



UK Sharepurchase

See double

Buy shares and we'll match



Buy shares and we'll match

Invest in Barclays shares and we'll match your contributions up to £600.

UK Sharepurchase is a flexible and easy way to acquire Barclays shares. It's tax efficient too and we'll match your contributions up to £600. The amounts will be deducted from your pre-tax salary up to a maximum of £1,500 per year (or up to 10% of your UK Sharepurchase salary in the tax year to date, if lower). UK Sharepurchase is open to all eligible employees* and you can join at any time.

Although UK Sharepurchase is a convenient way of investing in Barclays, it might not be suitable for everyone. You will be acquiring Barclays shares and, like all shares, their value can go down as well as up. You should strongly consider seeking independent financial and/or tax advice before making your decision.

*You must have been employed by the Barclays Group for one month before joining UK Sharepurchase, be employed by a participating company and be a UK taxpayer.

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Please note that this booklet is only a brief guide to UK Sharepurchase. If there is any inconsistency between this booklet and the UK Sharepurchase Trust deed and rules, the Trust deed and rules will apply. The Trust deed, the rules, the relevant legislation and the UK Sharepurchase Agreement take precedence over this booklet. If you wish to see a copy of the Trust deed and rules of the Barclays Group Share Incentive Plan, please call the UK Sharepurchase helpline 0871 384 2224 or if overseas call +44 (0)121 415 0154.

This explanatory booklet is an 'Information Document' as required by the Prospectus Rules. The obligation to produce a prospectus does not apply because of the exemptions contained in Prospectus Rules 1.2.2.(5) and 1.2.2.(6).

Some reasons to join UK Sharepurchase

It's flexible

You can invest an amount every month, make lump sum investments or do both in the same month. You can also change, stop and restart your contributions, so it's very flexible. The shares bought on your behalf are called Partnership Shares.

We will match your contributions

For the first £600 worth of Partnership Shares you acquire each tax year, Barclays will match each Partnership Share with another share. These shares are called Matching Shares.

Matching Shares have conditions attached to them and in certain circumstances you may lose them. You should carefully read the 'What happens next' and 'Leaving Barclays' sections, on pages 9 and 16 for further information.

You could get Dividend Shares

After you've acquired your Barclays shares, any dividend paid by Barclays will be used to acquire more Barclays shares. These are called Dividend Shares and can build up your investment even more.

And it's tax efficient too

UK Sharepurchase is also a tax efficient way to invest in Barclays shares. You can invest up to £1,500 (or up to 10% of your UK Sharepurchase salary in the tax year to date, if lower) or as little as £10 in each tax year in Partnership Shares from your pre-tax pay.

If you keep your shares in UK Sharepurchase for five years from the date of award, you will never have to pay income tax or NIC on the money you invest or on any increase in the value of your Barclays shares or the Matching Shares you get from Barclays.

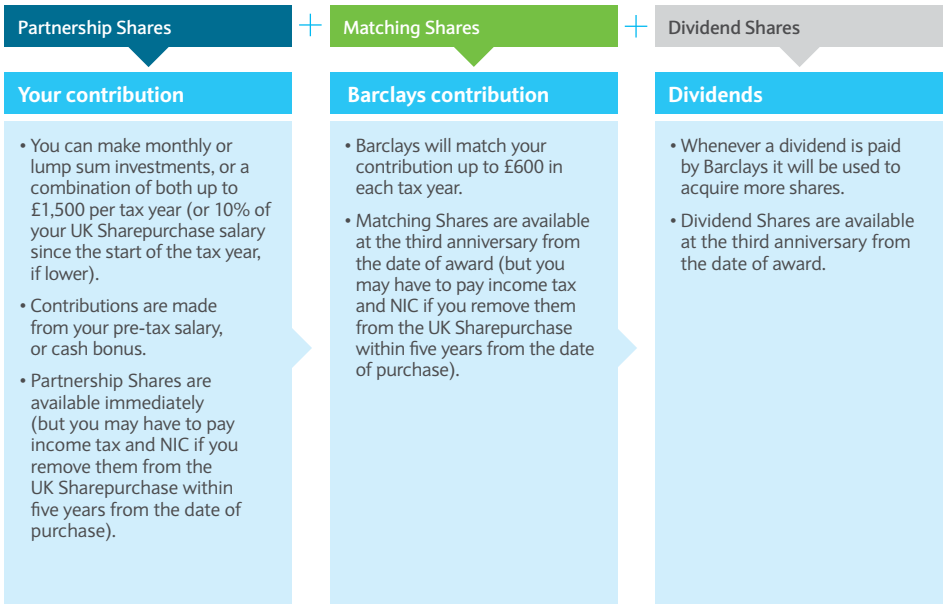
Information

You can find more information on being a Barclays shareholder, including the latest share price at www.barclays.com

