



Corporate governance in Barclays

Barclays Corporate Secretariat
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Introduction from John McFarlane

Corporate Governance is the system by which companies are directed and controlled, and boards of directors are responsible for the governance of their companies. Corporate Governance is therefore about what the board of a company does and how it sets the company's values.

Barclays has a well-defined and well-structured Corporate Governance framework in place to support the Board's aim of achieving long term and sustainable value and it is important that this is supported by the right culture, values and behaviours both at the top and throughout the entire organisation, namely Barclays Purpose and Values.

This summary of Corporate Governance practices in Barclays provides the Directors with guidance for promoting the very highest standards of corporate governance in Barclays. It sets out our practices for implementing the corporate governance provisions required by law, regulation and best practice guidance. The summary should be read alongside the Charter of Expectations which was first adopted by the Board in 2004, a copy of the latest version of which is annexed hereto.

The practices set out in the document apply to Barclays PLC and, insofar as they are capable of being applied, to Barclays Bank PLC. They are reviewed regularly by the Board and where necessary they are amended to ensure that Barclays remains at the forefront of global corporate governance best practice.

Role and Responsibilities of the Board

The Board is responsible to shareholders for creating and delivering sustainable shareholder value through the management of the Group's businesses. It should therefore determine the strategic objectives and policies of the Group to deliver such long-term value, providing overall strategic direction within a framework of rewards, incentives and controls. The Board must ensure that management strikes an appropriate balance between promoting long-term growth and delivering short-term objectives. The Board, in order to be effective, should demonstrate ethical leadership and promote the company's collective vision of the company's purpose, values, culture and behaviours, referred to as 'Barclays Values'. The Directors should lead by example and ensure that good standards of behaviour permeate throughout all levels of the Group. This will help prevent misconduct and unethical practices and will support the delivery of long-term, sustainable success.

Directors must act in a way they consider, in good faith, would promote the success of the company for the benefit of the shareholders as a whole and, in doing so, have regard (amongst other matters) to:

- (a) the likely consequences of any decision in the long-term;
- (b) the interests of Barclays' employees;
- (c) the need to foster Barclays' business relationships with suppliers, customers and others;
- (d) the impact of Barclays' operations on the community and the environment;
- (e) the desirability of Barclays maintaining a reputation for high standards of business conduct; and
- (f) the need to act fairly as between shareholders of Barclays.

The Board is also responsible for ensuring that management maintain a system of internal control which provides assurance of effective and efficient operations, internal financial controls and compliance with law and regulation. In addition, the Board is responsible for ensuring that management maintain an effective risk management and oversight process at the highest level across the Group. In carrying out these responsibilities, the Board must have regard to what is appropriate for the Group's business and reputation, the materiality of the financial and other risks inherent in the business and the relative costs and benefits of implementing specific controls.

The Board is also the decision-making body for all other matters of such importance as to be of significance to the Group as a whole because of their strategic, financial or reputational implications or consequences.

A formal schedule of powers reserved to the Board is in place and is attached to these Guidelines as Appendix 1. The Board has a duty to act in accordance with its powers and Directors must:

- (a) act in accordance with the company's constitution, and
- (b) only exercise powers for the purposes for which they are conferred.

Powers reserved to the Board include the approval of the Group's strategy, the interim and full year financial statements, significant changes in accounting policy and practice, the appointment or removal of Directors or the Company Secretary, Directors' conflicts of interest, changes to the Group's capital structure and major acquisitions, mergers, disposals or capital expenditure.

Legal Responsibilities of Executive and Non-Executive Directors

Under English Law, Executive and non-executive Directors share the same responsibilities and are subject to the same constraints. Directors owe both fiduciary duties and general duties of reasonable care, skill and diligence to the company as a whole. The statutory statement of Directors duties is contained in the Companies Act 2006 and includes:

1. Only exercising powers within the authority given and acting in accordance with the company's constitution;
2. At all times acting not only in good faith and honesty, but also in the company's best interests and to promote the success of the company for all its members, whilst having regard to the likely consequences of any decision in the long-term, the interests of employees, the need to further relationships with suppliers and customers, the impact on the community and the environment, and the need to act fairly as between members of the company;
3. Exercising independent judgment in carrying out their duties;
4. Exercising reasonable care, skill and diligence in carrying out their duties commensurate with their knowledge and experience;
5. Avoiding a conflict of interest between their personal interests and their duties to the company.

In addition, Directors must ensure that the company does everything that is required of it by law and regulation, e.g., ensuring the preparation of accounts which give a true and fair view of the state of affairs of the Group at the end of each financial year.

Responsibilities of Directors of a bank

As a bank, Barclays is regulated in the UK by the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA).

Directors must at all times be and remain fit and proper to carry out their roles in accordance with the criteria issued from time to time by the company's regulators, as assessed by the company and/or any regulator by whom the Director must be approved to carry out their role

All Directors (including Notified non-executive Directors) are required to observe the Senior Manager and Individual Conduct Rules mandated by the PRA and FCA as applicable to Senior Managers from time to time when acting in their capacity as a Director. That means a Director must

Senior Manager Conduct Rules

1. take reasonable steps to ensure that the business of Barclays for which they are responsible is controlled effectively;
2. take reasonable steps to ensure that the business of Barclays for which they are responsible complies with the relevant requirements and standards of the regulatory system;
3. take reasonable steps to ensure that any delegation of their responsibilities is to an appropriate person and that they oversee the discharge of the delegated responsibility effectively; and
4. disclose appropriately any information of which the FCA or PRA would reasonably expect notice

Individual Conduct Rules

1. act with integrity;
2. act with due skill, care and diligence;
3. be open and co-operative with the FCA, the PRA and other regulators;
4. pay due regard to the interests of customers and treat them fairly; and
5. observe proper standards of market conduct.

Should a Director consider that he or she may be in breach of any conduct rule at any time, they should report this promptly to the Company Secretary.

These requirements are supplemented by applicable laws and regulations of those other countries where the Group conducts banking business.

Directors' Indemnities and Insurance

The Group has in place Directors' and Officers' Liability Insurance, which provides some cover for the Directors and its Officers against suit by third parties. The terms and extent of the cover are reviewed annually.

The Board has also decided that the Group should make use of Sections 232-233 of the Companies Act 2006 relating to the indemnification of Directors and that Directors shall be indemnified to the extent permitted by law. Directors' appointment letters confirm the extent of the indemnity provided to them.

Number of Directors

The Articles of Association specify that the number of Directors shall not be less than 5. There is no maximum limit on the number of Directors. The Board has power under the Articles of Association to appoint a Director to fill a casual vacancy or as an additional Director. Directors appointed by the Board in this manner must stand for election by shareholders at the next annual general meeting following their appointment.

It is Barclays' policy to have a balance between executive and non-executive Directors, with the aim of having a majority of independent non-executive Directors. The Board Nominations Committee regularly reviews the composition of the Board and determined that the optimal size of the Board is between 12 and 15 Directors. The size of the Board is not fixed and may be revised from time to time to reflect the changing needs of the business.

Director Nomination Process

The process for appointing new Directors to the Board is determined by the Board Nominations Committee. All Directors will have a written contract or letter of appointment setting out the terms of their appointment to the Board. The Directors are subject to annual re-election at the annual general meeting unless the Board determines that there may be a conflict of interest between the long-term interests of Barclays and short-term uncertainty of voting.

Non-executive Directors

Criteria for the desired experience and competencies of new non-executive Directors will be recommended by the Board Nominations Committee and will be reported to the Board before a search commences. The Chairman, Chief Executive and at least two members of the Committee will interview each potential new Director, who has typically been identified with the assistance of external search consultants, before their appointments are recommended to the Board.

The balance and mix of appropriate skills and experience of non-executive Directors will be taken into account when considering a proposed appointment. The behaviours likely to be demonstrated by potential non-executive Directors will also be considered when interviewing for new appointments to ensure that an environment in which challenge is expected and achieved is maintained in the Boardroom. In reviewing Board composition, the Board Nominations Committee will consider the benefits of diversity, including gender, and look to ensure a geographical mix of Directors, together with representatives from different industry sectors. The Board's objective is that approximately 50% of non-executive Directors, including the Group Chairman and Chairmen of the principal Board Committees, should have banking and/or financial experience and this will also be taken into account when recommending appointments. All candidates for appointment will need to demonstrate the financial literacy required for a proper understanding of the Group's activities and associated risks and the Committee will seek to ensure that a proportion of the Board have a deeper understanding of financial products. In addition, when considering appointments to the Board Audit Committee, the Committee will consider the requirements of the UK Code and the US Sarbanes-Oxley Act with regard to the appointment of a non-executive Director with the required financial expertise.

Non-executive Directors will be issued with a letter of appointment, which sets out the terms and conditions of their appointment including the expected time commitment agreed with each individual. The expected time commitment for a non-executive Director is normally at least 30 days a year, including membership of one Board Committee, increasing to 40 days a year for membership of two Board Committees, except in exceptional circumstances (e.g., serving CEO)¹. Certain non-executive Directors, including the Deputy Chairman, Committee Chairmen, will be expected to commit additional time in order to fulfil their extra responsibilities. All non-executive Directors will be appointed for an initial period of up to six years, subject to annual re-election by shareholders, which is renewable for a further three years. Any non-executive Director serving for a term beyond six years will be subject to particularly rigorous review.

It is Barclays' policy that non-executive Directors should not usually serve more than nine years.

The Board as a whole, with the non-executive Directors abstaining, will consider on an annual basis the fees to be paid to non-executive Directors.

¹ a time commitment of at least 20 days a year would be acceptable, assuming there is no Board Committee membership.

Executive Directors

The Board Nominations Committee is responsible for considering proposals brought by management for the succession, over the longer term, to key leadership positions within the Group. It also has oversight of the Group's Succession and Talent Management programme.

Executive Directors' service contracts will be agreed by the Board Remuneration Committee. All executive Directors' contracts have a rolling 12 month notice period and their contracts include an explicit duty to mitigate their loss on termination.

The form and amount of executive Directors' remuneration will be determined by the Board Remuneration Committee in accordance with the policies and principles set out in its terms of reference. The Committee conducts an annual review of executive Directors' remuneration.

Board Diversity Policy

The Board has adopted a Board Diversity Policy, which sets out the Board's policy on boardroom diversity and any measurable objectives adopted by the Board. A copy of the current Board Diversity Policy is attached as Appendix 5.

Succession Planning

The Board Nominations Committee is responsible for considering succession planning for the Chairman, Chief Executive and other key roles on the Board and at least annually will conduct a review of succession planning and propose changes to the process as necessary.

The Committee also regularly reviews the leadership needs of the Group and considers reports on the Group's talent management programme, including any measures being taken to improve the pipeline of talent.

Independence

The Group aims to have a majority of independent non-executive Directors on the Board and the Chairman should be independent on appointment.

The UK Code set outs circumstances which may appear relevant to the Board's determination of whether a non-executive Director is independent. These criteria are set out in Appendix 2. The Board will consider these criteria and the issue of independence on an annual basis in order to determine the independence of non-executive Directors. The Board has also concluded that the following behaviours are essential for the Board to consider a Director to be independent and will assess non-executive Directors against these criteria:

- Provides objective challenge to management;
- Is prepared to challenge others' assumptions, beliefs or viewpoints as necessary for the good of the organisation;

- Questions intelligently, debates constructively, challenges rigorously and decides dispassionately;
- Is willing to stand up to defend their own beliefs and viewpoints in order to support the ultimate good of the organisation; and
- Has a good understanding of the organisation's businesses and affairs to enable them to properly evaluate information and responses provided by management.

Conflicts

No Director will put themselves in a position where their interests conflict or may be perceived to conflict with those of the Group. Directors must not accept a benefit from a third party conferred by reason of:

- (a) being a Director, or
- (b) doing (or not doing) anything as a Director.

The decision to undertake external activities is a matter for individual non-executive Directors to decide, bearing in mind their personal responsibilities and commitments, including those to the Boards of Barclays. The Chairman is available to all members of the Board to discuss possible, actual or perceived conflicts. Directors must take care with respect to any external activities to avoid difficulties in this regard. A conflict may occur or be perceived to occur by carrying out work for a competitor. If Directors have any doubts about whether a conflict or potential conflict may arise, they should consult the Chairman or Company Secretary, in the case of non-executive Directors or the Chief Executive, in the case of executive Directors, before doing anything that might compromise the Group.

Prior to any offer of appointment being made, prospective non-executive Directors are required to disclose any business interests that may result in any actual or potential conflicts of interest with those of the Group, while current Directors must notify the Company Secretary in advance of any potential conflicts through other directorships or shareholdings. If a conflict or potential conflict situation arises, Directors must seek authorisation from the Board, in accordance with Barclays' Articles of Association. Once authorised, conflicts will be recorded in a Conflicts Register to ensure the Directors' duty to avoid conflicts is not infringed. Directors are also required to notify the other Directors of any potential or existing transactional conflicts and may do so via the Company Secretary.

