

BARCLAYCARD FUNDING PLC

Strategic Report (continued) For the Year Ended 31 December 2022

Key performance indicators (KPIs)

The interest income generated on the investor certificate, the interest costs of the medium term notes and the related operating expenses are the principal components of the Company's operations, which are quantified in the Statement of Profit or Loss and Other Comprehensive Income.

Barclays Bank UK PLC as servicer under the MTNP (and which is represented on the Board of Directors of the Company) monitor a number of key performance indicators such as triggers (including performance of the underlying credit card receivables portfolio, related arrears levels, excess spread, portfolio yield, payment rate and charge off rate), the credit ratings of the notes in issue and the credit worthiness of the counterparties relevant to the Company. These key performance indicators are measured against specified thresholds, and should any key performance indicator approach the specified threshold, there are established management actions that would be implemented in order to maintain the asset-backed bonds ratings. At present, all key performance indicators have significant headroom above the specified thresholds which give comfort to Directors on the performance of the underlying receivables and hence the anticipated performance of the Company. Details of these key performance indicators are available in the published investor reports at <https://home.barclays/investor-relations/fixed-income-investors/prospectus-and-documents/secured-funding-securitisation/gracechurch-card-funding/>.

Section 172(1) statement

The Directors have acted in the way that they considered, in good faith, would be most likely to promote the success of the Company for the benefit of its member as a whole and this section forms our section 172 disclosure, describing how, in doing so, the Directors considered the matters set out in section 172(1)(a) to (f) of the Companies Act 2006. The Directors also took into account the views and interests of a wider set of stakeholders.

The Directors considered, amongst other matters, the following:

- the documents governing the financing and other principal transactions to which the Company is party (together, the "programme documentation") have been formulated with the aim of achieving the Company's purpose and business objectives, safeguarding the assets of the Company and promoting the success of the Company;
- in accordance with relevant securitisation legislation the Company is only permitted to retain minimal profit;
- the Company has no employees;
- the Company has appointed various third parties to perform certain roles strictly governed by the programme documentation, fee arrangements agreed in advance;
- as a special purpose vehicle, the Company has no physical presence or operations and accordingly has minimal impact on the community and the environment;
- Barclays Bank UK PLC ("Barclays") holds 75 per cent. of the issued share capital of the Company, representing 51 per cent. of the issued voting share capital and a 49 per cent. entitlement to distributable profits. The remaining issued share capital is all held on a discretionary trust basis for charitable purposes.

You can find out more about who the Barclays Group's key stakeholders are, how management and/or the Directors engaged with them, the key issues raised and actions taken on pages 16 to 20 of the Barclays PLC Annual Report 2022 and also on page 17 to 18 of the Barclays Bank UK PLC Annual Report 2022 (both of which are incorporated by reference into this statement).

Considering this broad range of interests is an important part of the way the Board makes decisions, although in balancing those different perspectives it will not always be possible to deliver everyone's desired outcome.

BARCLAYCARD FUNDING PLC

Strategic Report (continued) For the Year Ended 31 December 2022

Section 172(1) statement (continued)

How does the Board engage with stakeholders?

Depending on the decision in question, the relevance of each particular stakeholder group may differ, and equally the Board adopts a variety of methods of engagement with different stakeholder groups. The Board will sometimes engage directly with certain stakeholders on certain issues, but the size and distribution of our stakeholders and of Barclays means that stakeholder engagement often takes place at an operational level.

In addition, to ensure a more efficient and effective approach, certain stakeholder engagement is led at Barclays Group level, in particular where matters are of group-wide significance or have the potential to impact the reputation of the Barclays Group.

The Board considers and discusses information from across the organisation to help it understand the impact of the Company's operations on, and the interests and views of, our key stakeholders. It also reviews strategy, financial and operational performance as well as information covering areas such as key risks, and legal and regulatory compliance. This information is provided to the Board through reports sent in advance of each Board meeting, and through in-person presentations.

As a result of these activities, and the information it receives, the Board has an overview of engagement with stakeholders, and other relevant factors, which enables the Directors to comply with their legal duty under section 172 of the Companies Act 2006.

The following are an example of how the Directors have had regard to the matters set out in sections 172 (1)(a)-(f) when discharging their section 172 duties and the effect of that on certain of the decisions taken by them.

Engagement in action

Supporting our customers, clients, colleagues and communities through challenging times

In response to unusually large increases to living costs experienced by UK colleagues, Barclays Group brought forward part of the 2023 pay increase, awarding 35,000 UK-based junior colleagues a £1,200 salary increase effective from August 2022, ahead of our annual salary review. In January 2023, Barclays Group worked closely with Unite the Union to agree a 2023 UK pay deal which, combined with the August 2022 increases, brought the total average salary increase for our lowest paid colleagues up to 11%. By doing this, the Barclays Group ensured that the minimum rate of pay in the UK remains well ahead of Living Wage Foundation benchmarks.

Responding to the impacts of the Russian invasion of Ukraine

The impacts of the war are numerous and widespread, with implications for Barclays Group, its clients and customers and other stakeholders. This has resulted in heightened awareness of certain principal risks such as conduct, reputational, compliance and cyber risk. These risks are managed within the established risk framework and key performance indicators remain within the risk appetite defined by the Company.

This report was approved by the Board and signed on its behalf by:

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P H Whitaker
For and on behalf of Intertrust Directors 1 Limited
Director
Date: 28 June 2023
Company number: 02530163