension at 31st December 2003 £000	Pension accrued during 2004 (including increase for inflation) £000 ^(a)	Accrued pension at 31st December 2004 £000	Transfer value of accrued pension at 31st December 2003 £000	Transfer value of accrued pension at 31st December 2004 £000	Increase in transfer value during the year £000	Other contributions made in 2004 £000
Chairman									
MW Barrett ^(b)	60	5	–	–	–	–	–	–	990
Executive Directors									
JS Varley ^(c)	48	22	181	126	307	2,177	4,705	2,528	–
RJ Davis ^(f)	48	7	–	–	–	–	–	–	115
GA Hoffman ^(c)	44	22	140	45	185	1,410	1,488	78	–
N Kheraj ^(g)	40	7	–	–	–	–	–	–	–
DL Roberts ^(c)	42	21	133	44	177	1,250	1,295	45	–
Former Director									
CJ Lendrum ^(e)	57	35	257	14	271	4,069	4,639	570	433

Notes

- (a) Pension accrued during the year represents the increase in accrued pension (including inflation at the prescribed rate of 3.1%) 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 W Barrett is not a member of the Group's main pension schemes. A notional fund has been accrued 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. Gary Hoffman and David Roberts are members of the closed non-contributory pension scheme with benefits of 1/60th of final pensionable salary per year of service. Their Normal Retirement Age is 60. John Varley is also a member of the closed non-contributory pension scheme and he is entitled to a pension of 60% of pensionable salary without reduction for early retirement if he retires from age 55 and two-thirds of pensionable salary at age 60.
- (d) The accrued pension amounts at the end of the year for Mr Hoffman, Mr Roberts and Mr Varley are the values if the Director left service on that date.
- (e) Chris Lendrum ceased to be a Director on 31st December 2004. The accrued pension was the value at this date. He accrued benefits in the closed non-contributory Pension Scheme.
- (f) Roger Davis is a member of the Group hybrid scheme. He receives a money purchase contribution of 23% of his salary to this arrangement.
- (g) Naguib Kheraj received a cash allowance of 23% of salary, in lieu of pension contributions.
- (h) 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.
- (i) The tax simplification in the Finance Act 2004 will introduce new maximum limits on tax-approved pension benefits. The Committee's policy is not to increase executive Directors' benefits to mitigate changes in tax treatment.

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

	Number at 31st December 2004						Notional value based on share price of £4.98 ^(e) £000	Notional value based on share price of £5.86 ^(f) £000	Change in notional value £000
	Shares owned beneficially ^(b)	Executive Share Award Scheme ^(c)	Executive Share Option Scheme	Incentive Share Option Plan ^(d)	Sharesave	Total			
Chairman									
MW Barrett	289,242	293,460	766,628	2,832,000	2,479	4,183,809	3,880	7,006	3,127
Executive Directors									
JS Varley	338,451	139,695	–	880,000	4,096	1,362,242	2,904	4,041	1,136
RJ Davis	3,156	587,682	–	440,000	2,714	1,033,552	3,185	4,056	870
GA Hoffman	168,240	436,586	–	700,000	6,874	1,311,700	3,475	4,574	1,099
N Kheraj	2,238	868,622	60,000	480,000	10,319	1,421,179	4,655	5,863	1,207
DL Roberts	67,368	288,717	–	480,000	4,483	840,568	2,018	2,710	692
Former Director									
CJ Lendrum ^(g)	239,373	81,712	–	340,000	2,714	663,799	1,809	2,331	522

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 Sharepurchase.
- (c) Executive Share Award Scheme includes the maximum potential 30% bonus share element, which is added to the award in two parts: 20% after three years, 10% after five years.
- (d) 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.
- (e) The value is based on the share price as at 31st December 2003. In the case of share options, the value is the 'in-the-money' value. 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 2003 is lower than the exercise price per share.
- (f) The value is based on the share price as at 31st December 2004. In the case of share options, the value is the 'in-the-money' value. The notional value of shares under option under ISOP, ESOS and Sharesave have been set at zero where the market price at 31st December 2004 is lower than the exercise price per share.
- (g) Chris Lendrum ceased to be a Director on 31st December 2004.