The Conflicts Register will be reviewed annually by the Board Nominations Committee, which will report to the Board to confirm that, where relevant, conflicts have been dealt with appropriately and that the process for dealing with them is operating effectively. As part of the review, details of the specific nature of any actual conflicts that have been authorised by the Board will be identified, together with any measures taken throughout the year to manage them.

Charter of Expectations and Role Profiles

Barclays' Charter of Expectations and Role Profiles sets out both the Role Profiles and the behaviours and competencies required for each role on the Board, namely Chairman, Deputy Chairman, Senior Independent Director, non-executive Directors, executive Directors, and Committee Chairmen.

The Charter also sets out the expectations that the Board has of each Director in their role on the Board, including expected competencies, behaviours and time commitment. It has established criteria for each role and prescribes high performance indicators for each role against which each Director's performance is measured. Non-executive Directors are expected to be ready, able and encouraged to challenge and test proposals on strategy put forward by the executive and offer full empowerment to the executive Directors to implement that strategy, following a decision on the policy or strategy to be adopted.

A copy of the Charter of Expectations and Role Profiles is attached as Appendix 3. The Charter will be reviewed annually by the Board Nominations Committee to ensure that it remains relevant and up-to-date.

Roles on the Board

The roles of the Chairman and Chief Executive are separate and the Board has agreed their respective responsibilities, which are set out in the Charter of Expectations.

The Chairman's main responsibility is to lead and manage the work of the Board to ensure that it operates effectively and fully discharges its legal and regulatory responsibilities. The Chairman will lead the Board to ensure its effectiveness in all aspects of its role, including setting its agenda to ensure that adequate time is available for substantive discussion on strategy, performance and key value issues. The Deputy Chairman will deputise for and support the Chairman in respect of the responsibilities and authorities conferred upon him.

The Board has delegated the responsibility for the day-to-day management of the Group to the Chief Executive, who is responsible for leading the Executive Directors and for making and implementing operational decisions. The Chief Executive is supported by the Group Executive Committee, which he chairs.

Non-executive Directors, based on their breadth of knowledge and experience, challenge, monitor and approve the strategy and policies recommended by the Chief Executive. The Chairman will facilitate, encourage and expect the informed and critical contribution of the Directors in discussion and decision-taking on matters of risk and strategy and will promote effective communication between executive and non-executive Directors.

Senior Independent Director

In accordance with the provisions of the UK Code, the Board will designate an independent non-executive Director as the Senior Independent Director. The Senior Independent Director is available to shareholders if they have any concerns that they cannot resolve through the normal channels of contact or if such contact is inappropriate.

In normal times, the Senior Independent Director will provide a sounding board for the Chairman, be responsible for the evaluation of the Chairman and serve as a trusted intermediary for non-executive Directors as and when necessary.

In periods of stress, he or she will work with the Chairman and other Directors/shareholders as required to resolve significant issues.

Other Appointments / External Directorships

Barclays recognises the benefits of executive Director appointments on the boards of other companies, but all Directors will ensure that they have sufficient time to be able to perform their duties as a Director of Barclays.

An appointment as a director of any company outside the Barclays' Group is subject to the prior approval of the Board, taking into account the process required to authorise any conflict or potential conflict situation that may arise in respect of the appointment and the limits on the number of directorships that are prescribed by SYSC 4.3A.6 of the PRA Handbook.

Directors should, in the first instance, discuss any possible commitment with the Chairman or Chief Executive.

Executive Directors should normally hold no more than one other significant external appointment or directorship. Such appointments should be discussed with the Chief Executive and the Chairman and approved by the Board. Unless the external appointment is taken up at the Company's request, it is usual for the Director concerned to retain the fees for such external appointment. No executive Director shall be permitted to take on more than one non-executive directorship in a FTSE-250 company and no executive Director shall be permitted to take on the chairmanship of a FTSE-250 company.

The Board reserves the right to reconsider appointments of non-executive Directors and to terminate appointments forthwith should there be any material change to the Director's personal circumstances that the Board believes may affect their appointment as a Director of the Company. A material change shall include, but not be limited to, the following:

- Where the Director resigns, retires or is removed from any of their other external appointments (including, but not limited to, any other directorships).
- Where the Director is appointed to any other company, corporate body or other entity (internal or external) that has not been agreed in advance with the Chairman and has not been authorised by the Board as a conflict or potential conflict of interest in line with Barclays' procedures.
- Where an incident occurs that the Board considers could adversely affect the reputation of the Group.

Where such a material change occurs, the Director must inform the Chairman as soon as possible.

Cross Directorships

Executive Directors should not accept an appointment as a non-executive Director of any other company where a Barclays' non-executive Director is a director.

Directors' Share Ownership

Share Qualification

The Articles of Association of Barclays require each Director to hold an interest in the ordinary shares of Barclays of a nominal value of at least £500 (2,000 ordinary shares of 25p each), within two months of the date of their appointment unless they are prevented from doing so by law or other regulatory, governmental or relevant authority restriction which they are subject to at the time.

Remuneration in Shares for non-executive Directors

£30,000 of each non-executive Director's basic fee, and £100,000 of the Chairman's fee, will be paid in the form of Barclays PLC ordinary shares. Shares will be purchased in the market every six months, normally in July and February, after the interim and full year results announcements. The shares will be held by a nominee on behalf of each non-executive Director and the Chairman until they retire from the Board.

Share Dealing

All Directors must comply with the Barclays' Share Dealing Code in place from time to time.

Board Effectiveness Review: Evaluation of Directors

The Board will conduct an annual effectiveness review in order to evaluate the performance of the Board, Board Committees and individual Directors.

The performance evaluation process will differ from year to year, but will normally take the form of a detailed questionnaire supplemented by individual interviews with each of the Directors. Annual evaluations may be independently facilitated and an external facilitator will be used at least once in every three years. In each case, the initial results will be reported to and will be discussed by the Board. A detailed action plan will then be discussed and agreed by the Board Nominations Committee and endorsed by the Board.

The Chairman will hold private meetings with each Director to discuss the results and to agree developmental areas relating to their own individual performance. Chairmen of Board Committees will be responsible for the evaluation of their Committees.

Feedback on the Chairman's performance will be provided to the Senior Independent Director, who will discuss the results privately with the other non-executive Directors and the Chief Executive before meeting with the Chairman.

The Board will report on Board performance and governance in an annual evaluation statement, providing meaningful and high-level information to assist shareholders' understanding of the main features of the process and how the issues raised are being addressed.

Board Meetings and Attendance

Board Meetings

The Board usually has 8 scheduled Board meetings per year and all Directors are expected to attend each meeting, unless there are exceptional circumstances that prevent them from doing so.

The Board collectively is responsible for setting its own agenda. In practice an annual calendar of Board business is circulated and all Directors have the opportunity to propose further items via the Company Secretary. This provides a forward indication of the items to be covered at each meeting, including presentations on the Group's businesses and operations.

Papers relevant to the agenda of each Board and Board Committee meeting will be sent to Board and Committee members as appropriate approximately one week in advance of the meeting. Regular papers submitted to the Board will include:

- (a) a report from the Chief Executive;
- (b) a report from the Group Finance Director, including monthly management accounts and updates on capital and liquidity;
- (c) presentations on the implementation of the Group's strategy from each of its principal businesses;
- (d) reports from the Chief Risk Officer; and
- (e) reports and minutes of Board Committees.

All papers and matters discussed at meetings of the Board and its Committees are strictly confidential and papers are retained by the Company Secretary following Board meetings, unless alternative arrangements are agreed.

The Chairman will meet privately with all non-executive Directors before each Board meeting to brief them on the business of the meeting and to address any concerns that they may wish to raise.

Annual Strategy Meeting

A 1-2 day meeting devoted to strategy will be held each year. The Board will review the Group's long-term strategic plans and agree the Group's strategic priorities, including capital management, liquidity and risk strategy.

Offsite Board Meeting

The Board will usually hold at least one Board meeting each year at one of the Group's business locations.

Annual General Meeting

All Directors are expected to attend the annual general meeting and to make themselves available during and after the meeting to answer questions from shareholders. Shareholders have a right to have their questions answered at a general meeting, subject to the provisions of the Companies Act 2006.

Board Committees and their Terms of Reference

Under the Articles of Association the Board may, where appropriate, delegate all or any of its powers to an individual Director or to a Committee of Directors and other persons and constituted in the manner most appropriate to those tasks. Under the Articles of Association, the majority of members of each Board Committee must be Directors. The terms of reference of each of the principal Board Committees set out the specific membership requirements for those Board Committees.

Board Committee members will be appointed by the Board on the recommendation of the Board Corporate Nominations Committee, which will review the composition of each Committee regularly and at least annually. Committee members are expected to attend each Committee meeting, unless there are exceptional circumstances that prevent them from doing so.

The main Board Committees are the Board Audit Committee, the Board Remuneration Committee, the Board Nominations Committee, the Board Risk Committee and the Board Reputation Committee, the operations of which are described below.

Specific responsibilities have been delegated to each Board Committee and each has its own terms of reference, copies of which are attached at Appendix 4. Each Committee has access to independent expert advice at the Group's expense.

Board Audit Committee

The Committee will consist of at least three independent non-executive Directors, including one such Director who is determined by the Board to be a 'financial expert' as defined by the US Sarbanes-Oxley Act and who has 'recent and relevant financial experience' as recommended by the UK Code. The Chairman of the Committee will be appointed by the Board. Membership will include at least one member of both the Board Risk Committee and the Board Reputation Committee.

The Committee will usually meet at least five times a year with senior management, including the Group Finance Director, the Chief Internal Auditor, the Chief Risk Officer and the Group General Counsel. The lead audit partner of the external auditors will also attend each meeting.

The principal role of the Committee is to review and monitor the integrity of the Group's financial statements and related announcements, the effectiveness of the Group's internal controls and of the internal and external audit

processes, the Group's relationship with the external auditors and the effectiveness of the Group's whistleblowing procedures.

The Chief Internal Auditor reports to both the Chairman of the Committee and the Chief Executive. The Committee is responsible for approving and reviewing the appointment of the Chief Internal Auditor and reviewing the scope, nature and effectiveness of the work of Barclays Internal Audit. The Committee periodically approves the audit plans of the Internal Audit function.

The Committee will also meet once a year specifically to review and approve the external auditor's audit plans for the following year and will annually appraise the effectiveness of the external auditors.

The Committee will monitor all non-audit services carried out by the external auditor, details of which must be recorded centrally and reported to the next meeting of the Committee in accordance with the non-audit services policy agreed by the Committee. The Committee will at last quarterly spend time considering the independence of the external auditor based on this information.

The Committee will review and make recommendations, to be put to shareholders for approval at the Annual General Meeting, in relation to the appointment, re-appointment and removal of external auditors and make recommendations to the Board regarding tendering the external audit contract from time to time as required by best practice or regulation.

The Committee will also review the Group's annual and interim financial statements, including reviewing the effectiveness of the Group's disclosure controls and procedures and systems of internal control and areas of judgement involved in the compilation of the Group's results documentation.

Board Remuneration Committee

The Committee will consist of at least three independent non-executive Directors and will be chaired by an independent non-executive Director appointed by the Board. In accordance with the UK Code, the Company Chairman may also be a member of, but not chair, the Committee if he or she was considered independent on appointment as Chairman. The Committee will usually meet at least four times a year.

The Committee is responsible for setting the over-arching principles and parameters of Remuneration Policy across the Group. The policy is designed to support the delivery of business strategy and thereby create value for shareholders. The Committee will consider and approve the remuneration arrangements of the Chairman, the executive Directors, other senior executives, and those employees whose total annual compensation exceeds an amount determined by the Committee from time to time.

The Committee will also approve changes to incentive and benefits plans applicable to senior executives and will govern employee share schemes.

In discharging its responsibilities, the Committee will work with and seek advice from the Board Risk Committee, Board Reputation Committee and Board Audit Committee on the management of remuneration risk, including advice on setting performance objectives in the context of incentives.

The Chairman of the Committee will be consulted by the Chief Executive in respect of the Group HR Director's performance appraisal, compensation and in respect of appointments to/departures from the role.

Board Nominations Committee

No Director performing an executive function may be a member of the Committee. The Committee will usually consist of the Chairman of the Board, the Senior Independent Director and up to three other non-executive Board directors, preferably drawn from the Chairmen of the Board's principal Committees. The Committee will usually meet two times a year.