Further information about UK Sharepurchase is available online via www.mybarclaysshares.co.uk

Remember you can:

- Stop, restart or change your monthly contribution
 - Make a lump sum contribution, for example after any cash bonus you may receive
 - Come out of UK Sharepurchase at any time, although you may lose your Matching Shares.
-



The implications of withdrawing your Partnership Shares before the fifth anniversary are explained in the 'What happens next' section, on page 9.

An example



The table opposite shows how UK Sharepurchase with Matching Shares works. The number of Barclays shares which are acquired for you will depend upon the amount of your investment and the market value of these shares as determined by the Trustee at the point of award. Any unused money will be carried forward to the next time you invest in UK Sharepurchase.

The example in this table shows a participant choosing to invest £50 on a regular monthly basis. It also shows the option of making a lump sum investment of £500 at any time during the year.

Please note

You can sell your Partnership Shares at any time. However, if you do so before the third anniversary from each respective purchase, you will lose your associated Matching Shares and there are tax implications (please see the information on pages 9 and 10).

MONTH 1	INVESTMENT	AWARD PRICE	NO. OF SHARES
	You invest £50	£50 at £2 per share	25
	Barclays invest £50	£50 at £2 per share	25
MONTH 2			
	You invest £50	£50 at £2.50 per share	20
	Barclays invest £50	£50 at £2.50 per share	20
MONTH 3			
	You invest £500	£500 at £2.22 per share	225
	Barclays invest £500	£500 at £2.22 per share	225
MONTH 4			
	You invest £50	£50 at £2 per share	25
	£600 matching limit reached	n/a	0
TOTAL			
	£650	£600	£1,250
			565

- Partnership Shares (your investment)
- Matching Shares (Barclays investment for you)

For illustrative purposes only. Unused match amount cannot be carried forward to a new tax year.

Step-by-step guide

Step 1

Can I join?

You can join UK Sharepurchase if you have been employed by the Barclays Group for at least one month prior to joining UK Sharepurchase, you are employed by a participating company and you are a UK taxpayer.

Step 2

What do I need to think about?

- Read through this booklet and other materials that are available to you, so that you understand how UK Sharepurchase works.
- Decide when and how much you want to invest. Remember the UK Sharepurchase limits.
- Decide whether to get independent financial and/or tax advice before making your decision.
- If you require more help, please contact the UK Sharepurchase Helpline on **0871 384 2224** or if overseas call +44 (0)121 415 0154.

Remember:

Contributions are made before the deduction of tax from your “UK Sharepurchase” salary. Your UK Sharepurchase salary is the money you earn before tax each month, including any allowances and cash bonus but after taking off any Giving to Charity payments, salary sacrifices (e.g. childcare vouchers, bikes 4 work etc.) or pension contributions including AVCs. Any benefits in kind are ignored.

Staying informed

Your payslip will show the amount which has been deducted for UK Sharepurchase.

The price you have paid for each Barclays share will be published every month on the Barclays Group Intranet and is also available by phoning **0871 384 2224** or if overseas call +44 (0) 121 415 0154.

You will receive a statement every six months giving you an update of the shares you hold in UK Sharepurchase.

Step 3

How do I join?

- Log on to www.mybarclaysshare.co.uk;
or
- Request an application form as follows:
 - Call the UK Sharepurchase Helpline **0871 384 2224** or if overseas call +44 (0) 121 415 0154.
 - Write to Barclays Share Plans at:
Operations Department, PO Box 4766
Worthing, BN99 6HF
 - Email employee@shareplans.barclayswealth.com

You will need to state your Account number and your National Insurance number when you apply.

You can join at any time, but to start investing at the earliest opportunity you need to apply by the 1st of the month to have deductions made that month.

You will receive confirmation of the amount you want to invest.

Step 4

What happens afterwards?

Contributions will be automatically taken from your salary and/or bonus.