Market price per share at 31st December 2004 was 586p. The highest and lowest market prices per share during the year were 586p and 443p respectively. Under the Executive Share Award Scheme (ESAS), ISOP and ESOS, nothing was paid by these participants on the grant of options.

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

	Number at 1st January 2004	During 2004					Number at 31st December 2004	
		Awarded in respect of the results for 2003	Released ^(b)	Market price at release date £	Exercised ^(c)	Market price at exercise date £		Bonus shares lapsed
Chairman								
MW Barrett	245,949	169,327	–	–	66,932 45,516	4.92 4.75	5,576 3,792	293,460
Executive Directors								
JS Varley	139,838	37,493	37,636	4.87	–	–	–	139,695
RJ Davis ^(d)	587,682	–	–	–	–	–	–	587,682
GA Hoffman ^(d)	309,414	–	9,412	4.87	–	–	–	300,002
N Kheraj ^(d)	868,622	–	–	–	–	–	–	868,622
DL Roberts ^(d)	294,665	–	5,948	4.87	–	–	–	288,717
Former Director								
CJ Lendrum	100,532	–	18,820	4.87	–	–	–	81,712

	Nil cost option granted at 3rd anniversary ^(e)	Nil cost option held under voluntary ESAS ^(f)	Date from which exercisable	Latest expiry date	Awarded in 2005 in respect of the results for 2004 ^(g)
Chairman					
MW Barrett	–	–	–	–	120,982
Executive Directors					
JS Varley	46,304	–	25/02/03	23/02/06	96,235
RJ Davis	225,052	–	25/02/03	23/02/06	60,490
GA Hoffman	29,418	136,584	26/02/99	04/03/14	60,490
N Kheraj	–	–	–	–	68,739
DL Roberts	18,368	–	25/02/03	23/02/06	56,367
Former Director					
CJ Lendrum	38,432	–	25/02/03	28/02/06	–

Notes

- (a) ESAS is a deferred share award plan in which awards are initially granted in the form of a provisional allocation and do not give rise to any entitlement to the shares. These awards were granted in the years 2000 to 2004, and include mandatory bonus deferrals. For mandatory bonus deferrals under ESAS, the size of any award is subject to the same Group and individual performance criteria as the annual bonus. 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 plan, 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 where applicable.
- (b) The trustees may release additional shares to participants which represent accumulated net dividends in respect of shares under award. During 2004, the trustees released the following accumulated dividend shares – 5,994 to John Varley, 1,501 to Gary Hoffman, 945 to David Roberts and 2,997 to Chris Lendrum. These are not awarded as part of the original award and consequently are not included in the Released column.
- (c) The trustees may release additional shares to participants which represent accumulated net dividends in respect of shares under award. During 2004, the trustees released the following accumulated dividend shares – 13,996 to Matthew W Barrett. These are not included as part of the original award and consequently are not included in the Exercised column.
- (d) The number shown on 1st January 2004 includes those shares provisionally allocated in respect of performance for 2003, for those individuals who were not Directors in 2003.
- (e) The shares under option shown in this column are already included in the numbers shown at 1st January 2004 and relate to provisional allocations made in 2000 and 2001 except that the figures do not include accumulated dividend shares under option as follows: 3,740 shares for John Varley, 18,363 shares for Roger Davis, 2,550 shares for Gary Hoffman, 1,516 shares for David Roberts and 3,182 for Chris Lendrum. Under ESAS, a participant pays £1 to exercise an option, irrespective of the number of shares involved.
- (f) The shares under option in this column are not included in the numbers shown at 1st January 2004. Voluntary ESAS is an additional award under ESAS following a Director requesting that part of the cash bonus to which he would otherwise become entitled be waived, and is granted as a right to acquire shares which will become fully exercisable after five years.
- (g) The awards in respect of 2004 were made in February 2005. The shares awarded represent shares purchased by the trustees after 10th February 2005 at £5.91 in respect of a recommendation by the Company for an award, including a maximum potential 30% bonus shares, of £715,000 to Matthew W Barrett, £357,500 to Roger Davis, £357,500 to Gary Hoffman, £406,250 to Naguib Kheraj, £333,125 to David Roberts and £568,750 to John Varley.

