Barclays PLC Remuneration Report 2010

barclays.com/investorrelations

BARCLAYS

Remuneration report

Statement from the Chairman of the Board Remuneration Committee

The purpose of this report is to provide more detail on remuneration in aggregate and for senior management.

The Committee's approach

The Committee aims to achieve a balance between delivering market competitive remuneration in order to retain talent, and optimising current and future shareholder returns, including growing the dividend, maintaining capital adequacy and effective risk management.

The Committee has established frameworks for remuneration in each of the businesses and for the Group as a whole. The frameworks are forward looking and are based on financial metrics to assist with the planning and management of remuneration in each of the key businesses. The frameworks incorporate key financial ratios achieved by Barclays and its competitors and are used by the Committee to inform its decision making process. The Committee considers both relative and absolute performance when formulating its decisions.

The Committee takes a strong analytical approach to remuneration that includes comparative financial performance analysis, comparative compensation analysis and tracking trends in compensation ratios (in particular compensation to pre-compensation PBT, and compensation to net revenue). The Committee reviews sensitivity analyses that illustrate the impact of changes in the level of performance awards on the financial and compensation metrics.

The Committee's remuneration decisions are based on a risk-adjusted view of Barclays financial performance. This is a continuous process, with the risk function deeply embedded into the process. The three key stages of the process for assessing performance on a risk-adjusted basis are as follows:

Upfront risk assessment:
- Before business is undertaken, detailed stress-testing and scenario analysis is performed to test the viability of plans on a risk-adjusted basis and to determine risk appetite
- As part of the risk appetite framework, the balance sheet including remuneration outcomes are modelled under 1 in 7 and 1 in 25 stresses to ensure we build our portfolios having considered their performance under stress

Performance monitoring:
- Detailed monitoring of risk exposures against agreed limits ensures business is conducted within the planned appetite
- The Committee receives information on ongoing financial and risk performance, market intelligence and regulatory changes
- The Committee monitors forecast remuneration throughout the year in the context of business performance and with the assistance of the remuneration frameworks

Remuneration outcomes determined:
- The Committee makes final judgments based on financial performance (on advice from the Group Finance Director), risk (on advice from the Board Risk Committee which includes a comprehensive analysis of risk embedded in financial statements and how that has changed over the year), industry context (on advice from the Committee's independent advisor) and regulatory requirements
- After awards have been made, the Committee has the discretion to reduce the vesting of deferred incentives and long term incentive awards (to nil if appropriate) if, in its sole opinion, the financial health of the Group has significantly deteriorated over the vesting period or, for current incentive plans, there has been a material failure of risk management

The Committee's work in 2010

The Committee met 11 times in 2010. Outside of its formal meetings, Committee members also had informal discussions, consulted with the Committee's independent advisor regularly and interacted frequently with management.

In addition to the normal cycle of business, in 2010 the Committee also spent a significant amount of its time on:
- Considering practice in light of new and emerging regulatory guidelines
- Reviewing performance award funding proposals. Given the higher levels of deferral now being implemented, the Committee developed its approach for 2010 to ensure it reviewed proposals both on a "value at award" basis and on an accounting charge basis
- Reviewing the structure of 2010 performance awards and reviewing the new remuneration arrangements that are proposed for executive Directors: the Share Value Plan and the Barclays Long Term Incentive Plan
- Reviewing the 2010 remuneration decisions for executive Directors, Code Staff and other senior executives. Code Staff are the Group's employees whose professional activities could have a material impact on the risk profile of the Group
- Reviewing the remuneration package for the new Chief Executive

The Committee reports to the Board after every meeting and brings specific issues to it. In 2010 Board discussions on remuneration included remuneration strategy for the businesses, compensation ratios and executive Director remuneration, as well as reviewing the Committee's decisions on performance awards.

Financial background to the Committee's work

In making its decisions, the Committee considers Barclays financial performance. The Committee also tracks Barclays performance against a defined group of 12 key competitors' financial performance and compensation ratios throughout the year, both on a Group-wide and business basis.

Barclays overall financial performance in 2010 included:
- Profit before tax of £6,065m (up 32% on 2009)
- Total income of £31,440m (up 8%) and net income of £25,768m (up 22%)
- Impairment of £5,672m (down 30%) giving a loan loss rate of 118bps (2009: 156bps)
- Value of Group 2010 performance awards: £3.4bn, down 7% on 2009
- Improved returns on average shareholders' equity of 7.2% (2009: 6.7%)
- Final dividend of 2.5p per share making 5.5p for the year (an increase of more than 100% over the 2009 dividend of 2.5p)

Key measures of the Group's financial strength:
- Core Tier 1 capital ratio of 10.8% (2009: 10.0%) and Tier 1 capital ratio of 13.5% (2009: 13.0%)
- Group liquidity pool improved by 21% from £127bn in 2009 to £154bn in 2010

Key risk themes:
- Barclays growth in 2010 was disciplined
- Barclays impairment performance was favourable to plan
- Barclays risk profile in 2010 stabilised and improved
- Adherence to control frameworks has generally been good

At a business level:
- Global Retail Banking profit before tax of £1,829m (2009: £1,821m)
- Absa profit before tax of £616m, up 17% (2009: £528m)
- Barclays Capital profit before tax of £4,780m (2009: £2,464m). Excluding own credit, profit before tax of £4,389m, up 2% (2009: £4,284m)
- Barclays Corporate loss before tax of £631m (2009: profit of £157m)
- Barclays Wealth profit before tax of £163m, up 14% (2009: £143m)

Wider background to the Committee's decisions

Our decisions in 2010, as you would expect, are in accordance with regulations that govern financial services remuneration, including the FSA's Remuneration Code and our commitments to the UK Government made under Project Merlin. Our decisions are also influenced by global regulatory factors including Basel, the European Banking Authority and the Financial Stability Board. Barclays is committed to regulatory compliance in every jurisdiction in which we operate but it has to be noted that uneven international implementation of remuneration regulation, which is now a fact in the UK relative to other jurisdictions, places global organizations such as ours at a competitive disadvantage.

The commitments that Barclays made to the UK Government under Project Merlin include commitments on remuneration. These are important and I set out here how we have met those commitments:

– We committed to showing responsibility in pay in 2010 and beyond. Our decisions for 2010 reflect this, and our robust governance processes will ensure this continues for 2011 and beyond
– We committed that aggregate UK bonuses for 2010 would be lower than 2009. We have confirmed to the FSA that this was the case
– We committed to greater shareholder engagement regarding remuneration. We have consulted with our key shareholders and representative bodies during 2010, and we will continue this throughout 2011
– We committed to disclosing the remuneration of the five highest paid senior executive officers (in addition to the executive Directors). These disclosures are shown on page 14. In addition to our commitment to disclosure through Project Merlin, in accordance with the FSA's disclosure rules we have also disclosed in aggregate the 2010 remuneration of our Code Staff. This is also shown on page 14
– The Committee reviewed the remuneration proposals for at least the ten highest paid staff in each of the Group's principal businesses. In practice we review many more than this in each business

Key Committee decisions in 2010 - quantum
The Committee's work in 2010 included reviewing and (except for Absa) approving the proposed 2010 performance awards for each of the Group's businesses:

– Barclays Group - 2010 performance awards down 7% on 2009, with profit before tax up 32%
– Global Retail Banking – 2010 performance awards up 2% on 2009, which was in line with Global Retail Banking's profit performance for 2010
– Absa – 2010 performance awards up 12% on 2009, which was in line with Absa's profit performance for 2010
– Barclays Capital - 2010 performance awards down 12% on 2009, despite profit before tax increasing year on year. Performance awards were reduced for 2010 whilst in our view maintaining them at a level within acceptable commercial limits that permitted the business to reward outperformance appropriately
– Barclays Corporate – 2010 performance awards up 36% on 2009. Performance awards reflected the improvement in profitability of the UK & Ireland business, and the need to maintain a minimum level of performance awards in Continental Europe and investment in senior hires. The Committee will monitor this closely in 2011
– Barclays Wealth – 2010 performance awards up 11% on 2009, less than the increase in profits

Key Committee decisions in 2010 - structure

– For executive Directors, 60% of annual performance incentives is deferred (72% for Bob Diamond). For Code Staff, up to 60% of annual performance incentives is deferred. For both executive Directors and Code Staff, 50% of non-deferred incentives for 2010 is delivered in Barclays shares subject to a six month holding period (100% of non-deferred incentives for Bob Diamond). Executive Directors and Code Staff are also subject to minimum Barclays shareholding guidelines. The 60% deferral rate was also applied to the annual performance incentives of a significant number of senior executives beyond those required by the FSA's Remuneration Code
– For executive Directors (subject to shareholder approval), Code Staff and senior management, deferred incentive awards for 2010 are made under the Share Value Plan (SVP) in the form of Barclays shares and under the Contingent Capital Plan (CCP) in the form of contingent capital awards. Vesting of contingent capital awards is linked to the Group's core capital position at the time of vesting. Further details on the SVP and CCP are given in Tables 24 and 25
– Deferred incentive awards and long term incentive awards include malus and prudent financial control provisions that are in accordance with the FSA's Remuneration Code that may reduce the vesting level of awards (to nil if appropriate). Malus provisions may apply, for example, if the Committee determines there is evidence of serious employee misconduct or where a business has suffered a material failure of risk management. Prudent financial control provisions may apply if the financial health of the Group has significantly deteriorated over the vesting period
– Executive Directors and other senior executives will also participate in a new long term incentive plan: the Barclays Long Term Incentive Plan (subject to shareholder approval). Vesting of the proposed 2011 awards is linked to a scorecard of metrics focused closely on the execution of Barclays strategy which gives primacy to return on equity. Further details of the proposed Barclays LTIP and its performance condition are given on pages 7 and 8 and in Table 25

Bob Diamond took over as Chief Executive from 1st January 2011. The Committee decides the remuneration arrangements for all executive Directors. The Chief Executive role is benchmarked against other leading global banks and financial services organisations and other companies of a similar size in the FTSE100 index. Bob Diamond's remuneration for 2010 was unaffected by the changes announced for 2011 and in 2010 he worked under his 2010 contractual and remuneration arrangements. Bob Diamond's 2010 remuneration was considered carefully by the Committee as part of the annual remuneration review and his remuneration is disclosed, together with the remuneration of the other executive Directors, on pages 7 and 8.