The Committee is responsible for considering matters relating to the composition of the Board and its Committees, including the appointment of new Directors, making recommendations to the Board as appropriate. It will also identify, review and appoint non-executive directors to strategically significant subsidiaries, including those subsidiaries that are mandated by regulation. It will review annually the succession plans for the Chairman and Chief Executive and other key Board positions, e.g., Senior Independent Director. The Chairman of the Board will chair the Committee, except when the Committee is considering the Chairman's succession, in which case the Deputy Chairman or Senior Independent Director will chair the Committee. It will also review, at regular intervals and at least once a year, succession planning and talent management for senior roles below executive Director level. It also will be responsible for ensuring the Group adopts appropriate internal policies on the assessment of the suitability of members of the Board, the Group Executive Committee and individuals performing significant influence functions.

The Committee's responsibilities also cover corporate governance issues, including consideration of the Group's responses to important developments in corporate governance, reporting on directors' inductions and ensuring appropriate ongoing training, overseeing the annual Board effectiveness review, conducting an annual review of the Conflicts Register and the Board Diversity Policy and reviewing related disclosures in the Annual Report.

Board Risk Committee

The Committee must be comprised of at least three independent non-executive Directors. The Committee will normally meet at least four times a year. In addition to the Committee members, meetings will usually be attended by the Group Finance Director, the Chief Risk Officer and Barclays Treasurer. The Chief Internal Auditor, the Group General Counsel and Barclays' external auditor, as well as other senior executives, also attend meetings, where appropriate.

The Committee has responsibility for oversight and advice to the Board on the current financial and operational risk exposures of the Group and future risk strategy, including strategy for capital and liquidity management. The

Committee will consider the Group's overall financial and operational risk appetite, recommending to the Board the limits for individual types of financial and operational risk, including credit and market risk, having taken account of the current and prospective macroeconomic and financial environment. The Committee will also approve material changes to the overall financial and operational risk appetite and review the Group's financial and operational risk profile, including financial and operational risk trends and concentrations, provisions' experience against budget and key performance indicators for financial and operational risk.

The Committee will consider, and recommend to the Board for approval, the Group's individual Liquidity Adequacy Assessment and Internal Capital Adequacy Assessment Process. The Committee also has responsibility for considering and approving the Group's capital stress test scenarios, including those proposed by the PRA and other regulatory bodies, and considering the results.

The Chairman of the Committee will be consulted by the Chief Executive in respect of the Chief Risk Officer's performance appraisal, compensation and the Committee as a whole will be consulted in respect of appointments to/departures from the role and make recommendations to the Board.

Board Reputation Committee

The Committee will consist of at least three Directors, the majority of which must be independent non-executive Directors. The Head of Compliance will attend each meeting. The Committee will normally meet at least quarterly each year.

The principal purpose of the Committee is to review, on behalf of the Board, the efficiency of the processes for the identification and management of conduct risk and reputation risk.

It also reviews and monitors the effectiveness of Barclays' Citizenship strategy, including the management of Barclays' economic, social and environmental contribution.

The Chairman of the Committee will be consulted by the Chief Executive in respect of the Head of Compliance's performance appraisal, compensation and in respect of appointments to/departures from the role.

Information Flows

The Chairman is responsible for ensuring that the Board receives accurate, timely and high-quality supporting information about the Company's performance at appropriate intervals and in an appropriate manner to enable it to take sound decisions, monitor effectively and provide advice to promote the success of the Company. The Chairman, Chief Executive and Company Secretary work together to ensure the Directors receive all such information.

The Company Secretary

The Company Secretary provides dedicated support for the Board, in particular the non-executive Directors and is a point of reference and support for all Directors. The Company Secretary will consult regularly with Directors to ensure that they receive any necessary information and will work with the Chairman, Chief Executive and management to ensure the presentation of high-quality supporting information to the Board and its Committees. The Board may obtain information from external sources, such as consultants and other advisers, if there is a need for outside expertise, via the Company Secretary.

The Company Secretary, along with the Chairman, will regularly review the Board and Company's governance processes with a view to ensuring they are fit for purpose and recommend or develop initiatives to strengthen the governance of the Company.

Access to Senior Management

Directors have full and free access to senior management and other employees of the Group. However, it is expected that either the Chief Executive, the executive Director responsible for the relevant business or the Company Secretary would be informed in advance of such contact. Wherever possible, when specific meetings are requested they will be arranged by Barclays Corporate Secretariat so that they are co-ordinated and any duplication is avoided.

Independent Advice

Independent professional advice is available, on request, to all Directors at Barclays' expense.

The Board has agreed that, subject to adherence to the procedure outlined below, Barclays will meet the costs of independent professional advice obtained jointly or severally by a Director or Directors where such advice is necessary to enable the obligations imposed on an individual(s), through membership of the Board, to be properly fulfilled.

The procedure requires:

- i) prior reference to the Chairman or, in his absence (or if otherwise considered inappropriate), to the Deputy Chairman or the Chairman of the Board Audit Committee; and

- ii) reference to the Company Secretary who will inform the Director(s) of the existence of relevant advice already in the hands of the Group.

Induction and Ongoing Business Awareness

On appointment to the Board and to Board Committees, all Directors will receive a comprehensive induction tailored to their individual requirements. The induction, which is designed and arranged by the Company Secretary in consultation with the Chairman will include meetings with Directors, senior management and key external advisors, to assist Directors in building a detailed understanding of how the Group works and the key issues it faces. Directors will also be encouraged to make site visits to see the Group's operations first hand.

Where appropriate, additional business awareness briefing sessions and updates on particular issues identified in consultation with the Chairman and non-executive Directors will be arranged by the Company Secretary. These will be held regularly to ensure that non-executive Directors have the knowledge and understanding of the business to enable them to contribute effectively at Board meetings. The business awareness and development needs of each non-executive Director will be reviewed annually as part of the performance evaluation process and a personalised development statement will be prepared for each non-executive Director.

Appendices

Appendix 1 – Powers Reserved to the Board

Appendix 2 – Independence of Non-executive Directors

Appendix 3 – Charter of Expectations and Role Profiles

Appendix 4 – Board Committee Terms of Reference

Appendix 5 – Board Diversity Policy

Appendix 6 – General Duties of Directors, Chapter 2, Part 10, Companies Act 2006

2.1 Powers Reserved to the Board of Barclays PLC

The quorum of the Board of Barclays PLC is five as set out in Article 106 of the Articles of Association.

| 1. Strategy & Management | |
|--------------------------|---|
| 1.1 | Approval of the Group's strategy, Medium Term Plan (including the Financial Framework), the Short Term Plan and review of delivery of the strategy and performance against plan |
| 1.2 | Approval of risk appetite including liquidity risk appetite |
| 1.3 | Responsibility for overseeing the maintenance of a sound system of audit, risk management, compliance and internal control |

| 2. Structure and Capital | |
|--------------------------|--|
| 2.1 | Major changes to the Group's corporate structure, excluding internal reorganisations, which may be approved by the Group Chief Executive |
| 2.2 | Changes relating to the Company's capital structure or its status as a PLC |
| 2.3 | Approval of annual capital and liquidity plans and any material changes to them |

| 3. Legal Requirements | |
|-----------------------|---|
| 3.1 | Approval of interim and final financial statements (†1) |
| 3.2 | Approval of any interim and final dividends (†1) |
| 3.3 | Approval of the Annual Report & Accounts and Form 20-F (†1) |
| 3.4 | Approval of any significant change in accounting policies or practices (†1, 9) |
| 3.5 | Appointment (or removal) of the Company Secretary |
| 3.6 | Authorisation for Directors' conflicts or possible conflicts of interest |
| 3.7 | Recommendation to the shareholders of the appointment or removal of auditors (†2) |
| 3.8 | Approval of any share dividend alternative (†1) |
| 3.9 | Approval of allotment of shares (†8) |

| 4. Regulatory Requirements | |
|----------------------------|--|
| 4.1 | Approval of resolutions and corresponding documentation for shareholders at a general meeting (†1) |
| 4.2 | Approval of all shareholder circulars, prospectuses and listing particulars (†4) |
| 4.3 | Approval of press releases concerning matters decided by the Board (†3, 4) |
| 4.4 | Principal regulatory filings with The London Stock Exchange, the Securities and Exchange Commission and filings in other jurisdictions as required |

| 5. Board Membership and Board Committees | |
|--|---|
| 5.1 | Barclays PLC Board structure, size and composition, including appointments and removals (†5) |
| 5.2 | Succession planning for the Board and senior management (†6) |
| 5.3 | Barclays PLC Board Committee membership (†5) |
| 5.4 | Continuation in office of Directors seeking re-election at the AGM (†5) |
| 5.5 | Charter of Expectations of Barclays PLC Chairman, Deputy, Senior Independent Director, Group Chief Executive, executive and non-executive Directors |

| 6. Transactions | |
|-----------------|---|
| 6.1 | Major capital projects, investments, acquisitions, mergers or disposals (noted or approved in accordance with the limits agreed by the Board) |

| 7. Remuneration | |
|-----------------|--|
| 7.1 | Approval of the framework for determining the policy and specific remuneration packages of the Chairman and Executive Directors (†7) |
| 7.2 | Approval of non-executive Director remuneration |
| 7.3 | Approval of the framework for determining the policy and specific remuneration packages of executives in senior, influential or highly paid roles (†7) |
| 7.4 | Major changes in employee share schemes (†8) |

| 8. Corporate Governance | |
|-------------------------|---|
| 8.1 | Approval for process of performance evaluation of Board and Board Committees and review of findings |
| 8.2 | Determination of independence of non-executive Directors (†5) |
| 8.3 | Corporate governance framework as set out in the Corporate Governance in Barclays document |
| 8.4 | Appointment (or removal) of the Chief Risk Officer |

| 9. Delegation of Authority | |
|----------------------------|---|
| 9.1 | Approval of division of responsibilities between the Chairman and Group Chief Executive |
| 9.2 | Barclays PLC Board Committee Terms of Reference |

| 10. Policies | |
|--------------|--|
| 10.1 | Approval of Group Share Dealing Code |
| 10.2 | Approval of the Board Diversity Policy |

| 11. Other | |
|-----------|--|
| 11.1 | The making of political donations |
| 11.2 | Approval or noting of costs for prosecution, defence or settlement of litigation (involving amounts above the limit agreed by the Board or being otherwise material to the interests of the Company) |
| 11.3 | Approval of Directors' and Officers' Liability Insurance |
| 11.4 | Major changes in the main company pension schemes and changes of trustee company |
| 11.5 | Approval of Matters Reserved to the Board |

†Notes:

- (1) Board meetings for the declaration of dividends, release of announcements and approval of Financial Statements will only require a quorum of three Directors.
- (2) The Board Audit Committee recommends to the Board the appointment and removal of the Auditors.
- (3) Announcements concerning senior appointments may be approved by an executive Director.
- (4) Approval of announcements, circulars, prospectuses, listing particulars or press releases may be delegated to a Board Committee.
- (5) Normally on recommendation of the Board Nominations Committee.
- (6) Reviewed and managed by the Board Nominations Committee in respect of executive Directors and the Executive Committee and the Board Remuneration Committee in respect of business leaders and key functional heads. An annual report is made to the Board.
- (7) The framework for determining the policy and specific remuneration packages of the Chairman and the executive Directors forms part of the terms of reference of the Board Remuneration Committee.
- (8) Major changes in employee shares schemes will be recommended to the Board by the Board Remuneration Committee or the Share Schemes Committee.
- (9) Reviewed and recommended by the Board Audit Committee prior to Board decision.
- (10) Decisions on allotment of shares under the employee share schemes may be delegated to the Share Schemes Committee.