You will receive a statement every six months (in May and November) showing the number of Partnership, Matching and Dividend Shares you hold.

How to join



Online

Apply online via
www.mybarclaysshares.co.uk

The online enrolment should not take more than 5 minutes.

Need help?

Call the UK Sharepurchase helpline on **0871 384 2224** or if overseas call +44 (0)121 415 0154.

Application form

You can request an application form as follows:

Call the UK Sharepurchase helpline on **0871 384 2224** or +44(0)121 415 0154, if overseas

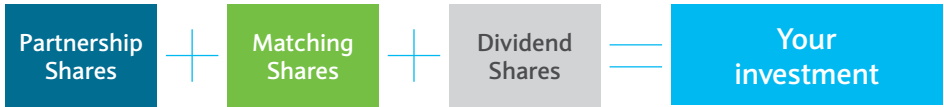
Write to Barclays Share Plans at:
Operations Department, PO Box 4766
Worthing, BN99 6HF

Email us at employee@shareplans.barclayswealth.com

You will need to:

- Decide the amount of your monthly or lump sum contribution amount; and
 - Quote your National Insurance number (which can normally be found on your payslip) and your Account number (which is detailed in your letter).
-

What happens next?



	Buying shares	Maximum amount	Taking out your shares
Partnership Shares	<p>The number of Barclays shares which are acquired for you will depend upon the amount of your contribution and the market value of these shares as determined by the Trustee at the point of award.</p> <p>Any unused money will be carried forward until the next time you decide to invest in UK Sharepurchase.</p>	<p>The lower of:</p> <ul style="list-style-type: none"> • £1,500 in any tax year; or • 10% of your UK Sharepurchase salary in the tax year to date. 	<ul style="list-style-type: none"> • Shares are available immediately. • Please note tax implications overleaf.
Matching Shares	<p>Barclays will give you one Matching Share for each Partnership Share you acquire.</p>	<p>Up to the first £600 worth of Partnership Shares you acquire each tax year.</p>	<ul style="list-style-type: none"> • Shares are available at the third anniversary from the date of award. • You will lose your Matching Shares, if you remove Partnership Shares from UK Sharepurchase before three years. • Please note the tax implications overleaf.
Dividend Shares	<p>Whenever a dividend is paid on your UK Sharepurchase Shares, the Trustee will receive dividends on your behalf and these will be re-invested. These will be used to acquire more shares.</p>	<p>£1,500 in any tax year.</p>	<ul style="list-style-type: none"> • You can only take Dividend Shares out after three years from the date of their award. • You cannot lose your Dividend Shares (they are your shares, just like Partnership Shares). • Please note the tax implications overleaf.

Income tax and NIC implications

	Partnership Shares	Matching Shares	Dividend Shares
Cessation of employment as an eligible leaver*	No income tax or NIC to pay.	You keep your Matching Shares and there is no income tax or NIC to pay.	No income tax or NIC to pay.
Within 3 years of award (either removing shares from UK Sharepurchase if allowed or cessation of employment as an ineligible leaver*)	Income tax and NIC payable on the market value of the shares when you take them out of UK Sharepurchase.	You will forfeit your Matching Shares.	Dividends used to acquire shares will be taxed as a dividend in the year when you take the shares out of UK Sharepurchase. You cannot take out Dividend Shares within 3 years of award if you are a current employee.
Between 3 and 5 years of award (either removing shares from UK Sharepurchase or cessation of employment as an ineligible leaver*)	Income tax and NIC payable on the lower of: <ul style="list-style-type: none"> • The pay used to acquire the shares, or • The market value of the shares when they are taken out of UK Sharepurchase. 	Income tax and NIC payable on the lower of the market value of the shares at the time you: <ul style="list-style-type: none"> • Acquired them, or • Take them out of UK Sharepurchase. 	No income tax or NIC to pay.
After 5 years from award (either removing shares from UK Sharepurchase or cessation of employment as an ineligible leaver*)	No income tax or NIC to pay.	No income tax or NIC to pay.	No income tax or NIC to pay.

*Please see the information in the 'Leaving Barclays' section on page 16 for a list of eligible leave reasons.

Remember:

You don't have to take your Partnership or Matching Shares out of UK Sharepurchase after five years (three for Dividend Shares). There are tax benefits to keeping them in. For example, all gains are free of Capital Gains Tax (CGT) until they are taken out of UK Sharepurchase. This means that if you sell your shares directly from UK Sharepurchase, there will be no CGT liability; however, if you take the shares out of UK Sharepurchase and sell them at a later date at a higher price, CGT will need to be considered.