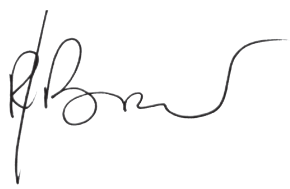
The Committee will actively review remuneration throughout the year and will remain focused on internal and external perspectives, including regulatory developments. Remuneration regulation is expected to evolve further in 2011 and we will maintain a close dialogue with our key external stakeholders and our shareholders throughout 2011.

The Remuneration Report
The following report of the Committee provides further explanation of current remuneration governance and arrangements. It is divided into the following sections:

– Committee remit, membership, advisors and activities in 2010
– Remuneration policy, decisions, governance and regulation
– Employees' annual remuneration
– Executive Directors', non-executive Directors' and former Directors' remuneration
– 2010 remuneration of the five highest paid senior executive officers (excluding executive Directors) and aggregate Code Staff remuneration
– Share plan and long term incentive plan descriptions

The Committee unanimously recommends that you vote at the 2011 AGM to approve the Remuneration Report as all Directors will be doing with their own Barclays shares.

On behalf of the Board



Sir Richard Broadbent
Chairman, Board Remuneration Committee

7th March 2011

Remuneration report
continued

Board Remuneration Committee remit and membership

The Committee provides governance and strategic oversight of executive and all other employee remuneration, Barclays Human Resources activities and senior management development. The Committee's terms of reference are online at *www.barclays.com/corporategovernance*. The terms of reference were revised in both February 2010 and February 2011 in light of best practice and to take account of regulatory and corporate governance developments. The Committee met formally 11 times during 2010. The Chairman of the Committee reported to the Board on the substantive issues discussed at each meeting. In addition to the formal meetings, the Committee members frequently consult between meetings and also meet informally. The Chairman of the Committee also consulted extensively with shareholders and representative bodies during 2010.

The members of the Committee during 2010 were Sir Richard Broadbent (Committee Chairman), Marcus Agius (Group Chairman), Simon Fraser, Sir John Sunderland, Leigh Clifford (until 30 September 2010) and Alison Carnwath (from 1 October 2010). Details of members' attendance is shown in Table 1.

The non-executive Directors who are Committee members are considered by the Board to be independent of management and free from any business or other relationship that could materially affect the exercise of their independent judgement. Marcus Agius is also a member and he was considered independent on appointment to the Board.

Advisors

The Committee's work is supported by independent professional advice. The Committee reviews the appointment of advisors each year. Towers Watson was re-appointed by the Committee in 2010.

Any potential conflicts of interest the advisors may have are disclosed to the Committee. In addition to advising the Committee, Towers Watson provided remuneration benchmarking data to the Group. Towers Watson also provided pension advice as the appointed advisor to the trustee of the UK Retirement Fund.

The Chief Executive, the Human Resources Director, the Compensation and Benefits Director and, as necessary, members of the Executive Committee, also advise the Committee, supported by their teams. No Group employee is permitted to participate in discussions or decisions of the Committee relating to his or her own remuneration.

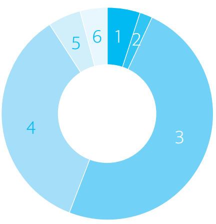
Committee activities in 2010

The outcome of the Board effectiveness review showed that the Committee operated effectively in 2010. A chart setting out how the Committee's time was allocated in 2010 is set out in Figure 1.
Table 2 sets out the key matters discussed by the Committee in 2010.

Table 1: Committee attendance

Member	Meetings eligible to attend	Meetings attended
Sir Richard Broadbent (Chairman)	11	11
Marcus Agius	11	11
Alison Carnwath (from 1 October 2010)	3	2
Leigh Clifford (until 30 September 2010)	8	6
Simon Fraser	11	11
Sir John Sunderland	11	11
Secretary		
Patrick Gonsalves		

Fig. 1: Committee's allocation of time



		2010 %	2009 %
1	HR matters (including pensions, excluding talent management)	5	3
2	Talent management	2	1
3	Incentive reward	49	42
4	Remuneration (including compensation framework and policy)	35	35
5	Regulation	5	7
6	Other	4	12

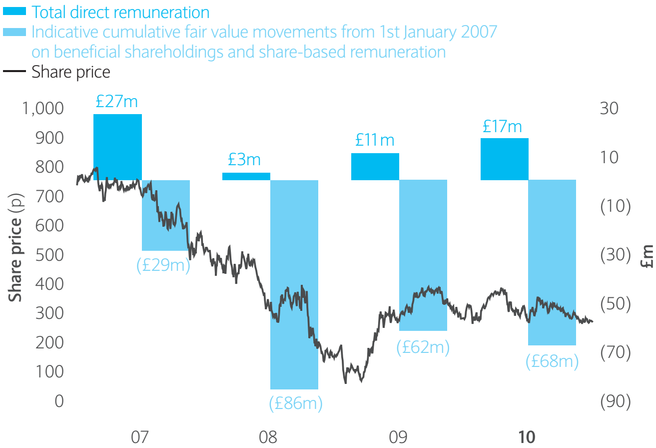
Table 2: Key matters discussed by the Committee in 2010

Month	Key matters
January	– Regulatory update – Vesting of long term incentive awards – Payround discussions
February (2 meetings)	– Risk, financial performance and regulatory updates – Payround discussions – Resourcing update – Vesting of long term incentive awards – Executive Director and Executive Committee remuneration proposals – Review of Committee terms of reference
March	– Executive Director remuneration
April	– Long term incentive plan calibration – Resourcing update and hiring governance processes – Regulatory update
June	– Payround discussions
July	– Risk, financial performance and regulatory updates – 2009/10 payround review – Initial discussions of 2010/11 payround – Talent management update – Resourcing update – Review of Committee activity against terms of reference – Re-appointment of independent advisor
August	– Payround discussions
November	– Risk, financial performance and regulatory updates – Payround discussions – Resourcing update – Health & safety update – Pensions governance update – Talent management deep dive – All employee share plans update
December (2 meetings)	– Risk, financial performance and regulatory updates – Payround discussions – Resourcing update

Executive Directors' remuneration – alignment of interests with shareholders

Figure 2 shows the aggregate total direct remuneration of the executive Directors for 2007, 2008, 2009 and 2010 compared to the indicative fair value movements on the executive Directors' aggregate share-based remuneration and beneficial interests in Barclays PLC shares from 1st January 2007 on a cumulative basis. The performance of the Barclays PLC share price is shown for context. The chart shows that the executive Directors' interests have decreased in value by £68m over 2007, 2008, 2009 and 2010 as a consequence of the movement in Barclays share price.

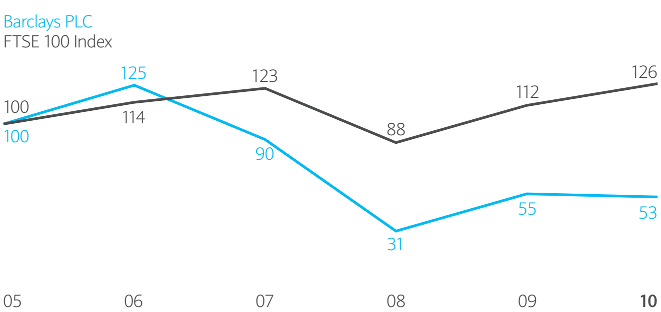
Fig. 2: Executive Directors' remuneration – alignment of interests with shareholders



Total Shareholder Return (TSR)

Figure 3 shows the value, at 31st December 2010, of £100 invested in Barclays on 31st December 2005 compared with the value of £100 invested in the FTSE 100 Index. The other points plotted are the values at intervening financial year ends. The FTSE 100 Index is a widely recognised performance comparison for large UK companies and this is why it has been chosen as a comparator to illustrate Barclays TSR. The graph shows that, at the end of 2010, a hypothetical £100 invested in Barclays on 31st December 2005 would have generated a total loss of £47 compared with a gain of £26 if invested in the FTSE 100 Index.