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

	Number held as at 1st January 2004		During the year						Number held as at 31st December 2004		Shares due to vest in 2005 ^(b)	Exercise price per share £	Date from which exercisable	Expiry date
			Granted		Exercised		Lapsed							
	Target Award Shares 000	Maximum number over which potentially exercisable 000	Target Award Shares 000	Maximum number over which potentially exercisable 000	Number of shares exercised 000	Market price at exercise date £	Target Award Shares 000	Maximum number over which potentially exercisable 000	Target Award Shares 000	Maximum number over which potentially exercisable 000				
Chairman														
MW Barrett														
2002														
EP	40	80	–	–	–	–	–	–	40	80	40	5.20	20/03/05	19/03/12
TSR	1,960	7,840	–	–	–	–	–	–	1,960	7,840	1,960	5.20	20/03/05	19/03/12
2001														
EP	40	80	–	–	–	–	20	60	–	20	–	5.34	12/03/04	11/03/11
TSR	300	1,200	–	–	–	–	–	900	–	300	–	5.34	12/03/04	11/03/11
2000														
EP	–	80	–	–	–	–	–	–	–	80	–	3.90	18/05/03	17/05/10
TSR	–	432	–	–	–	–	–	–	–	432	–	3.90	18/05/03	17/05/10
Executive Directors														
JS Varley														
2004														
TSR	–	–	300	1,200	–	–	–	–	300	1,200	–	4.80	23/03/07	22/03/14
2003														
EP	40	80	–	–	–	–	–	–	40	80	–	3.26	14/03/06	13/03/13
TSR	80	320	–	–	–	–	–	–	80	320	–	3.26	14/03/06	13/03/13
2002														
EP	40	80	–	–	–	–	–	–	40	80	40	5.20	20/03/05	19/03/12
TSR	80	320	–	–	–	–	–	–	80	320	80	5.20	20/03/05	19/03/12
2001														
EP	40	80	–	–	–	–	20	60	–	20	–	5.34	12/03/04	11/03/11
TSR	80	320	–	–	–	–	–	240	–	80	–	5.34	12/03/04	11/03/11
2000														
EP	–	80	–	–	–	–	–	–	–	80	–	3.90	18/05/03	17/05/10
TSR	–	160	–	–	–	–	–	–	–	160	–	3.90	18/05/03	17/05/10
RJ Davis														
2004														
TSR	–	–	180	720	–	–	–	–	180	720	–	4.80	23/03/07	22/03/14
2003														
EP	40	80	–	–	–	–	–	–	40	80	–	3.26	14/03/06	13/03/13
TSR	80	320	–	–	–	–	–	–	80	320	–	3.26	14/03/06	13/03/13
2002														
EP	40	80	–	–	–	–	–	–	40	80	40	5.20	20/03/05	19/03/12
TSR	40	160	–	–	–	–	–	–	40	160	40	5.20	20/03/05	19/03/12
2001														
EP	40	80	–	–	–	–	20	60	–	20	–	5.34	12/03/04	11/03/11
TSR	40	160	–	–	–	–	–	120	–	40	–	5.34	12/03/04	11/03/11
GA Hoffman														
2004														
TSR	–	–	180	720	–	–	–	–	180	720	–	4.80	23/03/07	22/03/14
2003														
EP	40	80	–	–	–	–	–	–	40	80	–	3.26	14/03/06	13/03/13
TSR	80	320	–	–	–	–	–	–	80	320	–	3.26	14/03/06	13/03/13
2002														
EP	40	80	–	–	–	–	–	–	40	80	40	5.20	20/03/05	19/03/12
TSR	80	320	–	–	–	–	–	–	80	320	80	5.20	20/03/05	19/03/12
2001														
EP	40	80	–	–	–	–	20	60	–	20	–	5.34	12/03/04	11/03/11
TSR	60	240	–	–	–	–	–	180	–	60	–	5.34	12/03/04	11/03/11
2000														
EP	–	80	–	–	–	–	–	–	–	80	–	3.90	18/05/03	17/05/10
TSR	–	120	–	–	–	–	–	–	–	120	–	3.90	18/05/03	17/05/10