Questions and answers

1. Can I join?

Yes. All colleagues who have been in continuous employment with the Barclays Group for a minimum of one month are eligible to participate in UK Sharepurchase. You must also be in employment with a participating company and be a UK taxpayer when the shares are acquired.

2. How do I apply?

Please see the step-by-step instructions on pages 6 to 7. You can join at any time but remember to join by the 1st of the month in which you wish to start investing.

3. How do I make my contributions?

Contributions will be automatically taken from your salary and paid by your payroll to the UK Sharepurchase trustee. You can invest every month or make lump sum investments. You can also stop, restart or change your contributions at any time.

4. What is my UK Sharepurchase salary?

Your UK Sharepurchase salary is the money you earn before tax each month, including any allowances and cash bonus, but after taking off any Giving to Charity payments, salary sacrifices (e.g. childcare vouchers, bikes 4 work etc.) or pension contributions including additional voluntary contributions.

Any benefits in kind are ignored.

5. How much can I contribute?

It's up to you how much you want to contribute. You can contribute from as little as £10 up to a maximum of £1,500 in any tax year. However the maximum amount you can invest at any one time is the lower of:

- £1,500; and

- 10% of your UK Sharepurchase salary since the start of the tax year
- Less any amounts that you have already invested in UK Sharepurchase since the start of the tax year.

If you request to contribute £1,500 as a lump sum and it exceeds 10% of your Sharepurchase salary since the start of the tax year, your lump sum will be scaled back accordingly. No further deductions from your salary will be made and if you wish to make further lump sum or monthly contributions, you will need to contact Barclays Share Plans or apply online.

If you request to contribute £1,500 as a monthly deduction and it exceeds 10% of your Sharepurchase salary since the start of the tax year, your monthly contributions will be scaled back accordingly to ensure that they do not exceed 10% of your UK Sharepurchase salary in the tax year to date. After enough monthly deductions are made to reach the £1,500 limit, no more investments would be taken from your pay. This regular monthly investment will start again in the new tax year.

6. What about state benefits?

You should pay particular attention to the section in the UK Sharepurchase Agreement headed "Notice to Participant about Possible Effect on Benefits". Acquiring Partnership Shares under UK Sharepurchase may affect your entitlement to certain social security benefits, statutory maternity pay and statutory sick pay. This is because you would not have paid NI on the pay which you used to acquire Partnership Shares. This should only affect a small number of people.

Questions and answers continued

HM Revenue & Customs (HMRC) has produced a leaflet (IR177) which explains this in more detail. If you would like a copy you can download it from the HMRC website www.hmrc.gov.uk/pdfs/ir177.htm

7. What happens if I am under 18?

If you are under 18 you may, if you are eligible, join UK Sharepurchase but your parents, grandparents or guardian must apply on your behalf. To do this please put the name and address of the person applying on your behalf in the box on the front page of the UK Sharepurchase form headed "Participant" and specify their relationship to you. They should then sign and date the UK Sharepurchase form and they should state that they are signing it on your behalf. You can download this form from www.mybarclaysshare.co.uk.

8. How are the shares acquired?

The money that you contribute is used to acquire Partnership Shares. These shares will be acquired every month by the UK Sharepurchase Trustee who will hold these shares on your behalf. Your completed instructions must be received by the first day of the month in which you wish your contribution to be deducted from your salary. You must be employed on the last day of the month in which your payroll deduction is taken.

When your instructions have been received, a confirmation will be sent to you.

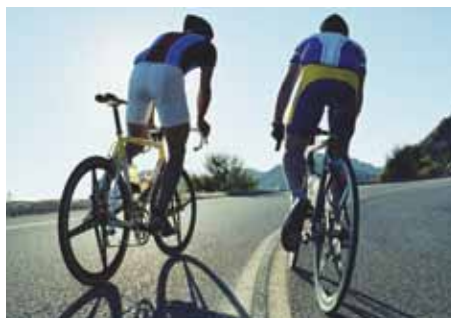
The award dates are set in advance and are usually the 7th calendar day of each month (or next UK business day) following the month in which the deduction was made from your UK Sharepurchase salary. The number of Barclays shares that are acquired for you will depend on the amount you are investing and the market value of these shares as determined by the Trustee at the point of award.