Fig. 3: Total Shareholder Return



Source: Datastream

Barclays Remuneration Policy

The aims of the Barclays Remuneration Policy are to:

1. Attract and retain those people with the ability, experience and skill to deliver the strategy.
2. Create a direct and recognisable alignment between the rewards and risk exposure of shareholders and employees, particularly executive Directors and senior management.
3. Incentivise employees to deliver sustained performance consistent with strategic goals and appropriate risk management, and to reward success in this.
4. Deliver remuneration that is affordable and appropriate in terms of value allocated to shareholders and employees.
5. Encourage behaviour consistent with the following principles that guide Barclays business:

i) Winning together
- Doing what is right for Barclays, its teams and colleagues to achieve collective and individual success

ii) Best people
- Developing talented colleagues and differentiating remuneration to reflect performance
- Doing what is needed to ensure a leading position in the global financial services industry

iii) Customer and client focus
- Understanding what customers and clients want and need and then serving them brilliantly

iv) Pioneering
- Driving new ideas, especially those that make Barclays profitable and improve control
- Improving operational excellence
- Adding diverse skills to stimulate new perspectives and bold steps

v) Trusted
- Acting with the highest levels of integrity to retain the trust of customers, shareholders, other external stakeholders and colleagues
- Taking full responsibility for decisions and actions
- Reflecting the operation of independent, robust and evidence based governance and control and complying with relevant legal and regulatory requirements

The Committee keeps under review the Remuneration Policy and arrangements as detailed in this report to ensure that Barclays programmes remain competitive and provide appropriate incentive for performance.

Remuneration decisions

The Remuneration Policy provides a framework for the Committee in carrying out its work, including remuneration decisions in relation to executive Directors.

One of the core elements of Barclays approach is to deliver remuneration that is affordable and appropriate in terms of value allocated to shareholders and employees, with full consideration also being given to other relevant stakeholders such as customers, regulators and governments. When making remuneration decisions, Barclays balances the views of these stakeholders with the need to be able to attract, retain and incentivise talent in a competitive market.

A continued focus during 2010 has been to ensure that our approach to discretionary remuneration is structured in accordance with the FSA's Remuneration Code (the FSA Code) and the Financial Stability Board Implementation Standards. Work has also continued to ensure that aggregate performance award decisions balance a number of factors including the need to continue to strengthen capital ratios, to invest in the business, to grow the dividend and to protect the business franchise.

Remuneration report
continued

At an aggregate level, in order to ensure that a link is maintained between pay and performance, performance award decisions are made by reference to a number of quantitative and qualitative measures and are determined at the discretion of the Committee. During 2010 the role of the risk and compliance functions in remuneration governance was enhanced, building on the work done in 2009. As well as offering regular updates to the Committee on risk-adjusted business performance and the Group's risk profile, the risk function also reviewed remuneration frameworks, aggregate performance award proposals and new incentive plan design proposals from a risk management perspective. The risk function also proposed risk-adjusted metrics for use in long term incentive plans and reviewed malus provisions (including those for executive Directors).

A key element of linking pay and performance on an individual basis is the robust performance assessment framework operated across the Group. Employee behaviours are considered in the context of the principles that guide Barclays business, as set out in our Remuneration Policy. The extent to which employee behaviours accord with these standards is assessed as part of the performance assessment framework, which includes an examination of the employee's performance from both financial and non-financial perspectives. Performance against these areas helps to reinforce appropriate behaviours and so mitigate operational and reputational risks. The resulting performance ratings have a direct impact on all individual remuneration decisions. In 2010, compliance with risk and control frameworks has been further enhanced within Barclays performance assessment process.

The exercise of informed discretion plays an important role in the assessment of performance in the context of all our remuneration decisions, rather than using a formulaic approach which could incentivise inappropriate behaviours.

Remuneration Policy governance

To ensure appropriate operation of the Remuneration Policy, the Committee has established frameworks for the governance of remuneration in each of the major businesses and for the Group as a whole. The frameworks are forward looking and are based on financial metrics to assist with the planning and management of remuneration in each of the key businesses. These frameworks incorporate metrics consistent with delivering the strategy of the businesses. The Committee exercises judgement in the application of the frameworks to promote the long term success of the Group for the benefit of shareholders. The current frameworks set out key financial ratios achieved by Barclays and its competitors and are used by the Committee to inform its decision-making process when approving aggregate remuneration spend, including performance awards. The Committee also approves strategic investment for new hires, and the remuneration arrangements of any employee with annual total remuneration equal to or in excess of a pre-determined threshold as stated in the Committee terms of reference (£750,000 in 2010). In addition, the remuneration of Code Staff is also reviewed by the Committee. Code Staff are the Group's employees whose professional activities could have a material impact on the Group's risk profile, including senior risk and compliance officers. The remuneration of Code Staff is subject to the remuneration principles of the FSA Code. References to the structure of remuneration for Code Staff in this report exclude Code Staff whose total remuneration falls within the FSA Code's de minimis provisions.

For individual remuneration decisions made by the Committee, including those for executive Directors and other key senior management, the Committee reviews each element of remuneration relative to performance and to the practice of other comparable organisations. Remuneration is benchmarked against the markets in which we compete for talent. This includes benchmarking against other leading international banks and financial services organisations and other companies of a similar size to Barclays in the FTSE 100 Index.

Given the materiality of Barclays pension arrangements, the Committee operates a specific framework for the management of pensions to ensure proper oversight. The Global Retirement Fund Governance Framework is operated to ensure best practice in respect of regulatory compliance, governance, investment and administration. As set out in the Committee's 2009 report, Barclays closed its UK Final Salary pension schemes to future accrual with effect from 31st March 2010 in order to reduce current and future UK pension liability risk and to ensure that our pension arrangements are sustainable and affordable over the long term. Details of the pension arrangements in place for executive Directors are set out on page 8.

Regulation

Barclays is committed to the maintenance of robust remuneration arrangements that are in accordance with regulatory requirements including the FSA Code. Table 3 sets out some of the ways that we fulfil this commitment.

Table 3: Remuneration regulation

Regulatory area	Barclays practice
Scope and application	Code Staff identified and made aware of the implications of their status
Governance	Committee scope widened to review the remuneration of Code Staff. Terms of reference updated in 2010 to reflect this
Capital	Quantum of variable remuneration in 2010 considered in the context of capital planning. Capital efficiency is a key goal in the design of new remuneration plans. Deferred incentive awards for Code Staff and other senior executives for 2010 include contingent capital awards, which are subject to a vesting condition linked to Barclays Group Core Tier 1 capital ratio
Guarantees	The policy is that guarantees are used only in exceptional circumstances in the case of new hires and for one year
Risk-focused remuneration policies	Barclays policies, procedures and practices promote sound risk management. This is embodied in the Remuneration Policy and Barclays Guiding Principles. Risk and remuneration are linked in Barclays through governance processes, performance award funding, the performance assessment process, performance metric selection, deferral structures, and malus and prudent financial control provisions
Deferral and payment in Barclays shares	In accordance with the FSA Code, deferral rates for Code Staff of up to 60% of annual performance incentives apply. Deferred incentive awards for Code Staff for 2010 include awards in Barclays shares and contingent capital awards. In addition, for Code Staff 50% of non-deferred incentives for 2010 are awarded as Barclays shares subject to a six month holding period. Code Staff are also subject to a shareholding guideline. For other employees a proportion of annual performance incentives is deferred on a graduated basis

Employees' annual remuneration

The Remuneration Policy applies the same overarching principles and practices to all employees, including executive Directors and other Code Staff, though the exact structure and quantum of individual packages varies by business, geography and role.

Table 4 summarises the key elements of Barclays remuneration arrangements.