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

	Number held as at 1st January 2004		During the year						Number held as at 31st December 2004		Shares due to vest in 2005 ^(b)	Exercise price per share £	Date from which exercisable	Expiry date	
			Granted		Exercised		Lapsed								
	Target Award Shares 000	Maximum number over which potentially exercisable 000	Target Award Shares 000	Maximum number over which potentially exercisable 000	Number of shares exercised 000	Market price at exercise date £	Target Award Shares 000	Maximum number over which potentially exercisable 000	Target Award Shares 000	Maximum number over which potentially exercisable 000					
N Kheraj															
2004															
TSR	–	–	200	800	–	–	–	–	200	800	–	4.80	23/03/07	22/03/14	
2003															
EP	40	80	–	–	–	–	–	–	40	80	–	3.26	14/03/06	13/03/13	
TSR	80	320	–	–	–	–	–	–	80	320	–	3.26	14/03/06	13/03/13	
2002															
EP	40	80	–	–	–	–	–	–	40	80	40	5.20	20/03/05	19/03/12	
TSR	60	240	–	–	–	–	–	–	60	240	60	5.20	20/03/05	19/03/12	
2001															
EP	40	80	–	–	–	–	20	60	–	20	–	5.34	12/03/04	11/03/11	
TSR	40	160	–	–	–	–	–	120	–	40	–	5.34	12/03/04	11/03/11	
DL Roberts															
2004															
TSR	–	–	180	720	–	–	–	–	180	720	–	4.80	23/03/07	22/03/14	
2003															
EP	40	80	–	–	–	–	–	–	40	80	–	3.26	14/03/06	13/03/13	
TSR	80	320	–	–	–	–	–	–	80	320	–	3.26	14/03/06	13/03/13	
2002															
EP	40	80	–	–	–	–	–	–	40	80	40	5.20	20/03/05	19/03/12	
TSR	80	320	–	–	–	–	–	–	80	320	80	5.20	20/03/05	19/03/12	
2001															
EP	40	80	–	–	–	–	20	60	–	20	–	5.34	12/03/04	11/03/11	
TSR	40	160	–	–	–	–	–	120	–	40	–	5.34	12/03/04	11/03/11	
Former Director CJ Lendrum^(d)															
2003															
EP	40	80	–	–	–	–	–	–	40	80	–	3.26	14/03/06	13/03/13	
TSR	80	320	–	–	–	–	–	–	80	320	–	3.26	14/03/06	13/03/13	
2002															
EP	40	80	–	–	–	–	–	–	40	80	40	5.20	20/03/05	19/03/12	
TSR	80	320	–	–	–	–	–	–	80	320	80	5.20	20/03/05	19/03/12	
2001															
EP	40	80	–	–	–	–	20	60	–	20	–	5.34	12/03/04	11/03/11	
TSR	80	320	–	–	–	–	–	240	–	80	–	5.34	12/03/04	11/03/11	
2000															
EP	–	80	–	–	80	5.15	–	–	–	–	–	3.90	18/05/03	17/05/10	
TSR	–	136	–	–	136	5.15	–	–	–	–	–	3.90	18/05/03	17/05/10	

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) The 2002 grant is due to vest on 20th March 2005. 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 the Target Award vesting. The result of the relative TSR performance target against the comparator group of companies placed Barclays in fourth position for the 2002 to 2004 performance period with a vesting multiplier of one times the Target Award.
- (c) Market price per share at 31st December 2004 was 586p. The highest and lowest market prices per share during the year were 586p and 443p respectively.
- (d) Chris Lendrum ceased to be a Director on 31st December 2004.