2.2 Powers Reserved to the Board of Barclays Bank PLC

The quorum of the Board of Barclays Bank PLC is five as set out in Article 106 of the Articles of Association.

| 1. Strategy & Management | |
|--------------------------|--|
| 1.1 | Approval of the Group's strategic plans and the Short Term Plan and review of performance against plan |
| 1.2 | Approval of risk appetite including liquidity risk appetite |
| 1.3 | Responsibility for overseeing the maintenance of a sound system of audit, risk management, compliance and internal control |

| 2. Structure and Capital | |
|--------------------------|--|
| 2.1 | Major changes to the Group's corporate structure, excluding internal reorganisations, which may be approved by the Group Chief Executive |
| 2.2 | Changes relating to the Company's capital structure or its status as a PLC |
| 2.3 | Approval of annual capital and liquidity plans and any material changes to them |

| 3. Legal Requirements | |
|-----------------------|---|
| 3.1 | Approval of interim and final financial statements (†1) |
| 3.2 | Approval of any interim and final dividends (†1) |
| 3.3 | Approval of the Annual Report & Accounts and Form 20-F (†1) |
| 3.4 | Approval of any significant change in accounting policies or practices (†1, 9) |
| 3.5 | Appointment (or removal) of the Company Secretary |
| 3.6 | Authorisation for Directors' conflicts or possible conflicts of interest |
| 3.7 | Recommendation to the shareholders of the appointment or removal of auditors (†2) |

| 4. Regulatory Requirements | |
|----------------------------|--|
| 4.1 | Approval of resolutions and corresponding documentation for shareholders at the Annual General Meeting (†1, 10) |
| 4.2 | Approval of all shareholder circulars, prospectuses and listing particulars (†4, 10) |
| 4.3 | Approval of press releases concerning matters decided by the Board (†3, 4) |
| 4.4 | Principal regulatory filings with The London Stock Exchange, the Securities and Exchange Commission and filings in other jurisdictions as required |

| 5. Board Membership and Board Committees | |
|--|--|
| 5.1 | Barclays Bank PLC Board structure, size and composition, including appointments and removals (†5) |
| 5.2 | Succession planning for the Board and senior management (†6) |
| 5.3 | Barclays Bank PLC Board Committee membership (†5) |
| 5.4 | Charter of Expectations of Barclays Bank PLC Chairman, Deputy, Senior Independent Director, Group Chief Executive, executive and non-executive Directors |

| 6. Transactions | |
|-----------------|---|
| 6.1 | Major capital projects, investments, acquisitions, mergers or disposals (noted or approved in accordance with the limits agreed by the Board) |

| 7. Remuneration | |
|-----------------|--|
| 7.1 | Approval of the framework for determining the policy and specific remuneration packages of the Chairman and Executive Directors (†7) |
| 7.2 | Approval of non-executive Director remuneration |
| 7.3 | Approval of the framework for determining the policy and specific remuneration packages of executives in senior, influential or highly paid roles (†7) |

| 8. Corporate Governance | |
|-------------------------|---|
| 8.1 | Approval for process of Performance evaluation of Board and Board Committees and review of findings |
| 8.2 | Determination of independence of non-executive Directors (†5) |
| 8.3 | Corporate Governance framework as set out in the Corporate Governance in Barclays document |
| 8.4 | Appointment (or removal) of the Chief Risk Officer |

| 9. Delegation of Authority | |
|----------------------------|---|
| 9.1 | Approval of division of responsibilities between the Chairman and Group Chief Executive |
| 9.2 | Barclays Bank PLC Board Committee Terms of Reference |

| 10. Other | |
|-----------|--|
| 10.1 | The making of political donations |
| 10.2 | Approval or noting of costs for prosecution, defence or settlement of litigation (involving amounts above the limit agreed by the Board or being otherwise material to the interests of the Company) |
| 10.3 | Approval of Directors' and Officers' Liability Insurance |
| 10.4 | Major changes in the main company pension schemes and changes of trustee company |
| 10.5 | Approval of Matters Reserved to the Board |

†Notes:

- (1) Board meetings for the declaration of dividends, release of announcements and approval of Financial Statements will only require a quorum of three Directors.
- (2) The Board Audit Committee recommends to the Board the appointment and removal of the Auditors.
- (3) Announcements concerning senior appointments may be approved by an executive Director.
- (4) Approval of announcements, circulars, prospectuses, listing particulars or press releases may be delegated to a Board Committee.
- (5) Normally on recommendation of the Board Nominations Committee.
- (6) Reviewed and managed by the Board Nominations Committee in respect of executive Directors and the Executive Committee and the Board Remuneration Committee in respect of business leaders and key functional heads. An annual report is made to the Board.
- (7) The framework for determining the policy and specific remuneration packages of the Chairman and the executive Directors forms part of the terms of reference of the Board Remuneration Committee.
- (8) Major changes in employee shares schemes will be recommended to the Board by the Board Remuneration Committee or the Share Schemes Committee.
- (9) Reviewed and recommended by the Board Audit Committee prior to Board decision.
- (10) Approval of resolutions and corresponding documentation for shareholders at a general meeting in respect of Relevant Transactions is delegated to the each of the Chief Executive Officer or the Group Finance Director, provided such actions are also approved by the Treasury Committee and the Treasury Committee confirms that such actions are within the limits approved by the Board in any given financial year in respect of the relevant Capital Limits and Liquidity Risk Appetite Limits.

Appendix 2 – Independence of Non-executive Directors

UK Code provisions

B.1.1. The board should identify in the annual report each non-executive director it considers to be independent. A.3.1 states that the chairman should, on appointment, meet the independence criteria set out in this provision, but thereafter the test of independence is not appropriate in relation to the chairman. The board should determine whether the director is independent in character and judgement and whether there are relationships or circumstances which are likely to affect, or could appear to affect, the director's judgement. The board should state its reasons if it determines that a director is independent notwithstanding the existence of relationships or circumstances which may appear relevant to its determination, including if the director:

- has been an employee of the company or group within the last five years;
- has, or has had within the last three years, a material business relationship with the company either directly, or as a partner, shareholder, director or senior employee of a body that has such a relationship with the company;
- has received or receives additional remuneration from the company apart from a director's fee, participates in the company's share option or a performance-related pay scheme, or is a member of the company's pension scheme;
- has close family ties with any of the company's advisers, directors or senior employees;
- holds cross-directorships or has significant links with other directors through involvement in other companies or bodies;
- represents a significant shareholder; or
- has served on the board for more than nine years from the date of their first election



Charter of Expectations and Role Profiles

Barclays Corporate Secretariat
Approved by the Board on 21 April 2016

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Introduction

This document sets out role profiles for all of the key positions on our Board, including my own, and states the expectations that the Board of Barclays can rightly demand of each of us. This has been endorsed by the Board Nominations Committee and it is published on our website so that there is complete transparency for our stakeholders of the standards we set for ourselves. When each of our performances is assessed, it will be against these expectations.

Many of you hold a number of positions on the Board and will therefore be expected to meet the expectations set for all of the roles you hold, as they are all crucial to the long-term success of Barclays.

John McFarlane
Group Chairman

Role Profile - Chairman

Main Accountabilities

Board Leadership and Management

- Lead the development of the Group's culture by the Board as a whole¹.
- Provide leadership of the Board and manage the business of the Board through setting its agenda and taking full account of the issues and the concerns of Board members.
- Ensure that Board agendas are primarily focused on strategy, performance and key value creation issues.
- Ensure that members of the Board receive accurate, timely and high-quality supporting information, in particular about the company's performance, to enable the Board to take sound decisions, monitor effectively and provide advice to promote the success of the company.
- Ensure that the Board decision-making processes are effective, including facilitating the running of the Board to assist it in providing independent oversight of executive decisions.
- Ensure that the Board meets with sufficient frequency and manage the Board to ensure that sufficient time is allowed for discussion of complex or contentious issues, where appropriate arranging for informal meetings beforehand to enable thorough preparation for the Board discussion.
- Facilitate and encourage open and inclusive discussion, which challenges executives, where appropriate, particularly on matters of risk and strategy or other major proposals by drawing on Directors' skills, experience, knowledge and, where appropriate, independence.
- Ensure that the Board determines the nature and extent of the Group's risk appetite and that there are no impediments to the Board's effective oversight of risk.
- Build an effective and complementary Board, initiating change and regularly considering succession planning and Board composition, working with the Board Nominations Committee.
- Foster relationships founded on mutual respect and open communication between non-executive Directors and management, both inside and outside the Boardroom.
- Ensure Board Committees are clearly structured with appropriate Terms of Reference.
- Ensure, subject to the views of the Board Remuneration Committee, that members of the Board are appropriately rewarded.
- Ensure that there is sufficient time at Board meetings for discussion of audit, risk and remuneration issues considered by Board Committees.

Board Induction, Evaluation and Development

- Lead the development of and monitor the effective implementation of policies and procedures for the induction, training and professional development of all members of the Board², including:
 - Ensuring that a properly constructed induction programme is provided for new Directors.
 - Considering and addressing the development needs of individual Directors, and the Board as a whole, to maintain the necessary depth and breadth of knowledge and skills and enhance the effectiveness of the Board as a team.
- Lead the Board in the ongoing monitoring, and annual evaluation, of the performance of the Chief Executive.
- Ensure that the performance of individual Board members, and of the Board as a whole, is evaluated at least once a year.
- Ensure appropriate action plans are put in place and implemented as a result of the Board evaluation.

¹ Senior Managers Regime prescribed responsibility (i)

² Senior Managers Regime prescribed responsibility (f)

Governance

- Keep under review, with the Board, the general progress and long-term development of the Group.
- Promote the highest standards of corporate governance, seeking compliance with the provisions of the UK Corporate Governance Code (the “UK Code”) wherever possible.
- Ensure that the Board is able to discharge its duties and comply with the requirements of statutory/regulatory bodies that affect the functioning and responsibilities of the Board, including:
 - allocating all prescribed responsibilities under the Prudential Regulation Authority (PRA) and Financial Conduct Authority (FCA) Senior Managers Regime³.
 - the Group’s performance of its obligations under *Fitness and Propriety* (in the PRA Rulebook) in respect of its Notified non-executive Directors⁴.

Relationship with Shareholders and other Stakeholders

- Ensure effective communication with shareholders and other stakeholders and ensure that members of the Board develop and maintain an understanding of the views of major investors and other key stakeholders, and report annually on the nature and extent of the communication with major shareholders

The Chairman will also

- Demonstrate ethical leadership and uphold the highest standards of integrity and probity setting clear expectations concerning the Group’s culture, values and behaviours.
- Provide effective leadership for the company, including representing the company and understanding the views of shareholders.
- Establish and develop effective working relationships with management, in particular, developing a close relationship of trust with the Chief Executive, providing support and advice while respecting executive responsibility.
- Consult with the Senior Independent Director on Board matters in accordance with the UK Code.
- Establish good working relations and open lines of communication with other Group Executive Committee members.
- Chair the Board Nominations Committee.
- Subject to the provisions of the UK Code, if required be a member of the Board Remuneration Committee.
- Meet with the Barclays Africa Chairman at least annually and contact any external chairmen of principal subsidiaries annually.

³ Senior Managers Regime prescribed responsibility (e)

⁴ Senior Managers Regime prescribed responsibility (u)

Chairman - Charter of Expectations

Role Requirements

- **Time commitment** - The Chairman is expected to commit to expend whatever time is necessary to fulfil his duties. It is expected this will be equivalent to approximately 80% of a full time position. Chairmanship of the Group has priority over any other business time commitment.
- **Experience** - Experience on the Board of a major international organisation. Good understanding of the role of a Chairman and able to operate effectively in such a role at the highest level. Relevant financial industry experience is desirable.
- **Knowledge** - The Chairman must have a good understanding and experience of UK boardroom and corporate governance issues.

Key Competencies and Behaviours

In addition to the required competencies and behaviours of a non-executive Director, the Chairman must demonstrate the following:

Provision of effective leadership to the Board

- In conjunction with the Board Nominations Committee, ensures high quality Board composition with an appropriate balance of skills and experience in the context of the Group's agreed strategic priorities
- Sets the Board agenda and pro-actively manages the annual calendar of business to ensure the most appropriate use of Board's time.
- Engages and supports individual members to enhance Board activities and discussions.
- Ensures that the Board operates effectively as a team.
- Ensures that membership of the Board is a stimulating and enjoyable experience for Board members.
- Promotes effective communication between executive Directors and non-executive Directors.

Effective Chairmanship of meetings

- Empowers all Board members to challenge issues openly whilst preventing unnecessary or acrimonious conflict.
- Encourages and manages vigorous debate whilst achieving closure on issues.
- Ensures time is allocated appropriately, ensuring the business of the meeting is completed whilst allowing appropriate discussion of individual items.
- Facilitates, encourages and expects informed and critical contribution from Directors in discussion and decision-taking, particularly on matters of risk and strategy.
- Ensures Directors receive all information in an accurate, timely and clear form that is relevant to discharge their obligations.

Be a respected Ambassador for the Group

- Be comfortable dealing with political and regulatory interests.
- Be able to command respect of key opinion formers.
- Has the skills to chair an Annual General Meeting and deal with challenging and diverse shareholder questions.

The above expectations are to be read in addition to the Charter of Expectations for Directors and any other Board positions held.

Role Profile - Deputy Chairman

The Barclays Deputy Chairman will deputise for and support the Chairman in respect of the authorities and responsibilities conferred or delegated to the Chairman by the Board, as set out in the Chairman's Role Profile, and any other authority or responsibility that the Board, the Shareholders or the Articles of Association may, from time to time, confer.

The key areas of focus for this role will include:

- Acting as an ambassador for the Barclays Group, particularly in terms of developing and maintaining relationships with clients, politicians, regulators, industry representatives and key opinion formers;
- Providing support and guidance to the Chairman of Barclays PLC; and
- Act as a host at business events for major clients, business contacts and key representatives of governments, regulators and other opinion formers.

In addition, the Deputy Chairman will support the Chairman as required in carrying out the following areas of his responsibilities:

- Managing the business of the Board and ensuring that the Board operates effectively in driving forward the Group's strategic objectives;
- Keeping under review, with the Board, the general progress and long term development of the Group;
- Ensuring that the Group's financial position is properly presented to the Board and shareholders; and
- Representing the company and the collective views of the Board externally and overseeing the Group's public relations, including relations with Governments, other public organisations and the public generally.