Table 4: Key elements of Barclays remuneration arrangements

Element	Strategic purpose	Programme summary
Base salary	To attract, retain and incentivise talent in a competitive market	– Reviewed annually – Salaries for all roles are determined with reference to relevant market practice – All employees' salaries are benchmarked against the appropriate market
Annual performance incentive	To incentivise the delivery of annual goals at Group, business, team and individual levels	– Annual performance incentives are awarded on a discretionary basis, based on Group, business, team and individual performance – The aggregate level of annual performance incentives is determined by reference to Group and business unit metrics. These include a range of risk-adjusted financial metrics including profit before tax (PBT) and return on risk weighted assets (RoRWA) – Individual annual performance incentives are strongly differentiated based on individual performance (both financial and non-financial). Adherence to applicable risk and control frameworks is part of performance assessment – The structure of individual annual performance incentives may vary based on amount, and may include cash and deferred incentive awards. Details on deferred incentive awards are set out below – 50% of non-deferred annual performance incentives for 2010 for executive Directors (100% of non-deferred for Mr Diamond) and other Code Staff is in the form of Barclays shares subject to a six month holding period
Deferred incentive awards and long term incentive awards	Deferred incentive awards are designed to align performance with shareholder value and increase retention for senior employees	– Employees who are awarded an annual performance incentive over a threshold level (as determined each year by the Committee) receive part of the award as a deferred incentive award dependant on future service (including awards in Barclays shares) – 60% of 2010 annual performance incentives for executive Directors is deferred (72% for Mr Diamond), and for other Code Staff 60% is deferred (40% for annual performance incentives of no more than £500,000). For other employees a graduated system is operated so that those who receive higher value annual performance incentives receive more of the award as a deferred incentive award
	Long term incentive awards reward execution against the Group strategy and the creation of sustained growth in shareholder value. The awards are designed to align the most senior employees' goals with the long term success of Barclays	– The most senior employees in Barclays may also receive long term incentive awards. Long term incentive awards are subject to risk-adjusted performance conditions, normally measured over a three year performance period – The vesting of long term incentive awards is subject to the discretion of the Committee to ensure that awards only vest for appropriate performance. Delivery of vested long term incentive awards includes awards in Barclays shares – Vesting of both deferred incentive awards and long term incentive awards is subject to malus and prudent financial control provisions in accordance with the FSA Code – Barclays operates a number of deferred incentive award plans and long term incentive plans. Details of the principal plans under which awards were made in 2010 are included in Table 24 and new plans proposed for 2011 in Table 25 – Deferred incentive awards for 2010 for executive Directors, other Code Staff and other senior executives will include awards in the form of contingent capital awards, which are subject to a vesting condition that Barclays Group Core Tier 1 capital ratio is at least 7% on the vesting date
Retirement benefits (or cash allowance)	To provide a market competitive post-retirement benefit	– Barclays provides retirement benefit arrangements to employees across the Group, with appropriate consideration of market practice and geographical differences
Other benefits	To provide market competitive benefits	– Benefits vary by role and may include private medical insurance, life and disability cover and car allowance, with appropriate consideration of market practice and geographical differences

Remuneration report
continued

Executive Director remuneration

During 2010 the Committee undertook a full review of the pay structure for executive Directors. Pay and employment conditions elsewhere in the Group are taken into account by the Committee in determining the remuneration packages for executive Directors. The general approach is the same across the Group, namely decisions are made on a total remuneration basis against the relevant market. We also seek to provide market competitive retirement and other benefits.

Table 5 sets out the executive Directors' remuneration. The remuneration related to 2010 performance for Mr Diamond relates to his role as Chief Executive of the Corporate and Investment Banking, and Barclays Wealth businesses. The proposed long term incentive award for Mr Diamond relates to his performance as Barclays Chief Executive from 2011. Table 6 sets out the annual base salaries for executive Directors. Table 7 sets out the executive Directors' retirement and other benefits.

Mr Varley stepped down as Chief Executive, and from the Barclays Boards and the Group Executive Committee, on 31st December 2010. Since 1st January 2011 Mr Varley has been a senior advisor on regulatory matters to Mr Diamond and to the Barclays Boards. This is expected to continue until 30th September 2011. Mr Varley is not eligible for an annual performance incentive for 2011. Mr Varley's other terms and conditions of employment continue in accordance with his service contract.

On 1st January 2011, Mr Diamond replaced Mr Varley as Chief Executive. With effect from 1st January 2011, Mr Diamond's remuneration arrangements reflect his new responsibilities as Chief Executive. The remuneration arrangements were benchmarked against a peer group of global universal banks, industrial companies and financial services institutions. Mr Diamond's base salary increased to £1,350,000 and his annual performance incentive award opportunity and long term incentive award opportunity are shown below. Mr Diamond is also entitled to benefits that are consistent with his role as Chief Executive, including private medical insurance, car allowance, accommodation when required for business purposes, relief in the event of double taxation and other benefits in line with his service contract.

Annual performance incentive

The maximum annual performance incentive opportunity for executive Directors is tailored to the relevant market; this is typically 250% of base salary. The annual performance incentive award is made by reference to a qualitative and quantitative assessment of performance. Both financial and non-financial performance is considered. Financial performance is assessed by reference to key financial metrics including PBT, return on equity (RoE) and RoRWA. Non-financial performance is assessed by reference to factors including franchise health, employee opinion surveys and customer satisfaction. The annual performance incentive for 2010 for Mr Diamond reflects the strong absolute and relative performance of the Corporate and Investment Banking, and Barclays Wealth businesses in 2010. The annual performance incentive for 2010 for Mr Lucas reflects his strong personal contribution in 2010 and the improvement in the profitability of Barclays Group.

The structure of the 2010 annual performance incentive is in accordance with the FSA Code. It is proposed to be delivered in three elements for Mr Varley and Mr Lucas: 20% in cash, 20% in Barclays shares which are subject to a six month holding period and 60% in the form of a deferred incentive award. Mr Diamond's 2010 annual performance incentive is proposed to be delivered 28% in Barclays shares which are subject to a six month holding period and 72% in the form of a deferred incentive award.

Deferred incentive awards

It is proposed that the 2010 deferred incentive awards (as set out in Table 5) will be made under the Share Value Plan (SVP), for which shareholder approval is being sought at the 2011 AGM to enable participation by the executive Directors. 50% of the deferred incentive awards will be in the form of awards over Barclays shares. 50% will be in the form of contingent capital awards (under the Contingent Capital Plan (CCP) schedule to the SVP). No consideration is payable by the executive Directors to receive the awards.

The awards normally vest in three equal portions on each of the first, second and third anniversaries of the grant subject to malus and prudent financial control provisions. The vesting of the contingent capital awards is also subject to the condition that the Barclays Group Core Tier 1 capital ratio is at least 7% at vesting. Details of the SVP and the CCP schedule will be included in the Notice of Meeting for the 2011 AGM.

Long term incentive awards

The maximum annual value at time of award of long term incentive awards for executive Directors is tailored to the relevant market; this will not normally exceed 500% of base salary. It is proposed that 2011 long term incentive awards (as shown in Table 5) will be granted to Mr Diamond and Mr Lucas under the Barclays Long Term Incentive Plan (Barclays LTIP), for which shareholder approval is being sought at the 2011 AGM. The amount

Table 5: Executive Directors' remuneration

	John Varley		Robert E Diamond Jr		Chris Lucas	
	2010 £000	2009 £000	**2010 £000**	2009 £000	**2010 £000**	2009 £000
Base salary	1,100	1,100	250	250	763	650
Annual performance incentive (cash)	550	0	0	0	360	0
Total - cash remuneration related to the year	**1,650**	1,100	**250**	250	**1,123**	650
Annual performance incentive (shares)	550	0	1,800	0	360	0
Deferred incentive award	1,650	0	4,700	0	1,080	1,500
Total - other remuneration related to the year and deferred incentives	**2,200**	0	**6,500**	0	**1,440**	1,500
Total remuneration related to the year and deferred incentives	**3,850**	1,100	**6,750**	250	**2,563**	2,150
Long term incentive award (contingent on future performance)	**0**	0	**2,250**	6,000	**1,333**	1,000

Table 6: Base salary

	Base salary at 31st December 2010 £000	Base salary at 1st April 2011 £000	Date of previous increase
John Varley	**1,100**	1,100	1st April 2008
Robert E Diamond Jr	**250**	1,350	1st March 1999
Chris Lucas	**800**	800	1st April 2010

From 1st January 2009 to 31st December 2010, Mr Diamond received his base salary in US dollars converted from sterling into US dollars using an average sterling/US dollar exchange rate for 2008 of 1.86. From 1st January 2011, Mr Diamond will receive his base salary of £1.35m in sterling. Mr Varley's base salary due to be paid for 2011 will be £825,000 in total (based on a leaving date of 30th September 2011). Mr Varley is not eligible for an annual performance incentive for 2011.

shown in Table 5 is the value at grant of the proposed awards (based on 33% of the maximum number of shares subject to the award).

The 2011 Barclays LTIP awards are proposed to be in the form of awards over Barclays shares. No consideration is payable by the executive Directors to receive the awards. The 2011 awards will only vest if the performance condition is satisfied after a three year period and subject to malus and prudent financial control provisions. For 2011 awards, 50% of the Barclays shares will be releasable at the end of the three year vesting period, and 50% of the Barclays shares (after payment of tax) will be subject to an additional 12 month holding period.

The performance condition for the proposed 2011 awards has been chosen to focus closely on execution of Barclays strategy which gives primacy to return on equity. The proposed metrics for 2011 awards are based on three weighted categories as follows:

– Financial (60%): the primary performance metric is 3 year average RoRWA, and the secondary metric is PBT. RoRWA is a key driver of RoE and reflects the level of regulatory capital held by the business. PBT ensures absolute financial performance is considered
– Risk (30%): the performance metric is loan loss rate. This encourages strong management of credit risk
– Sustainability (10%): performance is assessed by the Committee against non-financial factors including customer satisfaction, employee opinion surveys and Barclays relationships with its regulators

The calibration proposed for the performance condition metrics for the 2011 awards, and further details on the Barclays LTIP, will be included in the Notice of Meeting for the 2011 AGM.