Executive Directors: shares under option under Sharesave^(a)

	Number held at 1st January 2004	During 2004		Number at 31st December 2004	Information as at 31st December 2004				
		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	2,479	–	–	2,479	–	3.73	–	01/11/06	30/04/07
Executive Directors									
JS Varley	4,096	–	–	4,096	–	4.11	–	01/11/06	30/04/07
RJ Davis	2,714	–	–	2,714	–	3.50	–	01/11/05	30/04/06
GA Hoffman	5,736	1,138	–	6,874	–	3.76	–	01/11/05	30/04/12
N Kheraj	6,312	4,007	–	10,319	–	3.47	–	01/11/05	30/04/10
DL Roberts	4,626	801	944	4,483	3.56	3.68	5.42	01/11/04	30/04/10
Former Director									
CJ Lendrum ^(b)	2,714	–	–	2,714	–	3.50	–	01/01/05	30/06/05

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) Chris Lendrum ceased to be a Director on 31st December 2004.

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

	Number at 1st January 2004	During the year ^(b)		Number at 31st December 2004	Exercise price per share £	Market price on exercise date £	Weighted average exercise price £	Date from which exercisable	Latest expiry date
		Exercised	Lapsed						
Chairman									
MW Barrett ^(c)									
ESOS	766,628	–	–	766,628	–	–	4.43	04/10/02	03/10/09
Executive Directors									
GA Hoffman									
ESOS	40,000	40,000	–	–	3.47	5.19	3.47	05/09/00	04/09/04
N Kheraj									
ESOS	60,000	–	–	60,000	–	–	3.97	14/08/01	13/08/08

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) The independent trustee of the Barclays Group (ESOS) employees' benefit trust granted Matthew W 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.
- (d) Executive Directors continue to have interests under the ESOS scheme (as indicated in the table above). No further awards will be made under this scheme. 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 Price Index plus 6%, over the same period. The performance target for the 1999 ESOS grant was met.

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

	At 1st January 2004 ^(b)		At 31st December 2004	
	Beneficial	Non-beneficial	Beneficial	Non-beneficial
Chairman				
MW Barrett	277,656	–	289,242	–
Executive Directors				
JS Varley ^(c)	303,735	–	338,451	–
RJ Davis	3,156	–	3,156	–
GA Hoffman ^(c)	126,444	–	168,240	–
N Kheraj	2,238	–	2,238	–
CJ Lendrum ^(d)	224,456	–	239,373	–
DL Roberts ^(c)	62,034	–	67,368	–
Non-executive Directors^(e)				
TDG Arculus	14,289	–	17,428	–
Sir Richard Broadbent	2,000	–	3,992	–
RL Clifford ^(f)	–	–	2,000	–
Professor Dame Sandra Dawson	2,808	–	5,460	–
Sir Andrew Likierman ^(g)	–	–	2,000	–
Sir Nigel Rudd	11,427	–	14,367	–
SG Russell	10,609	–	13,774	–
Dr Jürgen Zech	5,195	–	7,964	–

Notes

- (a) Beneficial interests in the table above represent shares held by Directors who were on the Board as at 31st December 2004, either directly or through a nominee, their spouse or children under 18. They include any interests held through the 1991 UK Profit Sharing Schemes (PSS) and Sharepurchase, but do not include any awards under ESAS, ISOP, PSP, ESOS and Sharesave schemes. At 31st December 2004, Matthew W Barrett and the executive Directors, together with other senior executives, were potential beneficiaries in respect of a total of 115,956,111 Barclays PLC ordinary shares (1st January 2004: 82,797,943) held by the trustees of the Barclays Group Employees' Benefit Trusts. At 28th February 2005, a total of 148,391,046 shares were held by the trustees.
- (b) Or date appointed to the Board if later.
- (c) Between 31st December 2004 and 28th February 2005, 42 ordinary shares were purchased for each of John Varley, Gary Hoffman and David Roberts through Sharepurchase.
- (d) Chris Lendrum ceased to be a Director on 31st December 2004.
- (e) On 10th February 2005 the following non-executive Directors received the amounts of shares set out after their names in respect of part of their Board and (where applicable) Board Committee fees: David Arculus: 1,138; Sir Richard Broadbent: 972; Leigh Clifford: 580; Professor Dame Sandra Dawson: 1,206; Sir Andrew Likierman: 717; Sir Nigel Rudd: 1,137; Stephen Russell: 1,115; Dr Jürgen Zech: 1,085.
- (f) Appointed with effect from 1st October 2004.
- (g) Appointed with effect from 1st September 2004.