The Deputy Chairman will also attend and answer questions as appropriate at the Annual General Meeting and serve on such Board Committees, subsidiary Boards, or perform any additional task as agreed with the Chairman or the Board. The Deputy Chairman will report in the execution of his responsibilities to the Chairman.

Deputy Chairman - Charter of Expectations

Role Requirements

- **Time commitment** - The Deputy Chairman will be expected to commit a minimum of 1/2 day per week to the role.
- **Experience** - Significant experience of serving on the Board of a major international organisation. Good understanding of the role of a Chairman and able to conduct such a role effectively at the highest level.
- **Knowledge** - The Deputy Chairman must have a good understanding and experience of UK boardroom and corporate governance issues.

Key Competencies and Behaviours

- **Ambassador** - The Deputy Chairman must be able to act as an ambassador for the Group, being comfortable dealing with political and regulatory interests.
- **Public speaking** - The Deputy Chairman must have the skills to be able to chair an Annual General Meeting and answer challenging shareholder questions.
- **Representing the Chairman** - When representing the Chairman, the Deputy Chairman should reflect the competencies and behaviours expected of the Chairman as described in the Charter of Expectations for that role.
- **Supporting the Chairman** - The Deputy Chairman should, at all times, be prepared to support, and where necessary, provide counsel to the Chairman on the achievements of his own role and Charter of Expectations.

The above expectations are to be read in addition to the Charter of Expectations for Directors and any other Board position held.

Role Profile - Senior Independent Director

In normal times, the role of the Senior Independent Director is to:

- Provide a sounding board for the Chairman and provide support for the Chairman in the delivery of his objectives.
- Serve as a trusted intermediary for the Directors, when necessary.
- Be available to shareholders if they have concerns relating to matters which contact through the normal channels of Chairman, Chief Executive or Finance Director has failed to resolve, or for which such contact is inappropriate.
- Maintain contact as required with major shareholders to understand their issues and concerns, including attending meetings where necessary with shareholders to listen to their views in order to help develop a balanced understanding of the issues and concerns of major shareholders.
- Support the Chairman in ensuring the Board are aware of the views of major shareholders.
- Meet with the non-executive Directors without the Chairman present at least annually and taking into account, the views of the executive Directors, lead the non-executive Directors in the ongoing monitoring and annual evaluation of the Chairman, including assessing⁵
 - the extent to which the Chairman has fulfilled his responsibilities under the PRA and FCA Senior Managers Regime; and
 - the quality and sufficiency of the resources allocated to the Chairman's officeand communicating results of the evaluation to the Chairman.
- Together with the Board Nominations Committee, take responsibility for an orderly succession process for the Chairman.

If the Board is undergoing a period of stress, the Senior Independent Director will work with the Chairman and other Directors or shareholders, as required, to resolve significant issues.

Senior Independent Director - Charter of Expectations

Role Requirements

- **Time commitment** - The Senior Independent Director will be expected to commit time as required to the role, which will include committing significantly more time to the role in exceptional circumstances.
- **Experience** - Significant experience of serving on a Board of a major international organisation.

Key Competencies and Behaviours

- **Trust/respect** - Must be able to command the trust and respect of his fellow Directors and be seen as an individual to whom Directors and Institutional Shareholders can raise concerns which contact through normal channels has failed to resolve or for which such contact is inappropriate.
- **Political awareness** - Must have experience in managing politically sensitive situations in a large and complex organisation.
- **Judgement** – Must have ability to demonstrate excellent judgement under pressure.

The above expectations are to be read in addition to the Charter of Expectations for Directors and any other Board positions held.

⁵ PRA Supervisory Statement SS 28/15, s2.31

Role Profile - Directors

Introduction

The Board is responsible to shareholders for creating and delivering sustainable shareholder value through the management of the Group's businesses. It should therefore determine the objectives and policies of the Group to deliver such long-term value, providing overall strategic direction within a framework of rewards, incentives and controls. The Board must ensure that management strikes an appropriate balance between promoting long-term growth and delivering short-term objectives.

The Board, in order to be effective, should demonstrate ethical leadership and promote the company's collective vision of its purpose, values, culture and behaviours, referred to as 'Barclays Values'. The Directors should lead by example and ensure that good standards of behaviour permeate throughout all levels of the Group. This will help prevent misconduct, unethical practices and support the delivery of long-term success.

Directors must act in a way they consider, in good faith, would promote the success of the company for the benefit of the shareholders as a whole and, in doing so, have regard (amongst other matters) to:-

- (a) the likely consequences of any decision in the long-term;
- (b) the interests of Barclays' employees;
- (c) the need to foster Barclays' business relationships with suppliers, customers and others;
- (d) the impact of Barclays' operations on the community and the environment;
- (e) the desirability of Barclays maintaining a reputation for high standards of business conduct; and
- (f) the need to act fairly as between shareholders of Barclays.

The Board is also responsible for ensuring that management maintain a system of internal control which provides assurance of effective and efficient operations, internal financial controls and compliance with law and regulation. In carrying out this responsibility, the Board must have regard to what is appropriate for the Group's business and reputation, the materiality of the financial and other risks inherent in the business and the relative costs and benefits of implementing specific controls.

The Board is also the decision-making body for all other matters of such importance as to be of significance to the Group as a whole because of their strategic, financial or reputational implications or consequences.

General to all Directors

1. Provide entrepreneurial leadership of the company, within a framework of prudent and effective controls which enable risk to be assessed and managed.
2. Approve the company's strategic aims, ensuring that the necessary financial and human resources are in place for the company to meet its objectives and review management performance.
3. Set the company's values and standards and ensure that its obligations to its shareholders and others are understood and met.
4. Act in accordance with the General Duties of Directors in Sections 171 to 177 of the Companies Act 2006. Under English Law the key duties of Directors include:
 - Only exercising powers within the authority given and acting in accordance with the company's constitution;
 - At all times acting not only in good faith and honesty, but also in the company's best interests and to promote the success of the company for all its members, whilst having regard to the impact on the long-term consequences of any decisions on employees, suppliers and customers, the community and the environment, and the need to act fairly as between members of the company;
 - Exercising independent judgment in carrying out their duties;
 - Exercising reasonable care, skill and diligence in carrying out their duties commensurate with their knowledge and experience;
 - Avoiding a conflict of interest between their personal interests and their duties to the company (although a conflict or potential conflict may be authorised by the Directors in accordance with Barclays Articles of Association), including not accepting a benefit from a third party and declaring an interest, direct or indirect, in a proposed transaction or arrangement with the company.

In addition, Directors comply with all legal and regulatory obligations applicable to them and must ensure that the company does everything that is required of it by law and regulation, e.g., ensuring the preparation of accounts which give a true and fair view of the state of affairs of the Group at the end of each financial year.

Where Directors have concerns that cannot be resolved about the running of the company or a proposed action, they should ensure that their concerns are recorded in the Board minutes.

Directors must at all times be and remain fit and proper to carry out their roles in accordance with the criteria issued from time to time by the company's regulators, as assessed by the company and/or any regulator by whom the Director must be approved to carry out their role.

Senior Manager and Individual Conduct Rules

All Directors (including Notified non-executive Directors) are required to observe the Senior Manager and Individual Conduct Rules mandated by the FCA and PRA as applicable to Senior Managers from time to time when acting in their capacity as a Director. That means a Director must

Senior Manager Conduct Rules

1. take reasonable steps to ensure that the business of Barclays for which they are responsible is controlled effectively;
2. take reasonable steps to ensure that the business of Barclays for which they are responsible complies with the relevant requirements and standards of the regulatory system;
3. take reasonable steps to ensure that any delegation of their responsibilities is to an appropriate person and that they oversee the discharge of the delegated responsibility effectively; and
4. disclose appropriately any information of which the FCA or PRA would reasonably expect notice

Individual Conduct Rules

1. act with integrity;
2. act with due skill, care and diligence;
3. be open and co-operative with the FCA, the PRA and other regulators;
4. pay due regard to the interests of customers and treat them fairly; and
5. observe proper standards of market conduct.

Should a Director consider that he or she may be in breach of any conduct rule at any time, they should report this promptly to the Company Secretary.

Specific to Senior Managers

A Director who is a Senior Manager must

1. maintain appropriate records to evidence the discharge of his or her Senior Manager responsibilities
2. ensure a full and timely handover of his or her Senior Manager responsibilities.

Specific to non-executive Directors

The role of the non-executive Directors is to:

1. Provide effective oversight and constructive challenge, helping to develop proposals on strategy and then fully empowering the executive Directors to implement the strategy.
2. Uphold high standards of integrity and probity and support the Chairman and executive Directors in instilling the appropriate culture, values and behaviours in the Boardroom and throughout the Group.
3. Scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance.
4. Apply their judgement to the business of the Board, leveraging on their knowledge of the business.
5. Demonstrate the financial literacy required for a proper understanding of the Group's activities and associated risks.
6. Satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible.
7. Scrutinising the design and implementation of remuneration policy, including determining appropriate levels of remuneration for executive Directors.⁶
8. Providing objective views on resources, appointments and standards of conduct, having a prime role in appointing and, where necessary, removing executive Directors and in succession planning for these positions.
9. Complement the skills and experience of the executive Directors, in particular by bringing to bear a different range of knowledge, experience and insight from other industries.
10. Ensure that individual business decisions conform to agreed strategies and policies.

⁶ This responsibility is discharged by the Board Remuneration Committee but the Board will receive an annual report on the design and implementation of remuneration policy.

Non-executive Director - Charter of Expectations

Role Requirements

- **Time Commitment** – Expected time commitment will be agreed on an individual basis with each non-executive Director. The expected time commitment for a non-executive Director is normally at least 30 days a year, including membership of one Board Committee, increasing to 40 days a year for membership of two Board Committees, except in exceptional circumstances (e.g., serving CEO)⁷. Certain non-executive Directors, including the Deputy Chairman, Committee Chairmen and Committee members, will be expected to commit additional time in order to fulfil their extra responsibilities. All non-executive Directors are expected to make sufficient time available to discharge their responsibilities.
- **Meetings** - Attends all Board and Board Committee meetings unless exceptional circumstances prevail. Is well prepared for and contributes to all Board and Board Committee meetings and discussions, taking part in collective Board and Board Committee decisions.
- **Independence** - Maintenance of own independence as measured by the independence criteria for non-executive Directors agreed by the Board in December 2004 and by the UK Code.
- **Conflict of Interest** - Takes all reasonable actions to avoid potential conflicts of interest and discloses any that may arise.
- **Shareholding** - 2,000 ordinary shares held within two months of appointment to meet Directors' share qualification requirement. Directors must comply with the Group Share Dealing Code. A proportion of non-executive fees are paid in shares to align their interests to those of the Company's shareholders.
- **Business Awareness** – ensure they have the knowledge and understanding of the business to enable them to contribute effectively. On appointment, a non-executive Director should devote sufficient time to a comprehensive, formal and tailored induction programme to acquire an understanding of the main areas of business activity, in particular those that involve significant risk. Each non-executive Director will review their development annually with the Chairman and agree a personalised development statement.

Key Competencies and Behaviours

“Committed to maximising long-term shareholder value”

High Performance Indicators

- Effectively leads Barclays towards the achievement of its strategic objectives.
- Prepared to challenge established thinking on current strategy or practice for the longer-term benefit of the Group.
- Draws on real-life examples from experience in a way that illustrates possible directions.
- Is focused on ensuring that the Group performs to the highest levels of shareholder expectation.

“Helps shape corporate strategy”

High Performance Indicators

- Is well informed about the company and the external environment, bringing that knowledge to bear in the development of Group strategy.
- Raises relevant strategic issues (such as competition and marketplace issues), influencing the shaping of Group or cluster level strategy.
- Tests proposals on strategy put forward by the executive.
- Effectively contributes to the evolution of the corporate strategy and assists in its implementation through advice and counsel.
- Utilises full breadth of skills and experience to add value to all strategic discussions.

⁷ a time commitment of at least 20 days a year would be acceptable, assuming there is no Board Committee membership.

“Demonstrates independence of judgement”

High Performance Indicators

- Willing to stand up for and defend own beliefs and values in the face of opposition.
- Able to challenge effectively outside own area of expertise.
- Demonstrates the courage to take a stand and challenge others' assumptions, beliefs or viewpoints as necessary for the good of the organisation.

“Questions intelligently, debates constructively, challenges rigorously and decides dispassionately”

High Performance Indicators

- Asks searching questions which are focused on the key value at risk issues for the Group.
- Willing to challenge openly and rigorously, without leading to unnecessary conflict.
- Takes difficult decisions dispassionately whilst also being aware of the political implications.
- Able to deal effectively with complexity and assimilates knowledge quickly.
- Satisfies him/herself that Board discussion and decision-taking on risk matters is based on accurate and appropriately comprehensive information and draws, as far as he/she believes it to be relevant or necessary, on external analysis and input.
- Takes into account, the views of shareholders and other stakeholders which may provide different perspective on the Group and its performance.