Pensions

Mr Varley ceased to be an active member of the Group's non-contributory UK defined benefit pension scheme from 31st March 2010. From 1st April 2010 Mr Varley receives a cash allowance of 25% of base salary in lieu of membership of a Group pension scheme. Until 31st December 2010 Mr Diamond participated in the Group's US defined benefit plans (the US Staff Pension Plan (a funded arrangement) and the US Restoration Plan (an unfunded arrangement)) which are both non-contributory. Mr Diamond also participated in the Barclays Bank PLC 401K Thrift Savings Plan and Thrift Restoration Plan, which are both defined contribution plans. The company contributions paid in respect of 2010 amounted to £13,588 (US$21,000). With effect from 1st January 2011, Mr Diamond receives a cash allowance of 50% of base salary in lieu of membership of a Group pension scheme. Mr Lucas receives a cash allowance of 25% of base salary in lieu of membership of a Group pension scheme.

Table 7 includes the pension benefits of the executive Directors. Mr Varley also has a defined contribution benefit of £599,568 (as at 31st December 2010) in respect of a previous transfer from a freestanding AVC arising from his personal contributions only. Pension accrued during 2010 (including increase for inflation) represents the change in accrued pension during the year including inflation at the prescribed UK rate of 5%. Pensions paid from the UK defined benefit pension scheme are reviewed annually and increase by a minimum of the increase in the retail prices index (capped at 5%), subject to the scheme rules. As a result of the closure of the UK defined benefit scheme to future accrual from 31st March 2010, Mr Varley has a negative pension accrued during 2010 when inflation is excluded. Pension accrued for Mr Varley during 2010 includes a pro-rated deferred pension increase that was granted on 1st October 2010. The increase in Mr Varley's pension transfer value during 2010 is primarily due to being one year nearer to the assumed retirement age. The increase in Mr Diamond's pension transfer value during 2010 is also primarily due to being one year nearer to the assumed retirement age. The other main factors for Mr Diamond's increase were a change in the assumptions used to calculate transfer values and a fall in the average exchange rate since 2009.

Other benefits

Executive Directors are provided with benefits including private medical insurance, life and income protection cover, the use of a company-owned vehicle or the cash equivalent, use of a company driver where required for business purposes, tax advice and accommodation when required for business purposes. No executive Director has an expense allowance. Table 7 includes the benefits received by the executive Directors.

Performance-linked remuneration

Each element of remuneration has a specific role in achieving the aims of the Remuneration Policy. The combined potential remuneration from annual performance incentive, deferred incentive awards and long term incentive awards outweighs the other elements and is subject to individual and Group performance, thereby placing the majority of potential remuneration at risk. Table 8 shows the average proportions of fixed and variable remuneration over the last 3 years. Table 8 incorporates salary and benefits, the increase in transfer value of accrued pension or annual cash in lieu of pension, annual performance incentive comprising cash and share incentives, deferred incentive awards and the fair value of long term incentive awards.

Table 8: Average fixed and variable remuneration over the last three years

	Fixed	Variable	
		Cash	Shares
Executive Directors			
John Varley	82%	9%	9%
Robert E Diamond Jr	9%	14%	77%
Chris Lucas	28%	9%	63%

Table 7: Pension provision and other benefits

	Age at 31st December 2010	Completed years of service	Accrued pension at 31st December 2009 £000	Pension accrued during 2010 (including increase for inflation) £000	Pension accrued during 2010 (excluding inflation) £000	Accrued pension at 31st December 2010 £000	Transfer value of accrued pension at 31st December 2009 £000	Transfer value of accrued pension at 31st December 2010 £000	Increase in transfer value during 2010 £000	2010 cash in lieu of pension £000
John Varley	54	28	619	26	(5)	645	17,015	18,256	1,241	206
Robert E Diamond Jr	59	14	58	5	2	63	383	473	90	–
Chris Lucas	50	3	–	–	–	–	–	–	–	191

	Other benefits 2010 £000	Other benefits 2009 £000	Sub-total* 2010 £000	Sub-total* 2009 £000
John Varley	54	23	2,460	1,123
Robert E Diamond Jr	268	134	2,318	384
Chris Lucas	25	19	1,699	832

*Sub-total calculated in accordance with Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (total of base salary, annual performance incentive (cash), annual performance incentive (shares), pension cash allowance and other benefits)

Remuneration report
continued

Outstanding share plan and long term incentive plan awards
Barclays operates a number of share plans to align the interests of employees with shareholders and the execution of Group strategy over the longer term. Table 9 summarises the interests of each executive Director in each plan, and Table 10 summarises the three year performance conditions set at grant for outstanding Performance Share Plan (PSP) cycles. The interests shown are the maximum number of Barclays shares that may be received under each plan. Executive Directors do not pay for any share plan award.

For PSP, at the end of each performance period independent confirmation is provided to the Committee of the extent to which each performance condition has been met. In relation to the 2006-2008 PSP awards, after consultation with the Committee in 2009, the participating executive Directors wrote to the PSP trustee to request that it defer the exercise of its discretion to release shares to them for a further two year period subject to continued employment and an assessment by the Committee that the financial performance of the Group was satisfactory, including the declaration of at least one dividend. The maximum number of Barclays shares that may be released was determined in 2009 and was fixed as set out in Table 9. The Committee reviewed the performance conditions in February 2011 taking account of factors including profit performance, capital ratios, share price and payment of dividends. The Committee recommended that the number of Barclays shares shown in Table 9 be released in March 2011.

In relation to the 2007-2009 PSP awards, the executive Directors agreed to voluntary clawback arrangements to operate for a two year period following the vesting of the awards. By this voluntary agreement, the executive

Table 9: Outstanding share plan and long term incentive awards

	Number of shares under award/option at 1st January 2010 (maximum)	Number of shares awarded in year (maximum)	Market price on award date	Weighted average exercise price	Number of shares released/exercised
John Varley					
PSP 2006-2008	232,855	–	£6.75	–	–
PSP 2007-2009	504,294	–	£7.08	–	(252,147)
PSP 2008-2010	812,412	–	£4.25	–	–
ISOP	944,655	–	–	£4.46	–
Sharesave	3,735	–	–	£4.70	–
ESAS	430,969	–	–	–	(276,784)
Robert E Diamond Jr					
PSP 2006-2008	1,164,273	–	£6.75	–	–
PSP 2007-2009	2,878,686	–	£7.08	–	(1,439,343)
PSP 2008-2010	2,031,030	–	£4.25	–	–
PSP 2010-2012	–	5,563,902	£3.55	–	–
ISOP	575,008	–	–	£4.42	–
ESAS	3,365,882	–	–	–	(666,667)
Chris Lucas					
PSP 2007-2009	255,396	–	£7.08	–	(127,698)
PSP 2008-2010	541,608	–	£4.25	–	–
PSP 2009-2011	1,598,046	–	£2.34	–	–
PSP 2010-2012	–	927,318	£3.55	–	–
Sharesave	3,735	–	–	£4.70	–
ESAS	44,006	602,756	–	–	–

Numbers shown for ESAS above represent provisional allocations that have been awarded. Numbers shown as aggregate ESAS amounts may also include shares under option as at 31st December 2010. Nil cost options are normally granted under mandatory ESAS awards at the third anniversary of grant and are exercisable (over initial allocation and two-thirds of bonus shares) typically for two years. The aggregate exercise price of a nil cost option is £1. At the fifth anniversary of the provisional allocation the nil cost options normally lapse and the shares (including bonus shares) are released at the discretion of the ESAS trustee. In 2010, no nil cost options were granted to the executive Directors. Nil cost options (granted

Table 10: Performance conditions attaching to the share plans in which the executive Directors participate

Scheme	Performance period	Performance measure	Target
PSP	**2010-2012**	50% of award calibrated against TSR	33% of maximum award released for above median performance (6th place) with 100% released in 1st place and a scaled basis in between
		50% average RoRWA	17% of maximum award released for 0.83% scaled to a maximum award at 1.46%
	2009-2011	50% of award calibrated against TSR	As above
		50% average RoRWA	17% of maximum award released for 0.83% scaled to a maximum award at 1.34%
	2008-2010	50% of award calibrated against TSR	As above
		50% of award calibrated against cumulative EP over the three-year performance period	33% of the maximum award released for £6,921m scaled to 100% of maximum award at £8,350m

Directors will repay the value of the Barclays shares at the end of the two year period (after deduction of taxes paid) should a dividend not be paid during the two year period or the Committee judges that the financial health of the business has deteriorated significantly over the two year period.

In relation to the 2008-2010 PSP awards, the underpin (as shown in Table 10) was satisfied, the TSR condition was met but the Economic Profit (EP) condition was not met. As a result, the awards vested in March 2011 at 0.5 times the initial award (maximum is 3 times).

For the 2009-2011 and 2010-2012 PSP awards the performance measures are relative TSR and RoRWA. TSR was selected to align performance with Barclays shareholders. RoRWA was selected as a risk-adjusted performance measure to reflect the Group's stated goal of focus on returns over growth.

Calibration of performance measures is agreed ahead of each award by the Committee supported by a working team with representatives from Human Resources, Finance and Risk. This process includes an assessment of relevant data including financial targets, analyst forecasts, internal and external views of comparator future performance levels, shareholder views and value and broader economic trends. All performance measures are calibrated to include a significant level of stretch to attain maximum payout.