If you wish to make a lump sum investment later in the year, you can apply to do so on-line (see page 6 and 7 for instructions) when you are ready.

The example below shows when the contribution is deducted from your salary and when your shares will be purchased in relation to when you apply.

Example:

- Instructions received between 2 January (or next UK business day) and 1 February
- Appropriate deduction made from February salary (usually, 23 February) to form your contribution
- Your investment is used to acquire shares on 7 March (or next UK business day).



9. How risky is my investment?

The value of shares can go down as well as up.

You should think very carefully about whether investing in shares is right for you and how much of your total investments will be made up of Barclays shares. You should consider seeking independent financial and tax advice before making your decision.

10. Who owns the shares?

You own the UK Sharepurchase Shares as soon as they are acquired for you and are entitled to dividends and other shareholder rights. The shares are held on your behalf by the UK Sharepurchase Trustees.

Remember you may lose Matching Shares if you take out Partnership Shares early.

A Barclays shareholder has the right to vote. The UK Sharepurchase Trustees hold your UK Sharepurchase Shares on your behalf and you may direct the Trustees to exercise voting rights attached to your UK Sharepurchase Shares.

You can direct the Trustees of the UK Sharepurchase Plan to vote on your behalf. Please contact the UK Sharepurchase Helpline for information.

11. Is there a discount on the cost of the shares?

The price of the shares is not discounted. However, Barclays gives you the right to receive one free Matching Share for each Partnership Share you acquire up to £600.

On Partnership Shares acquired in excess of £600, you don't get any Matching Shares.

Also, you will not pay any stamp duty or brokers commission on the shares you acquire.

12. Do I get dividends on my UK Sharepurchase Shares?

Yes. When Barclays pays dividends they are automatically used to acquire more Barclays shares.

13. Can I remove my Partnership, Matching and Dividend Shares from UK Sharepurchase?

Please see the information on pages 9 and 10. However, you should consider seeking independent tax advice.

14. What happens if I am not paid via the UK payroll, if I take maternity leave, a short-term career break or any other unpaid leave ?

You will continue to be eligible to participate in UK Sharepurchase. However, payments to the UK Sharepurchase must be made directly from salary via UK payroll, so once your pay drops below a certain level (or ceases to be paid via UK payroll) no deductions will be taken.

UK Sharepurchase vs Sharesave

	UK Sharepurchase	Sharesave
What's the full name?	The "Barclays Group Share Incentive Plan"	The "Barclays Group SAYE Share Option Scheme"
How much can I invest?	Minimum £10 per tax year Maximum £1,500 (or up to 10% of your UK Sharepurchase salary in the tax year to date, if lower) per tax year	Minimum £5 per month Maximum £250 per month
How risky is my investment?	Medium to high. You are buying Barclays shares at market value which can go down as well as up. You should think very carefully about whether investing in shares is right for you, and how much of your investments will be made up of Barclays shares.	Very low. You do not have to buy your option shares. You will receive your savings back plus (if applicable) a tax-free bonus on your savings even if you do not buy Barclays shares when your option matures.
Who owns the shares?	You do, as soon as the shares are purchased for you which means that you are entitled to dividends and other shareholder rights. Remember you may lose Matching Shares if you take out Partnership Shares early.	You only own them if you exercise your option on maturity and buy shares – before that your money is just being saved.
Is there a discount on the cost of the shares?	Yes – on acquisitions up to £600. Barclays gives you one free share for each share you purchase up to £600. So you are effectively receiving a 50% discount. For example, you can receive £1,200 worth of Barclays Shares for £600 investment. No – on acquisitions in excess of £600. Shares are bought at full market price each month you are in UK Sharepurchase but you don't pay dealing commission or stamp duty.	Yes. The price per share, to be paid on exercise, is set at up to a 20% discount to the market price, just before the start of the option period. This is on all shares under your option.
Is there tax relief on the cost of the shares?	Yes. Your Partnership Share investment comes from your pre-tax pay, although you lose this tax relief if you take your shares out within five years.	No. Your savings come from your pay after tax.

Please note

You can invest in both, and the limits on the amount you can put in each are separate. Although they both give you a way of investing in Barclays shares, there are some important differences you should know about.