“Has the trust and respect of other members of the Board”

High Performance Indicators

- Immediately commands the respect of his/her Board colleagues.
- Comments and observations are valued by executive Directors and management alike.
- Is seen as even-handed in all his/her dealings with the Board and management.
- Supports executives in their leadership of the business whilst monitoring their conduct and performance.
- Is well-informed about the Group and has a strong command of the issues relevant to the business, ensuring he/she is sufficiently and appropriately informed of relevant matters prior to taking part in Board or Board Committee discussions and decisions

“Effective member of the Board team”

High Performance Indicators

- Demonstrates openness to being challenged on assumptions, beliefs, viewpoints and is willing to re-examine them in order to reach new conclusions.
- Will participate in robust and rigorous debates and then work with peers to arrive at new solutions.
- Listens sensitively to the views of others, inside and outside the Board.
- Is willing to enhance their contribution through receipt of feedback.
- Fully empowers the executive Directors to implement the strategic decisions taken by the Board.

“Uses network of contacts effectively”

High Performance Indicators

- Is always alert to how network of contacts may be utilised for the benefit of the Barclays Group.

“Upholds high standards of integrity”

High Performance Indicators

- Actively promotes and demonstrates the appropriate culture, values and behaviours of the Boardroom and beyond, including upholding Barclays Values.

Role Profile - Executive Director

Executive Directors bear the responsibility (under the leadership of the Chief Executive) for making and implementing operational decisions and running the Group's business on a day-to-day basis.

The duties of an executive Director include the general duties applicable to all Directors as set out above. These duties extend to the whole of the business and not just that part of it covered by their individual executive responsibilities.

Executive Director - Charter of Expectations

Role Requirements

- **Group Executive Committee member.**
- **Time commitment** - Executive Directors are expected to attend all Board meetings each year and be available to attend meetings of Board Committees when required to do so by the Chairman of that Committee.
- **Meetings** – Is well prepared for all Board meetings.
- **Group view** - Be able to take a “Group” shareholder value viewpoint notwithstanding personal responsibility for a cluster or function.
- **Knowledge** - Be knowledgeable of own areas of responsibility as well as understanding the strategic priorities facing the Group.
- **Shareholding** – Executive Directors are expected to maintain a shareholding (or interest in shares) in line with the shareholding guidelines adopted by the Board Remuneration Committee.

Key Competencies and Behaviours

Executive Directors are expected to:

- Effectively lead Barclays towards the achievement of its strategic objectives and implement the strategy decisions taken by the Board.
- Use their specialist knowledge and experience, both of their own business and financial services generally, to assist the Board in consideration of strategic issues, and ensuring that decisions taken are in the Group's best interests.
- Help ensure that the Board receives relevant, accurate, timely and high-quality supporting information and presentations necessary for it to fulfil its duties.
- Put the interests of the Group before those of their specific area of responsibility, in particular being prepared to participate fully in the Board's collective decision-taking as a team member rather than a functional or cluster advocate.
- Be open to constructive challenge from non-executive Directors.
- Manage any conflicts of interest between their role as a Board member and as an executive.
- Be sensitive to the collective responsibility of the Board for creating shareholder value and be mindful of having all of the responsibilities of a Director.
- Be aware of their wider responsibilities when they join the Board and ensure that they receive appropriate training to enable them fulfil their role.
- Be willing to enhance their contribution through receipt of feedback.
- Actively promote and demonstrate the appropriate culture, values and behaviours of the Boardroom and beyond, including upholding Barclays Values.

Committee Chairmen - Charter of Expectations

The Chairmen of Board Committees fulfil an important leadership role similar to that of the Chairman of the Board, particularly in creating the conditions for overall committee and individual director effectiveness. The Chairmen of Board Committees will preside at meetings of the Board Committees, ensuring that the Board Committees fulfil their responsibilities as set out in their terms of reference in an efficient and timely manner.

The key duties of a Board Committee Chairman will be:

Provision of Effective Leadership to the Committee

- Pro-actively manages the annual calendar of business to ensure most appropriate use of the Committee's time, including ensuring that the Committee meets with sufficient frequency and devotes sufficient time and attention to the matters within its remit.
- Ensures, in conjunction with the Group Chairman and the Board Nominations Committee, high quality Committee membership with an appropriate balance of skills and experience.
- Facilitates the running of the Committee to assist it in providing independent oversight of executive decisions.
- Engages and supports individual members to enhance Committee activities and discussions.
- Ensures that the Committee operates effectively as a team.
- Ensures that membership of the Committee is a stimulating and enjoyable experience.
- Ensures that the Committee's performance is evaluated annually.

Effective Chairmanship of Meetings

- Empowers all Committee members to challenge issues openly whilst preventing unnecessary or acrimonious conflicts, fostering open, inclusive discussion which challenges executives, where appropriate.
- Encourages and manages vigorous debate whilst achieving closure on issues.
- Ensures time is allocated appropriately and ensures the business of the meeting is completed whilst allowing appropriate discussions of individual items.
- Ensures Committee's work is in accordance with best practice so that the Committee is able to discharge its duties and comply with statutory/regulatory requirements.
- Ensures appropriate flow of timely and high-quality information to the Committee and its members. Ensures the Committee is able to provide appropriate assurance to Board on the issues within its terms of reference.
- Ensures Committee members receive appropriate induction and ongoing training.

Reporting to the Board

- Ensures high quality reporting to Board on the work and activities of the Committee, including escalation of and identification of solutions to issues and concerns identified by the Committee.

Board Audit Committee Chairman - Specific Responsibilities and Requirements

- Safeguards the independence of and oversees the performance of Barclays Internal Audit (BIA), including the performance of Barclays Chief Internal Auditor, in accordance with *SYSC 6.2 (Internal Audit)* of the PRA Handbook⁸
- Meets regularly with Barclays Chief Internal Auditor in private to receive briefings on the work of BIA and provides support when necessary to ensure that the independence and integrity of BIA is beyond reproach.
- Where an external, independent assessment of BIA is conducted, oversees and approves the appointment of the external assessor.
- Monitors the performance of Barclays Chief Internal Auditor as part of his/her dual reporting line to the Committee Chairman and Chief Executive, including approving his/her objectives and performance review.
- Recommends the annual remuneration of Barclays Chief Internal Auditor and BIA as a whole, subject to final approval of the Board Remuneration Committee.
- Act as the Whistleblower's Champion in accordance with *SYSC 18.4 (Whistleblower's Champion)* of the FCA Handbook, with responsibility for the integrity, independence and effectiveness of the Group's policies and procedures on whistleblowing, including the procedures for protection from detrimental treatment of staff who raise concerns.⁹
- Meets regularly with the lead Audit Partner of the External Auditors in private to discuss their audit work and any issues of concerns arising in between meetings of the Committee.

Role Requirements

- **Time commitment** - The Board Audit Committee Chairman will be expected to commit at least 60 days per year.
- **Financial acumen** - Must be comfortable dealing with complex financial issues and make every effort to keep up to date with international financial and accounting best practice developments.
- **Internal audit** - Must meet regularly (at least quarterly) with Barclays Chief Internal Auditor to review briefings on the work of BIA.
- **External auditors** - Must meet regularly (at least quarterly) with the lead Audit Partner to discuss their audit work.
- **Available in time of crisis** - Must be available outside of meetings of the Committee in case urgent issues are raised by Management, by the internal or by the external auditors.
- **AGM** - Must be able to attend the Annual General Meeting to answer shareholder questions.
- **Experience** - Experience of Boards and Board Committee work in a major organisation is preferable. This could be achieved by serving a period of time on the Barclays Board prior to appointment as Committee Chairman.

⁸ Senior Managers Regime prescribed responsibility (j)

⁹ Senior Managers Regime prescribed responsibility (n)

Board Nominations Committee Chairman - Specific Responsibilities and Requirements

- Safeguards the independence and oversees the performance of the Committee.
- Takes reasonable steps to ensure that the Committee complies with the requirements in SYSC 4.3A (*CRR Firms*) of the PRA Handbook that apply to the Committee and any specific and relevant requirements relating to the Committee or to the matters within the Committee's responsibilities.¹⁰

Role Requirements

- **Time commitment** - Time commitment is included in the overall time commitment of the Group Chairman.
- **Knowledge of Corporate Governance issues** - Must have a good knowledge of Corporate Governance and make every effort to keep up to date with domestic and international best practice developments.
- **AGM** - Must be able to attend the Annual General Meeting to answer shareholder questions.
- **Experience** - Experience of Boards and Board Committee work in a major organisation is preferable. This could be achieved by serving a period of time on the Barclays Board prior to appointment as Committee Chairman.

¹⁰ FCA Handbook Code of Conduct: Guidance on the role and responsibilities of NEDs, s3.2

Board Remuneration Committee Chairman - Specific Responsibilities and Requirements

- Oversees the development of, and implementation of Barclays' remuneration policies and practices in accordance with SYSC 19D (*Remuneration Code*) of the PRA Handbook¹¹.
- Meets regularly with the Group Human Resources Director and the Group Reward and Performance Director in private to receive briefings on the work of the Reward and Performance team and provides support when necessary.
- When a meeting of the Committee cannot be arranged in the time available, acts as a sub-committee of the Committee to approve the proposed remuneration package and ensures that a formal record of any such sub-committee decision is circulated to all the members of the Committee.

Role Requirements

- **Time commitment** - The Board Remuneration Committee Chairman will be expected to commit at least 60 days per year.
- **Knowledge** - Must be knowledgeable about current best practice in executive remuneration and understand the importance of aligning executive reward to the achievement of the Group's strategic objectives.
- **HR Best Practice** - Must be knowledgeable about current best practice in HR policies and executive recruitment and understand its role in the effective execution of the Group's strategy.
- **Regular meetings** - Must meet regularly with the Group Chairman and Chief Executive and with the Group Human Resources Director and the Group Reward and Performance Director to ensure that the Committee is effectively reviewing the remuneration of executive Directors in line with Barclays' policy.
- **AGM** - Must attend the Annual General Meeting and provide persuasive, considered answers to questions from investors on Barclays' remuneration policy.
- **Experience** - Experience of Boards and Board Committee work in a major organisation is preferable. This could be achieved by serving a period of time on the Barclays Board prior to appointment as Committee Chairman.

¹¹ Senior Managers Regime prescribed responsibility (m)

Board Risk Committee Chairman - Specific Responsibilities and Requirements

- Safeguards the independence of and oversees the performance of Barclays Risk function, including the performance of Barclays Chief Risk Officer, in accordance with SYSC 7.1.21R and SYSC7.1.22R (Risk Control) of the PRA Handbook.¹²
- Meets regularly with Barclays Chief Risk Officer in private to receive briefings on the work of Barclays Risk function and provides support when necessary to ensure that the independence and integrity of Barclays Risk function is beyond reproach.
- Monitors the performance of Barclays Chief Risk Officer as part of his/her dual reporting line to the Committee Chairman and Chief Executive, including approving his/her objectives and performance review.
- Recommends the annual remuneration of Barclays Chief Risk Officer and Barclays Risk function as a whole, subject to final approval of the Board Remuneration Committee.
- Uses his/her discretion to decide whether the Committee should review due diligence on Barclays' transactions valued at £150m - £500m.

Role Requirements

- **Time commitment** - The Board Risk Committee Chairman will be expected to commit at least 60 days per year.
- **Financial acumen** - Must be comfortable dealing with risk issues and make every effort to keep up to date with best practice developments in risk management and measurement.
- **Risk function** - Must meet regularly (at least quarterly) with Barclays Chief Risk Officer to review briefings on the work of Barclays Risk function.
- **Available in time of crisis** - Must be available outside of meetings of the Committee in case urgent issues are raised by Management or by Barclays Risk function.
- **AGM** – Must be able to attend the Annual General Meeting to answer shareholder questions.
- **Experience** - Experience of Boards and Board Committee work in a major organisation is preferable. This could be achieved by serving a period of time on the Barclays Board prior to appointment as Committee Chairman.

¹² Senior Managers Regime prescribed responsibility (I)

Board Reputation Committee Chairman - Specific Responsibilities and Requirements

- Safeguards the independence of and oversees the performance of Barclays Compliance function, including the performance of Barclays Head of Compliance, in accordance with *SYSC 6.1 (Compliance)* of the PRA Handbook¹³
- Meets regularly with Barclays Head of Compliance in private to receive briefings on the work of Compliance and provides support when necessary to ensure that the independence and integrity of Compliance is beyond reproach.
- Monitors the performance of Barclays Head of Compliance as part of his/her dual reporting line to the Committee Chairman and Chief Executive, including approving his/her objectives and performance review.
- Recommends the annual remuneration of Barclays Head of Compliance and Compliance as a whole, subject to final approval of the Board Remuneration Committee.