All awards and releases are recommended by the Committee to the independent trustee and are subject to trustee discretion. The trustee may also release to participants dividend shares which represent accumulated dividends (net of withholding tax) in respect of the Barclays shares under awards that vest. During 2010 Barclays highest share price was £3.83 and the lowest was £2.55. The Barclays share price at year end was £2.62.

Market price on release/ exercise date	Number of shares lapsed in 2010	Number of shares under award/option at 31st December 2010 (maximum)	Vested number of shares under option	Value of release/exercise	End of three-year PSP performance period, or first exercise/scheduled release date	Last exercise/ scheduled release date
–	–	232,855	–	–	31/12/2008	01/03/2011
£3.48	(252,147)	–	–	£0.88m	31/12/2009	15/03/2010
–	–	812,412	–	–	31/12/2010	01/03/2011
–	(246,431)	698,224	698,224	–	18/05/2003	30/09/2012
–	–	3,735	–	–	01/10/2011	30/03/2012
£3.48	–	154,185	–	£0.96m	15/03/2010	21/03/2012
–	–	1,164,273	–	–	31/12/2008	01/03/2011
£3.48	(1,439,343)	–	–	£5.01m	31/12/2009	15/03/2010
–	–	2,031,030	–	–	31/12/2010	01/03/2011
–	–	5,563,902	–	–	31/12/2012	16/03/2013
–	–	575,008	575,008	–	12/03/2004	22/03/2014
£3.48	–	2,699,215	–	£2.32m	15/03/2010	20/03/2013
£3.48	(127,698)	–	–	£0.44m	31/12/2009	15/03/2010
–	–	541,608	–	–	31/12/2010	01/03/2011
–	–	1,598,046	–	–	31/12/2011	27/04/2012
–	–	927,318	–	–	31/12/2012	16/03/2013
–	–	3,735	–	–	01/11/2014	30/04/2015
–	–	646,762	–	–	20/03/2011	16/03/2015

in 2008) lapsed during the year. Mr Varley held nil cost options over 206,934 shares under ESAS as at 1st January 2010, and none as at 31st December 2010. The first and last exercise dates were 7th March 2008 and 1st March 2011 respectively. Mr Varley received 45,191 dividend shares and Mr Diamond received 83,541 dividend shares from ESAS awards released during the year (share price on release date was £3.48). On release of the 2007-09 PSP awards, Mr Varley received 28,555 dividend shares, Mr Diamond received 163,002 dividend shares and Mr Lucas received 14,462 dividend shares (share price on release date was £3.48).

TSR peer group constituents				
UK	Mainland Europe	US	Underpin	Actual performance
HSBC	Banco Santander, BBVA, BNP Paribas, Credit Suisse, Deutsche Bank, Société Générale, Unicredit	Bank of America, JP Morgan Chase, Morgan Stanley	Committee must be satisfied with the underlying financial health of the Group after considering EP and PBT on a cumulative basis over the three year period	To be determined at vesting in March 2013
HSBC, Lloyds Banking Group, Royal Bank of Scotland	Banco Santander, BBVA, BNP Paribas, Deutsche Bank, UBS, Unicredit	Citigroup, JP Morgan Chase	As above	To be determined at vesting in March 2012
HBOS, HSBC, Lloyds TSB, Royal Bank of Scotland	As above (2009-11)	As above	Cumulative EP over performance period must exceed cumulative EP over previous three years	The performance condition was partially met

Remuneration report
continued

Shareholding guideline
The Committee guideline provides that executive Directors should hold Barclays shares worth, as a minimum, the higher of two times base salary or average of total remuneration over the last three years. Executive Directors have five years from their appointment to meet this guideline and a reasonable period to build up to the guideline again if it is not met because of a share price fall.

Service contracts
The Group has service contracts with its executive Directors which do not have a fixed term but provide for a notice period from the Group of 12 months and normally for retirement at age 65. Executive Directors' contracts allow for termination with contractual notice from the Group or, in the alternative, termination by way of payment in lieu of notice (in phased instalments) which are subject to contractual mitigation. In the event of gross misconduct, neither notice nor a payment in lieu of notice will be 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 and pension scheme rules.

The Committee has reviewed its approach to executive Director service contracts in light of best practice and regulatory and corporate governance developments. The Committee does not intend to include automatic contractual incentive payments upon termination in relation to executive Director appointments going forward. Automatic contractual incentive payments upon termination are not included in Mr Diamond's contract. Mr Varley is not eligible for a 2011 annual performance incentive.

Details of executive Director contract terms are shown in Table 12 and details of fees for external appointments in Table 13.

Table 11: Interests in Barclays PLC shares

	At 1st January 2010		**At 31st December 2010**	
	Beneficial	Non-beneficial	**Beneficial**	**Non-beneficial**
John Varley	622,418	–	**981,476**	**–**
Robert E Diamond Jr	8,333,810	–	**10,292,671**	**–**
Chris Lucas	101,697	–	**188,476**	**–**

Beneficial interests include shares held either directly, or through a nominee, spouse, or children under 18. They include any interests held through Sharepurchase. Non-beneficial interests include any interests in shares where the executive Director holds the legal, but not beneficial interest. As at 4th March 2011, Mr Diamond's beneficial interest was 12,678,784 Barclays shares, which includes 2,111,561 Barclays shares released to Mr Diamond on 1st March 2011 in respect of prior years' deferred and long term incentive awards, and 274,552 Barclays shares awarded on 1st March 2011 for 2010 performance. As at 4th March 2011, Mr Lucas's beneficial interest was 290,800 Barclays shares, which includes 46,905 Barclays shares released to Mr Lucas on 1st March 2011 in respect of a prior year's long term incentive award, and 55,419 Barclays shares awarded on 1st March 2011 for 2010 performance. There were no changes in the non-beneficial interests in the period 31st December 2010 to 4th March 2011.

Table 12: Contract terms

	Effective date	Notice period from the Company	Potential compensation for loss of office
John Varley	2nd July 2010	12 months	12 months base salary and continuation of medical and pension benefits whilst an employee. No entitlement to 2011 annual performance incentive
Robert E Diamond Jr	1st January 2011	12 months	12 months base salary and continuation of medical and pension benefits whilst an employee. No automatic contractual entitlement to performance incentive on termination
Chris Lucas	1st April 2007	12 months	12 months base salary, annual performance incentive equivalent to the average of the previous three years annual incentives (up to 100% of base salary) and continuation of medical and pension benefits whilst an employee

Table 13: Fees for external appointments

		2010		2009	
	Organisation	**Fees**	**Fees retained**	Fees	Fees retained
John Varley	British Grolux Investments Limited	**£8,134**	**£8,134**	£8,061	£8,061
	AstraZeneca PLC	**£98,750**	**£98,750**	£95,000	£95,000
	International Advisory Panel of the Monetary Authority of Singapore	**£4,745**	**£4,745**	£0	£0

Any other positions held by the executive Directors do not attract fees.

Group Chairman, Deputy Chairman and non-executive Directors

The Group Chairman, Deputy Chairman and non-executive Directors receive fees which reflect the individual responsibilities and membership of Board Committees. Fees are reviewed each year by the Board. Fees were last increased in June 2008.

The first £20,000 of each non-executive Director's base fee and the Deputy Chairman's fee is used to purchase Barclays shares. These Barclays shares, together with reinvested dividends, are retained on behalf of the non-executive Directors until they retire from the Board.

Marcus Agius, Group Chairman, has a minimum time commitment to Barclays equivalent to 60% of a full-time role and he receives private health insurance in addition to his fees. Marcus Agius is not eligible to receive a performance incentive, nor participate in Barclays share plans or long term incentive plans nor will he participate in Barclays pension plans or receive any pension contributions. No other non-executive Director receives any benefits from Barclays.

Membership and Chairmanship of Board Committees as at 31st December 2010 and details of the fees received by the non-executive Directors during the year are set out in Table 14. Details of non-executive Director beneficial interests in Barclays shares are set out in Table 15.

Table 14: 2010 fees

	Chairman £000	Deputy Chairman £000	Board Member £000	Board Audit Committee £000	Board Remuneration Committee £000	Board Corporate Governance and Nominations Committee £000	Board Risk Committee £000	Benefits £000	**Total 2010 £000**	Total 2009 £000
Fees (at 31st Dec 10)										
Full-year fee	750	200	70	–	–	–	–	–	**–**	–
Committee Chair	–	–	–	60	40	–	40	–	**–**	–
Committee Member	–	–	–	25	15	15	15	–	**–**	–
Fees to 31st December 2010										
Group Chairman										
Marcus Agius	Ch.	–	–	–	M.	Ch.	–	1	**751**	751
Non-executive Directors										
David Booth	–	–	M.	–	–	M.	Ch.	–	**125**	85
Sir Richard Broadbent	–	DCh.	M.	–	Ch.	M.	–	–	**200**	197
Alison Carnwath	–	–	M.	M.	M.	–	–	–	**39**	–
Fulvio Conti	–	–	M.	M.	–	–	–	–	**95**	95
Simon Fraser	–	–	M.	M.	M.	–	–	–	**110**	83
Reuben Jeffery III	–	–	M.	–	–	–	M.	–	**85**	32
Sir Andrew Likierman	–	–	M.	M.	–	–	M.	–	**110**	110
Dambisa Moyo	–	–	M.	–	–	–	M.	–	**50**	–
Sir Michael Rake	–	–	M.	Ch.	–	M.	M.	–	**160**	141
Sir John Sunderland	–	–	M.	–	M.	M.	–	–	**115**	108

As Deputy Chairman, Sir Richard Broadbent receives a fee of £200,000 per annum. He does not receive any additional fees for serving on Board Committees or as Senior Independent Director. Sir John Sunderland is also a member of the Group Brand and Reputation Committee and receives a fee of £15,000 per annum. He was appointed as a member of the Group Brand and Reputation Committee with effect from 1st July 2009 and received fees of £7,500 in 2009. These fees are included in those shown above.