	UK Sharepurchase	Sharesave
Do I get dividends?	Yes. When Barclays pays a dividend they are used to buy more Barclays shares, tax-free.	No. Not until you become the owner of the Barclays shares when you exercise your option to buy them.
Is there relief from income tax on any increase in share price while I'm investing?	Yes. If you hold your Partnership Shares in UK Sharepurchase for three years. To get full tax relief on your Partnership Shares purchase cost you need to hold them for five years. You must hold your Matching Shares for five years to benefit fully from income tax relief.	Yes. If you exercise your option at maturity (or earlier in certain circumstances).
Is there relief from Capital Gains Tax (CGT) on any increase in share price after purchase?	Yes. Up until the time the Barclays shares are taken out of UK Sharepurchase.	No. However, you can use your annual CGT exemption, transfer your shares to your spouse and/or transfer to an appropriate ISA.
What is the term of the investment?	To receive the full benefit, shares should be held for five years from the date of purchase. Shares can be removed earlier, but this will have tax consequences.	The option period is three, five or seven years.
When can I join?	You can join at any time, but to start investing at the earliest opportunity you need to apply by the 1st of the month to have deductions made that month.	Only once a year, normally in August.
Can I take a break from or stop payments?	Yes. You can stop, restart and/or change your contributions at any time.	Yes. You can miss up to six monthly payments during your savings contract. If for any reason you miss more than six payments, your option to buy shares and your savings contract will lapse. The proceeds of your savings contract will be returned to you on request.

Leaving Barclays

If you leave Barclays your shares must be withdrawn from UK Sharepurchase. Depending on your reason for leaving, different circumstances may apply.

Reason for leaving	Actions
<p>Eligible leaver reasons:</p> <ul style="list-style-type: none"> • Injury or disability • Redundancy • Death • Sale of your part of Barclays out of the Barclays Group • Retirement on or after the UK Sharepurchase retirement age of 50 (whether or not with pension). 	<p>You keep all your UK Sharepurchase Shares (including your Matching Shares). All shares will be tax free when they leave UK Sharepurchase.</p>
<p>Ineligible leaver reasons:</p> <ul style="list-style-type: none"> • Any other reason. 	<p>You will lose any Matching Shares you have not held for 3 years.</p> <p>Income tax and NIC will be payable on any Matching Shares held between 3 and 5 years.</p> <p>Income tax and NIC will be payable on any Partnership Shares held for less than 5 years.</p> <p>Dividend Shares held for less than 3 years will be taxed as dividend income.</p> <p>Higher rate taxpayers will have to pay an extra 22.50% tax on the dividend income (dividend plus tax credit)</p> <p>Additional rate taxpayer will have to pay an extra 32.50% tax on the dividend income (dividend plus tax credit)</p> <p>All shares held for 5 years or more will be released free of UK income tax.</p> <p>For details of income tax and NIC please refer to page 10.</p>

Contact information

Enquires	Contact
Change your name* Change your address*	Please confirm the changes in writing to: Barclays Share Plans Operations Department, PO Box 4766, Worthing, BN99 6HF
Stop or restart your monthly investment Change the amount of your monthly investment Make a lump sum investment	Log on to www.mybarclaysshares.co.uk Call 0871 384 2224** or for overseas call +44 (0)121 415 0154.
Take your shares out of UK Sharepurchase	If you are a Barclays employee you can log on to www.mybarclaysshares.co.uk and complete the online sales form. If you have left Barclays please call the UK Sharepurchase Helpline below.
If you have any other questions	Call the UK Sharepurchase Helpline on 0871 384 2224** or if overseas call +44 (0)121 415 0154. Email employee@shareplans.barclayswealth.com
Information on Barclays and being a Barclays shareholder, including the share price	www.barclays.com

*You should also let your HR Administration area know separately.

**Calls to 0871 telephone numbers are charged at 8p per minute from a BT landline. Other telephony providers' costs may vary.

Contact us

Barclays Share Plans

- www.mybarclaysshareplans.co.uk
- **0871 384 2224** (or +44 (0)121 415 0154, if overseas)
- employee@shareplans.barclayswealth.com
- **Operations Department,**
PO Box 4766, Worthing, BN99 6HF

You can also request a paper booklet by contacting Barclays Share Plans on the details above.

This material can be obtained in large print, Braille or audio format from TransMedia Link (please quote the reference TMLCC).

T: 0870 241 0772

E: info@transmedialink.co.uk

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