Role Requirements

- **Time commitment** - The Board Reputation Committee Chairman will be expected to commit at least 60 days per year. Where the Group Chairman chairs the Board Reputation Committee, the time commitment is included in the overall time commitment of the Group Chairman.
- **Knowledge of corporate social responsibility and sustainability** - Must have a good understanding of corporate social responsibility and sustainability principles and make every effort to keep up to date with domestic and international best practice developments.
- **Compliance function** - Must meet regularly (at least quarterly) with Barclays Head of Compliance to review briefings on the work of Barclays Compliance function.
- **Available in time of crisis** - Must be available outside of meetings of the Committee in case urgent issues are raised by Management or by Barclays Compliance function.
- **AGM** - Must be able to attend the Annual General Meeting to answer shareholder questions.
- **Experience** - Experience of Boards and Board Committee work in a major organisation is preferable. This could be achieved by serving a period of time on the Barclays Board prior to appointment as Committee Chairman.

¹³ Senior Managers Regime prescribed responsibility (k)

Board Support and the Company Secretary

The Board will be supported by the Company Secretary, whose role in ensuring good governance is to:

- Support the Chairman and help the Board and its Committees to function effectively.
- Work with the Chairman, Chief Executive and management to ensure the presentation of accurate, timely and high-quality supporting information to the Board and to Board Committees.
- Support the Chairman in delivering Director induction and development programmes.
- Support the Chairman of the Board and the Chairmen of Board Committees in delivering the Board Evaluation process and implementing any resulting action plan.
- Periodically review with the Chairman, the effectiveness of the Board and Board Committee governance framework, including the remit of each Board Committee and the processes of interaction between Committees and each Committee and the Board.

The Company Secretary will

- Report to the Chairman on all matters of Board governance but will report to the Group Finance Director in relation to his other executive management responsibilities.
- Be expected to build relationships of mutual trust with the Chairman, the Senior Independent Director and the non-executive Directors, while maintaining the confidence of the Chief Executive and executive Directors.

BARCLAYS PLC

BOARD AUDIT COMMITTEE

TERMS OF REFERENCE

Approved by the Board on 28 July 2016

1 Role

1.1 The role of the Barclays PLC and Barclays Bank PLC Board Audit Committee (the 'Committee') is to review and monitor, among other things:

- The integrity of the Group's financial statements and related announcements
- The effectiveness of the Group's internal controls
- The effectiveness of the internal and external audit processes
- The Group's relationship with the external auditors
- The effectiveness of the Group's whistleblowing procedures

The role of the Chairman of the Committee is set out in his role profile, which forms part of Barclays Charter of Expectations.

2 Authority

2.1 The Committee is a committee of the Board of Directors (the 'Board') of Barclays PLC (the 'Company') and Barclays Bank PLC, from which it derives its authority and to which it regularly reports.

2.2 The Committee has delegated authority of the Board in respect of the functions and powers in these Terms of Reference. The Committee may sub-delegate any or all of its powers and authority as it sees fit, including, without limitation the establishment of sub-committees to analyse particular issues or themes and to report back to the Committee.

2.3 The Committee has authority to investigate any matter relating to the Company, Barclays Bank PLC and their business units and subsidiaries (together the 'Group'). It also has authority to obtain any information as it may require from any Director, officer or employee of the Group.

2.4 The Committee may request a summary of material issues considered at any audit committees of the Group's Strategically Significant Subsidiaries and shall receive and review reports on any other matters referred by the chairmen of those committees.

2.5 The Committee has authority to engage independent counsel and other professional advisers at the expense of the Group, and to invite them to attend meetings.

3 Constitution and meetings of the Committee

3.1 **Membership** – Comprises at least three non-executive Directors of the Company appointed by the Board, all of which should be independent. Membership includes at least one member of the Board Risk Committee and Board Reputation Committee. The Committee as a whole shall have competence relevant to the banking sector and at least one member of the Committee should have significant recent and relevant financial experience.

- 3.2 **Duration of appointments** – Shall be for a period of up to three years which may be extended by a further two additional periods of up to three years, subject to the Director still meeting the criteria for membership of the Committee.
- 3.3 **Chairman** – Shall be appointed by the Board. The Committee Chairman does not have a casting vote.
- 3.4 **Secretary** – The Company Secretary or his nominee shall act as secretary to the Committee.
- 3.5 **Meetings** – Will be held a minimum of four times per year and at any other time as the Committee’s role and responsibilities require. Meetings will be convened by the Company Secretary at the request of Committee members, the Chairman of the Group, the Group Chief Executive, the external audit lead partner or the Barclays Chief Internal Auditor.
- 3.6 **Notice of meetings** – Unless otherwise agreed by the Chairman of the Committee, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive Directors, no later than four working days before the date of the meeting.
- 3.7 **Quorum** – The quorum for meetings shall be two members, one of whom should normally be the Chairman of the Committee or his appointed deputy. In the absence of the Chairman of the Committee (or appointed deputy), the remaining members present shall elect one of themselves to chair the meeting.
- 3.8 **Minutes** – The Company Secretary or his nominee shall minute the proceedings and decisions of all Committee meetings. Draft minutes will be circulated promptly to all members of the Committee after a meeting. Once approved, the minutes will be circulated to all other members of the Board and attendees.
- 3.9 **Attendees** – Only the members of the Committee have the right to attend Committee meetings. However, the following will be expected to attend Committee meetings on a regular basis:
- The external auditors
 - Group Finance Director
 - Barclays General Counsel
 - Barclays Chief Internal Auditor
 - Chief Risk Officer
 - Chief Operating Officer
 - Group Financial Controller

There is an open invitation for the Group Chief Executive and any non-executive Directors to attend any Committee meeting with the agreement of the Chairman of the Committee. By invitation of the Committee, any officer or employee of the Group or other person may also be invited to attend for a particular meeting or a particular agenda item.

4 Responsibilities of the Committee

The Committee will undertake the following tasks/functions for the Company and the Group as a whole:

- 4.1 **Financial reporting** – Monitor the integrity of the Group’s financial statements, interim management statements, preliminary announcements and any other formal announcements relating to the Company’s financial performance. In particular:
- (a) Review and, where appropriate, report to the Board on the significant financial reporting issues and estimates and judgements made in connection with the preparation of the Group’s financial statements, interim management statements, preliminary announcements and any formal announcements relating to the Company’s financial performance.
 - (b) Review and challenge where necessary the clarity, completeness and appropriateness of disclosures in the Group’s financial statements and consider whether the disclosures made are set properly in context, including, without limitation, the going concern and viability statements to be made by the Board of the Company and the related information presented with the

financial statements (including the strategic report and corporate governance statements relating to the audit).

- (c) Review and approve all trading statements prior to public release.
 - (d) Review and challenge where necessary the significant accounting policies and practices of the Group, including as to their establishment, consistency and any changes to them.
 - (e) Consider whether the Group has adopted appropriate accounting standards and policies and, where necessary, made appropriate estimates and judgments.
 - (f) Review and challenge where necessary the methods used to account for significant or unusual transactions where accounting treatment is open to different approaches
 - (g) Review and monitor any significant adjustments arising from the audit.
 - (h) Review and challenge where necessary the Group's disclosure controls and procedures, including reviewing reports of the Group's Disclosure Committee.
- 4.2 **Narrative reporting** – Advise the Board on whether, taken as a whole, the Annual Report and Accounts is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.
- 4.3 **Control issues** – Review the Report which identifies high-level control issues raised by all three lines of defence and classified as Critical under the Group's Enterprise Risk Management Framework's Risk and Issue Classification Matrix that require, or are subject to, remedial attention and summarises the actions being taken to resolve those issues. Review and monitor management's responsiveness in addressing control weaknesses, non-compliance with laws, regulations and internal policies and other weaknesses identified by BIA, regulators and the external auditors. The control aspects of operational risk are the responsibility of the Committee. The financial and capital implications of operational risk are the responsibility of the Board Risk Committee, while the Board Reputation Committee has oversight of conduct risk.
- 4.4 **Internal controls** – Provide assurance to the Board that executive management's control assurance processes are implemented and are complete and effective. In particular, review the Group's internal controls, including:
- (a) Review the appropriateness and completeness of the system of internal control.
 - (b) Review and approve the statements on internal controls to be included in the Company's Annual Report, prior to their endorsement by the Board and the external auditors.
 - (c) Enquire of the Group Chief Executive and Group Finance Director as to the existence of any significant deficiencies in the design or operation of the Group's system of internal controls, any material weaknesses in internal controls and any fraud, whether or not material, that involves management or other employees who have a significant role in the Group's affairs, including receiving the annual fraud certification to support the annual fraud report required under s302(5)(b) of the Sarbanes Oxley Act 2002.
- 4.5 **Internal audit** – Monitor and review the effectiveness, independence and objectivity of Barclays Internal Audit ('BIA'). In particular:
- (a) Review and approve the remit of BIA, including its Audit Charter (at Attachment 1) and undertake an annual review of the Audit Charter.
 - (b) Ensure the right 'tone at the top' to ensure support for, and acceptance of, BIA at all levels of the Group. In particular, ensure the Barclays Chief Internal Auditor has direct access to the Chairman of the Barclays Group and to the Committee and is accountable to the Committee.
 - (c) Review and monitor the effectiveness of the work of BIA in the context of the Group's internal

control and risk management systems and its performance against its agreed objectives and the Audit Charter.

- (d) Approve and review the appointment and, as necessary, the removal of Barclays Chief Internal Auditor and other key internal auditors.
- (e) Review, assess and approve the Audit Plan prepared by BIA, including any material changes to the Audit Plan.
- (f) Ensure BIA has the necessary resources and access to information to enable it to fulfil its mandate, including reviewing and approving its budget.
- (g) Review and monitor the coordination between BIA and the external auditors.
- (h) At least once a year, meet with BIA without executive Directors or executive management present.
- (i) Receive and review reports on the results of BIA's work on a periodic basis.
- (j) Review and monitor management's responsiveness in remedying BIA's findings and recommendations and any deficiencies identified by supervisory authorities related to the internal audit function.
- (k) Obtain an independent external assessment of BIA at an appropriate interval and at least once every five years. The Chairman of the Committee will oversee and approve the appointment of the external assessor. The results of the external assessment will be considered by the Committee;

4.6 **External audit** – Oversee the Group's relationship with the external auditors and assess the effectiveness of the external audit process. In particular:

- (a) **General** – Maintain regular, timely, open and honest communication with the external auditors, ensuring the external auditors reports to it on all relevant matters to enable the Committee to carry out its oversight responsibilities. Monitor, and discuss with the external auditors, the Group's relationship with the external auditors and the working relationship, coordination and exchange of information between the external auditors and BIA. At least once a year, meet with the external auditors without executive Directors or executive management present. The Chairman of the Committee shall also normally be available before each Committee meeting to meet the external auditors for private discussions.
- (b) **Appointment and tendering** – Review and make recommendations to the Board, to be put to shareholders for approval at the Annual General Meeting, in relation to the appointment, reappointment and removal of the external auditors. Recommend to the Board that the external audit is put out to tender at least as often as is required by applicable law, rules, regulations and best practice. If the Committee recommends considering the selection of possible new external auditors, initiate and oversee a fair tendering and selection process. Periodically assess the qualifications, expertise and resources of the external auditors. If the external auditor resigns, investigate the issues giving rise to the resignation and consider whether any action is required.
- (c) **Remuneration and other terms of engagement** – Agree the remuneration to be paid to the external auditors in respect of audit and non-audit services to be provided and the other terms of engagement of the external auditors, including the terms of the engagement letter issued by the external auditors at the start of each audit.
- (d) **Annual audit cycle** – At the start of each annual audit cycle, ensure that appropriate plans are in place for the audit. Obtain from the external auditors in connection with any audit, a timely written report relating to the Group's annual audited financial statements, including prompt notification of any significant audit findings and any significant problems encountered in carrying out the audit. Review, with the external auditors, the findings of their work. Review and monitor management's responsiveness in remedying the external auditors' findings and

recommendations. Discuss with the external auditor any matters arising from the statutory audit that may have an impact on regulatory capital or regulatory disclosures. Review, and approve on behalf of the Board, the audit representation letters before signature. As part of the on-going monitoring process and at the end of the annual audit cycle, review and monitor the content of the external auditor's management letter. At the end of the annual audit cycle, assess the effectiveness of the audit process, reporting to the Board if appropriate.

- (e) **Independence and objectivity, including the provision of non-audit services** – Assess, annually, the independence and objectivity of external auditors, taking into consideration relevant law, regulations and professional requirements and ethical standards for auditors. Agree the Group's policy on the provision of non-audit services by the external auditor, and monitor the application of the policy (and the provision of those services) and review and recommend to the Board, annually, changes to the policy. Agree with the Board the Group's policy for the employment of former employees of the external auditor, and monitor the application of the policy. Monitor the external auditor's compliance with the Ethical Standards for Auditors relating to, among other things, the rotation of audit engagement partners, the level of fees that the Group pays in proportion to the overall fee income of the firm, and other related regulatory requirements. Recommend to the Board the identity and replacement from time to time of the external audit engagement partners.