Table 15: Interests in Barclays PLC shares

	At 1st January 2010 total beneficial interests	**At 31st December 2010 total beneficial interests**	**At 4th March 2011 total beneficial interests**
Group Chairman			
Marcus Agius	113,530	**115,129**	**115,129**
Non-executive Directors			
David Booth	73,325	**77,285**	**79,220**
Sir Richard Broadbent	34,590	**38,777**	**40,729**
Alison Carnwath	–	**40,000**	**41,203**
Fulvio Conti	39,304	**42,970**	**44,836**
Simon Fraser	46,247	**49,768**	**51,583**
Reuben Jeffery III	26,173	**65,244**	**67,691**
Sir Andrew Likierman	23,007	**27,031**	**29,001**
Dambisa Moyo	–	**2,826**	**4,630**
Sir Michael Rake	15,127	**18,954**	**20,845**
Sir John Sunderland	79,775	**83,277**	**85,107**

Dambisa Moyo was appointed as a non-executive Director with effect from 1st May 2010. Alison Carnwath was appointed as a non-executive Director with effect from 1st August 2010. Reuben Jeffery's beneficial interest as at 31st December 2010 comprised 15,000 American Depositary Shares and 5,244 Barclays PLC shares. On 15th February 2011, the non-executive Directors acquired ordinary shares pursuant to arrangements under which part of each non-executive Director's fee is used to buy Barclays PLC shares. Barclays PLC shares were acquired by each non-executive Director as follows: David Booth – 1,935; Sir Richard Broadbent – 1,952; Alison Carnwath – 1,203; Fulvio Conti – 1,866; Simon Fraser – 1,815; Reuben Jeffery III – 2,447; Sir Andrew Likierman – 1,970; Dambisa Moyo – 1,804; Sir Michael Rake – 1,891 and Sir John Sunderland – 1,830. Reuben Jeffery's beneficial interest as at 15th February 2011 comprised 15,000 American Depositary Shares and 7,691 Barclays PLC shares. Except as described in this note, there were no changes to the beneficial or non-beneficial interests of non-executive Directors in the period 31st December 2010 to 4th March 2011.

Remuneration report
continued

Letters of appointment

The Group Chairman, Deputy Chairman and non-executive Directors have individual letters of appointment. Each non-executive Director appointment is for an initial six year term, renewable for a single term of three years thereafter. The terms of the letters of appointment of each non-executive Director are shown in Table 16.

All non-executive Directors are standing for re-election at the 2011 AGM.

Table 16: Terms of letters of appointment

	Effective date	Notice period from the Company	Potential compensation for loss of office
Group Chairman			
Marcus Agius	1st Jan 2007	12 months	12 months contractual remuneration
Non-executive Directors			
David Booth	1st May 2007	6 months	6 months fees
Sir Richard Broadbent	16th July 2009	6 months	6 months fees
Alison Carnwath	1st Aug 2010	6 months	6 months fees
Fulvio Conti	1st Apr 2006	6 months	6 months fees
Simon Fraser	10th Mar 2009	6 months	6 months fees
Reuben Jeffery III	16th July 2009	6 months	6 months fees
Sir Andrew Likierman	1st Sep 2004	6 months	6 months fees
Dambisa Moyo	1st May 2010	6 months	6 months fees
Sir Michael Rake	1st Jan 2008	6 months	6 months fees
Sir John Sunderland	1st June 2005	6 months	6 months fees

Former non-executive Directors

Mr Clifford resigned as a non-executive Director with effect from 30th September 2010. Mr Clifford did not receive a termination payment. Mr Clifford's remuneration for 2010 is shown in Table 17 and the terms of his letter of appointment are shown in Table 18.

Table 17: Former non-executive Director fees

	Total 2010 £000	Total 2009 £000
Leigh Clifford	103	123

Mr Clifford is also a member of the Asia Pacific Advisory Committee and received fees of US$60,000 (2009: US$60,000). These fees are included in those shown above.

Table 18: Terms of letter of appointment

	Effective date	Notice period from the Company	Potential compensation for loss of office
Leigh Clifford	1st October 2004	6 months	6 months fees

Other remuneration disclosures

Five highest paid senior executive officers (excluding executive Directors)

As part of the Project Merlin agreement with the UK Government Barclays committed to disclose the 2010 remuneration of the five highest paid senior executive officers (in addition to the executive Directors). This is shown in Table 19. The senior executive officers shown in Table 19 are considered Key Management Personnel (i.e. those persons having authority and responsibility for planning, directing and controlling the activities of Barclays PLC (directly or indirectly)). The remuneration of the executive Directors is shown in Table 5.

Table 19: 2010 remuneration of the five highest paid senior executive officers (excluding executive Directors)

Five highest paid senior executive officers (excluding executive Directors)	Individual 1 (£000)	Individual 2 (£000)	Individual 3 (£000)	Individual 4 (£000)	Individual 5 (£000)
Fixed remuneration	734	700	700	700	600
Variable remuneration (cash)	1,017	992	1,433	900	620
Variable remuneration (shares)	1,017	992	1,433	900	620
Deferred remuneration (Contingent Capital Plan)	4,070	3,968	2,150	1,350	930
Deferred remuneration (Share Value Plan)	4,070	3,968	2,150	1,350	930
2010 remuneration and deferred incentives	**10,908**	**10,620**	**7,866**	**5,200**	**3,700**
Long term incentive award (outcome contingent on future performance)	**3,354**	**3,354**	**1,000**	**1,300**	**1,500**
Sign-on award	0	0	0	0	0
Severance award	0	0	0	0	0

Code Staff aggregate remuneration

Pages 3 to 11 and pages 15 to 17 include information required to be disclosed in accordance with the FSA's prudential sourcebook for banks, building societies and investment firms (BIPRU) 11.5.18(1) to (5). The information in Tables 20 to 23 is provided in accordance with BIPRU 11.5.18(6) and (7). A total of 231 individuals were Code Staff in 2010. Code Staff are the Group's employees whose professional activities could have a material impact on the Group's risk profile.

Table 20: Aggregate 2010 remuneration of Code Staff by business

Barclays Capital (£m)	Barclays Corporate (£m)	Barclays Wealth (£m)	Global Retail Banking (£m)	Absa (£m)	Group Functions (£m)
406	21	33	45	4	45

Table 21: Aggregate 2010 remuneration of Code Staff by remuneration type

	Senior management (£m)	Other Code Staff (£m)
Fixed remuneration	9	53
Variable remuneration (cash)	7	79
Variable remuneration (shares)	9	68
Deferred remuneration (Contingent Capital Plan)	17	119
Deferred remuneration (Share Value Plan and ESAS)	18	125
2010 remuneration and deferred incentives	**60**	**444**
Long term incentive award (outcome contingent on future performance)	**15**	**35**

Table 22: Additional 2010 disclosures on deferred remuneration of Code Staff

	Senior management (£m)	Other Code Staff (£m)
Deferred unvested remuneration outstanding at the beginning of the year	**142**	**344**
Deferred remuneration awarded in year	77	291
Deferred remuneration reduced in year through performance adjustments	(45)	(46)
Deferred remuneration vested in year	(39)	(118)
Deferred unvested remuneration outstanding at the end of the year	**135**	**471**

Table 23: Other 2010 disclosures for Code Staff

	Senior management (£m)	Other Code Staff (£m)
Total sign-on awards	0	0
Total buy-out awards (five individuals)	0	3
Total severance awards (one individual)	0	0.1

Note to Table 22: There was no deferred vested remuneration outstanding at the end of the year. Code Staff are subject to a minimum shareholding guideline.

Remuneration report
continued

Share plans and long term incentive plans

Barclays operates a number of share plans and long term incentive plans. The principal plans under which awards were made in 2010 are shown in Table 24 and new plans proposed for 2011 are shown in Table 25. Barclays has a number of employee benefit trusts which operate with these plans. In some cases the trustees grant awards and purchase shares in the market to satisfy awards as required, in others new issue or treasury shares may be used to satisfy awards where the appropriate shareholder approval has been obtained. The limits on the issue of new shares comply with the guidelines issued by the Association of British Insurers.

Table 24: Summary of principal share plans and long term incentive plans under which awards were made in 2010

Name of plan	Employees eligible	Executive Directors eligible?	Delivery	Design details
Performance Share Plan (PSP)	Selected employees. In 2010, only executive Directors received PSP awards	Yes	Award of Barclays shares that vests after three years, subject to performance conditions and trustee discretion	– From 2011, it is proposed that the PSP is replaced by the Barclays LTIP (see Table 25) – Awarded on a discretionary basis with participation reviewed annually by the Committee – Barclays performance over three years determines the number of Barclays shares eligible for release to each participant – For awards made in 2010 performance conditions based on relative TSR and RoRWA – Dividends normally accumulated during vesting period – On cessation of employment, eligible leavers normally receive an award pro-rated for time and performance. For other leavers awards will normally lapse. On change of control, awards may vest at the trustee's discretion
Cash Value Plan (CVP)	All employees (excluding executive Directors) whose variable remuneration is above a set threshold	No	Deferred cash paid in three annual instalments over a three year period dependant on future service and subject to plan committee discretion	– Plan typically used for mandatory deferral of a proportion of variable remuneration where variable remuneration is above a threshold set annually by the Committee – Amount deferred increases on a graduated basis as variable remuneration increases – This plan typically works in tandem with the SVP (see below) – Awards vest over three years in equal annual tranches dependant on future service and subject to plan committee discretion – Participants may be awarded a service credit of 10% of the initial value of the award at the same time as the final instalment is paid subject to continued employment – Vesting is subject to malus and prudent financial control provisions in accordance with the FSA Code – On cessation of employment, eligible leavers normally receive an award subject to plan committee discretion. For other leavers awards will normally lapse. On change of control, awards may vest at the plan committee's discretion
Share Value Plan (SVP)	As for CVP above	Executive Directors were not eligible for the SVP in 2010. Approval of the SVP for executive Director participation from 2011 is being sought at the 2011 AGM	Deferred Barclays shares released in three annual instalments over a three year period dependant on future service and subject to trustee discretion	– Plan typically used for mandatory deferral of a proportion of variable remuneration into Barclays shares where variable remuneration is above a threshold set annually by the Committee – Amount deferred increases on a graduated basis as variable remuneration increases – This plan typically works in tandem with the CVP (see above) – Awards vest over three years in equal annual tranches dependant on future service and subject to trustee discretion – Dividends that would normally be received may be awarded as additional Barclays shares and released alongside each tranche of the award – Vesting is subject to malus and prudent financial control provisions in accordance with the FSA Code – Change of control and leaver provisions are as for CVP (see above) subject to trustee discretion – In 2011 Barclays will add a schedule to SVP for cash-based awards to be granted on similar terms but with additional vesting conditions (known as the Contingent Capital Plan) (see Table 25)

Table 24: Summary of principal share plans and long term incentive plans under which awards were made in 2010 continued

Name of plan	Employees eligible	Executive Directors eligible?	Delivery	Design details
Executive Share Award Scheme (ESAS)	Selected employees	Yes	Deferred Barclays shares released after three years subject to trustee discretion	– From 2011, it is proposed that ESAS is replaced by SVP. Details of the SVP are included in Table 24 and further details will be in the Notice of Meeting for the 2011 AGM – Discretionary award of a proportion of variable remuneration as Barclays shares. In addition to mandatory deferral, eligible employees may voluntarily defer additional amounts of variable remuneration awarded. In 2010 awards under ESAS were made on a limited basis as CVP and SVP were the principal mandatory deferral plans – Subject to trustee discretion, the ESAS award vests after three years, at which point "bonus shares" equal to 20% of the value of the initial award may be released. If the participant does not withdraw the award shares until the fifth anniversary of the award date, a further 10% bonus shares may be released. Dividend shares may also be released by the ESAS trustee – Awards are subject to forfeiture if the participant leaves Barclays other than for eligible leaver reasons
Business unit long term incentive plans	Selected senior employees (excluding executive Directors) within each business unit	No	Design varies by business unit, awards vest after at least three years, with additional deferral after this period. Awards typically vest 50% in cash and 50% in Barclays share awards	– Awarded on a discretionary basis – Risk-adjusted performance conditions vary by business unit to reflect individual business strategy – Plans include a prudent financial control provision which gives the Committee power to alter the vesting of awards based on Group financial performance – Awards are subject to forfeiture if the participant leaves Barclays other than for eligible leaver reasons
Sharesave	All UK, Ireland and Spain employees	Yes	Options over Barclays shares at a discount of 20% with shares or cash value of savings delivered after 3 - 7 years	– HMRC approved in the UK and approved by the Revenue Commissioners in Ireland – Opportunity to purchase Barclays shares at a discount price (currently at 20%) set on award date with savings made over 3, 5 or 7 year term – Maximum individual saving of £250 per month (€300 in Ireland, €225 in Spain) – On cessation of employment eligible leavers may exercise options and acquire shares to the extent of their savings for 6 months – On change of control, participants may exercise options and acquire shares to the extent of their savings for 6 months
Sharepurchase	All employees in the UK	Yes	Barclays shares and dividend/ matching shares held in trust for 3 to 5 years	– HMRC approved plan – Participants may purchase up to £1,500 of Barclays shares each tax year – Barclays matches the first £600 of shares purchased by employees on a one for one basis – Dividends received are awarded as additional shares – Purchased shares may be withdrawn at any time (if removed prior to 3 years from award, the corresponding matching shares are forfeited). Matching shares must be held in trust for at least 3 years – On cessation of employment participants must withdraw shares. Depending on reason for and timing of leaving matching shares may be forfeited – On change of control, participants are able to instruct the Sharepurchase trustee how to act or vote on their behalf
Global Sharepurchase	Employees in certain non-UK jurisdictions	Yes	Barclays shares and dividend/ matching shares held in trust for 3 to 5 years	– Global Sharepurchase is an extension of the Sharepurchase plan offered in the UK – Operates in substantially the same way as Sharepurchase (see above)

Remuneration report
continued

Table 25: Summary of new deferred incentive plans and long term incentive plans under which awards will be made in 2011

Name of plan	Employees eligible	Executive Directors eligible?	Delivery	Design details
Contingent Capital Plan (CCP) **(The CCP is a schedule to the SVP)**	Selected employees	Yes (subject to shareholder approval at 2011 AGM)	Deferred cash paid in three annual instalments over a three year period, subject to the Group Core Tier 1 capital ratio being above a specified threshold. Vesting is also dependant on future service and subject to plan committee discretion	– In 2011 Barclays will add a schedule to the SVP (see Table 24) for cash-based awards to be granted on similar terms to the SVP but with additional vesting conditions. Broadly similar provisions to the SVP apply to the CCP – The CCP will typically be used for mandatory deferral of a proportion of variable remuneration for executive Directors, other Code Staff and senior management – Awards vest over three years in equal annual tranches dependant on future service and subject to plan committee discretion – The vesting of contingent capital awards is subject to the condition that the Group Core Tier 1 capital ratio is equal to or exceeds a predetermined threshold at vesting. For 2011 awards the threshold is proposed as 7% – Vesting is also subject to malus and prudent financial control provisions in accordance with the FSA Code – When a contingent capital award vests an additional discretionary benefit may be awarded equivalent to a coupon. For 2011 awards, this is proposed as 7% on the award amount (on an annualised and non-compounded basis) – As for the SVP, on cessation of employment, eligible leavers normally receive an award subject to plan committee discretion. For other leavers awards will normally lapse. On change of control, awards may vest at the plan committee's discretion – Details of the CCP will be included in the Notice of the Meeting for the 2011 AGM
Barclays Long Term Incentive Plan (Barclays LTIP)	Selected employees	Yes (subject to shareholder approval at 2011 AGM)	Award over Barclays shares or over other capital instruments, subject to performance conditions and Committee/ trustee discretion	– Awarded on a discretionary basis with participation reviewed by the Committee – Awards will only vest if the performance condition is satisfied over a three year period – Vesting will be subject to malus and prudent financial control provisions in accordance with the FSA Code – For proposed awards made in 2011, 50% of Barclays shares will be released at the end of the three year period, and 50% (after payment of tax) will be subject to an additional 12 month holding period – The performance condition for the proposed 2011 awards has been chosen to focus closely on execution of Barclays strategy including return on equity. The proposed metrics for 2011 are based on three weighted categories as set out below – Financial (60%): the primary performance metric is 3 year average RoRWA, and the secondary metric is PBT – Risk (30%): the performance metric is loan loss rate – Sustainability (10%): performance is assessed by the Committee against non-financial factors including customer satisfaction, employee opinion surveys and Barclays relationships with its regulators – On cessation of employment, eligible leavers will normally receive an award pro-rated for time and performance. For other leavers awards will normally lapse – On change of control, awards may vest at the Committee's discretion – The calibration proposed for the performance condition metrics for the 2011 Barclays LTIP awards, and further details on the Barclays LTIP, will be included in the Notice of Meeting for the 2011 AGM

Registered office:
1 Churchill Place, London E14 5HP
Registered in England. Registered No: 48839

Designed by Further™
www.furthercreative.co.uk
Cover photography by Paul Grundy