4.7 Whistleblowing

- (a) Oversee the Group's whistleblowing policies and procedures, assess their effectiveness and ensure management produce an annual report on whistleblowing to the Board.
- (b) Receive, semi-annually, a report from the Group Head of Compliance on whistleblowing matters, including of material instances of disclosure.
- (c) Ensure that management has internal arrangements in place to handle any type of whistleblowing disclosure by any person (including anonymous disclosures).
- (d) Review the adequacy and security of the Group's arrangements and ensure that these arrangements allow effective assessment and escalation of concerns.

4.8 Regulatory reporting

- (a) Review arrangements established by management for compliance with regulatory financial reporting and best practice requirements including the requirements and recommendations of relevant regulatory or supervisory bodies.
- (b) Review any letters to the Board from Barclays Group's principal supervisors and regulators (including the PRA, FCA and Federal Reserve) on their risk assessments of Barclays and the associated management responses.
- (c) Review all reports required to be commissioned from the Group's auditors or other firms so appointed by the PRA/FCA and also the minutes of any tri-lateral meetings between the Group, the external auditors and the PRA/FCA, together with any other matters of significance arising during regular meetings with the PRA/FCA or arising with respect to returns and reports submitted to the PRA/FCA and the Group's other principal supervisors and regulators.

4.9 **Capital raising** – Receive, at each meeting during a period of due diligence in connection with the issuance or placement of ordinary shares in Barclays PLC, a report from the Chairman of the Committee (or another nominated member in the Chairman's absence) that confirmation (verbal or otherwise) has been received from the lead underwriter(s) that they are satisfied with the due diligence process.

4.10 **Litigation** – Oversight of significant legal and regulatory investigations falls within the remit of the Regulatory Investigations Committee. However, the Committee should:

- (a) Review the Litigation Report and the proposed litigation statement for inclusion in the statutory accounts.

- (b) Have in place procedures for receiving evidence from external and internal lawyers relating to breaches of securities law, fiduciary duties or other similar violations.

4.11 Committee effectiveness

- (a) **General** – Conduct an annual self-assessment of the Committee’s effectiveness and recommend any necessary changes to the Board. Consider whether or not the Committee receives adequate and appropriate support in fulfilment of its role and whether or not its current workload is manageable.
- (b) **Training** – Make available, via the Company Secretary, to new members of the Committee a suitable induction process and provide training and awareness to members of the Committee on an ongoing and timely basis.

5 Reporting responsibilities

5.1 Reporting to the Board

- (a) **General** – Report to the Board on how it has discharged its responsibilities and on any other matters referred to it by the Board. In doing so, identify any matters in respect of which it considers that action or improvement is needed, and make any recommendation it deems appropriate as to the steps to be taken.
- (b) **Meetings** – Following each meeting of the Committee, report formally (through the Chairman of the Committee (or the chair of that meeting)) to the Board on its proceedings.
- (c) **Coordination with other committees** – Work and liaise as necessary with all other committees of the Board. Without limitation, the Committee should contribute to the information provided to the Board Remuneration Committee in setting incentive compensation and coordinate with the Board Reputation Committee in respect of that committee’s role in reviewing forward-looking compliance reports and reports on regulatory relationships.

5.2 Reporting to Shareholders

- (a) **General** – The Committee should identify any shareholder views on audit issues and respond to any shareholder concerns.
- (b) **Annual General Meeting** – The Chairman of the Committee, or a deputy chosen from the membership, should be present at the Annual General Meeting of the Company to answer questions, through the Chairman of the Barclays Group, on the report on the Committee’s activities and matters within the scope of the Committee’s responsibilities.
- (c) **Annual Report** – The Committee will compile a report of the work of the Committee in discharging its responsibilities for inclusion in the Annual Report, including the issues dealt with by the Committee. The Committee has the right to publish in the Company’s Annual Report, details of any issues that cannot be resolved between the Committee and the Board.

6 Governance and Resources

The Committee shall:

- 6.1 in its decision making, give due regard to any relevant legal or regulatory requirements, and associated best practice guidance, as well as to the risk and risk management implications of its decisions;

- 6.2 have access to sufficient resources in order to carry out its duties, including access to the Company Secretary, who shall have independent access to the Chairman of the Committee and to the services of Barclays Corporate Secretariat on Committee matters; and
- 6.3 have the power to engage independent counsel and other professional advisers at the expense of the Group and to invite them to attend meetings.

7 Amendments to Terms of Reference

The Committee shall:

- 7.1 report to the Board on how its responsibilities identified in these Terms of Reference have been discharged; and
- 7.2 review, on an annual basis, these Terms of Reference and may recommend to the Board any changes it considers necessary.

Barclays Corporate Secretariat
July 2016

The Internal Audit Charter

Introduction

It is the policy of the Board of Barclays PLC and Barclays Bank PLC to maintain an independent internal audit function to undertake internal audit work throughout Barclays. This Charter for Internal Audit defines the purpose, authority and responsibilities of Internal Audit.

Purpose

The objective of Internal Audit is to assist the Board and Executive Management to protect the assets, reputation and sustainability of Barclays and to provide independent, reliable, valued, insightful and timely assurance to the Board and Executive Management over the effectiveness of governance, risk management and control over current, systemic and evolving risks, in the context of the current and expected business environment and in accordance with the International Standards definition of internal auditing.

Organisation

To provide for its independence, all Internal Audit staff report to the Barclays Chief Internal Auditor who in turn reports functionally to the Board Audit Committee and administratively to the Barclays Chief Executive Officer. This seniority level within the organisation ensures the appropriate standing, access and authority to challenge the Executive.

The Board Audit Committee is responsible for the appointment, and as necessary, the removal of the Barclays Chief Internal Auditor subject to approval under the FCA/PRA Approved Person regime.

The Board Audit Committee is also responsible for evaluating the performance of Internal Audit on a regular basis. In doing so, it identifies appropriate criteria for defining the success of Internal Audit, in addition to the delivery of the audit plan.

The Chairman of the Board Audit Committee is accountable for:

- Recommending the remuneration of the Barclays Chief Internal Auditor to the Remuneration Committee
- Setting the objectives and appraising the performance of the Barclays Chief Internal Auditor, considering also the views of the Barclays Chief Executive. This appraisal considers the independence, objectivity and tenure of the Chief Internal Auditor.

The remuneration of the Barclays Chief Internal Auditor and Internal Audit staff is structured in a manner such that it avoids conflicts of interest, does not impair their independence and objectivity and is not directly or exclusively linked to the short term performance of the organisation.

Authority

Internal Audit's authority is received from the Board Audit Committee with the endorsement of the Barclays Chief Executive.

The Barclays Chief Internal Auditor and staff of Internal Audit are authorised to:

- Have unrestricted access to all information, functions, records, systems, property, and staff anywhere within Barclays, relevant to their role and may attend Executive Committee meetings
- Have uninhibited right of access to the Chairman of the Barclays PLC Board, the Chairman of the Board Audit Committee, other Board Committees as appropriate and to the Barclays Chief Executive
- Allocate resources, set frequencies, select subjects, determine scopes of work, assess audit need and coverage and apply the techniques required to accomplish audit objectives
- Obtain the necessary assistance of staff in Barclays as well as other specialised services from within or outside Barclays.

The Barclays Chief Internal Auditor is invited to attend and observe all Board Audit Committee meetings, Barclays Executive Committee meetings and any other key management decision making fora.

Accountability

The Barclays Chief Internal Auditor will take reasonable steps to ensure that:

- The Internal Audit function is controlled effectively
- The function complies with the relevant requirements and standards of the regulatory system
- Any delegation of his/her responsibilities is to an appropriate person and these will be overseen effectively
- Information will be disclosed appropriately of which the FCA or PRA would reasonably expect notice.

Independence and Objectivity

Internal Audit staff will at all times be objective, constructive and not be influenced by personal, business or other issues, which might impair impartiality. Internal Audit staff will not be involved in providing internal audit services in relation to a business activity for which they have had internal oversight or external audit responsibility within the previous 12 months.

Internal Audit staff will need to have sound judgement. This will require them to have appropriate skills, experience and expertise and to conduct their work with proficiency and due professional care.

Effective Risk Management, Compliance and Finance functions are an essential part of an organisation's corporate governance structure. Internal Audit is independent of these functions and is neither responsible for, nor part of, them. Internal Audit will include within its scope an assessment of the adequacy and effectiveness and will exercise informed judgement on when to place reliance on the work of these functions.

Internal Audit staff will engage in continuing professional development. If the knowledge, skills and competencies required to perform an engagement are not available within Internal Audit, the Barclays Chief Internal Auditor will obtain alternative advice, assistance or resources.

The Barclays Chief Internal Auditor will attest annually on the independence of the internal audit function. If Internal Audit's independence or objectivity is impaired, the details of the impairment will be disclosed to the Chairman of the Board Audit Committee.

Whilst Internal Audit staff should have sufficient knowledge to identify the indicators of fraud, they are not expected to have the expertise of a person whose primary responsibility is detecting and investigating fraud.

Scope

The scope of Internal Audit takes into account business strategy and is focused on key controls mitigating current, systemic and evolving risks to Barclays (including key corporate events), assessing the effectiveness of risk management and risk mitigation in the context of the current and expected business environment. Internal Audit also has within its scope:

- The risk and control culture of the organisation including assessing whether processes, actions and ‘tone from the top’ and ‘tone in the middle’ are in line with the values, ethics, risk appetite and policies of the organisation
- Managements’ control awareness (attitude and approach taken by all levels of management) and internal control, including managements’ approach to addressing known issues
- Whether the key risks to the organisation have been identified and assess how effectively these are being managed
- The processes and controls, including customer outcomes supporting strategic and operational decision making, and whether information presented to the Board and Executive Management fairly represents the benefits, risks and assumptions associated with strategy and corresponding business plans
- Whether Management is adequately designing and controlling products, services and supporting processes in line with customer interests and conduct regulation.

In addition Internal Audit may carry out special investigations and undertake work required by regulators, or may apply discretion to validate remediation of Regulatory issues. When required, Internal Audit provides assurance to third parties on Barclay’s system of internal control in the form of ‘Third Party Attestations’ and follows internal procedures to mitigate the risk of providing such assurance.

In the normal course of standard audits Internal Audit will not undertake consulting services. Internal Audit may, however, within its remit undertake specific controls assurance work to independently validate progress or completion of large scale management remediation programmes and selected third party supplier operated controls.

In addition, as permitted under the standards of the Institute of Internal Auditors, the Barclays Chief Internal Auditor may direct non-audit services where the services have potential to improve the governance, risk management, controls processes and of control environment. These services will be appropriately included in the Internal Audit Plan and will include a clear strategy and timeline for migrating the responsibility for these services to management.

All activities undertaken within and on behalf of Barclays fall within the scope of Internal Audit's remit. There are no restrictions on the scope of Internal Audit's work. Internal Audit activity must be free from interference in determining the scope of internal auditing, performing work and communicating results.

Responsibilities

The Barclays Chief Internal Auditor, in the discharge of his or her duties, is responsible to the Board Audit Committee and to executive management for:

- Leading, developing and managing the execution of the BIA strategy and business plans that align to Barclays Board approved Purpose, Values, Risk Appetite and Group Frameworks and Policies.
- Developing and leading a high performing and sustainable audit function to ensure BIA’s reputation, capability and independence within the Group is sustained as benchmarked against external best-practice standards of service quality, effectiveness and efficiency and which delivers value added assessment and reporting of the effectiveness of Barclays risk management controls and methodologies and their ability to respond to new, systemic and evolving risks in the context of the current and expected business environment
- Ensuring that Internal Audit staff have the skills and experience commensurate with the risks of the organisation. This may entail training, recruitment, secondment from other parts of the organisation or co-sourcing with external third parties. The Barclays Chief Internal Auditor will provide the Audit Committee with a regular assessment of the skills required to conduct the work needed, and whether the Internal Audit budget is sufficient to allow the function to recruit and retain staff with the expertise and experience necessary to provide effective challenge throughout the organisation and to the Executive
- Maintaining an appropriate risk appetite to cover the material risks in line with the Enterprise Risk Management Framework, regulatory requirements and cyclical coverage through a flexible annual Audit Plan and a ‘6+6 rolling plan’ coverage programme

- The Audit Plan is to be discussed with Barclays Chief Executive, Executive Management and noted by the Operational Risk and Controls Committee, before being presented to the Board Audit Committee for approval
- Maintaining the flexibility of the Audit Plan, Internal Audit maintains day to day interaction with key clients across the business to remain alert for new and emerging risk. The audit plan is a risk based plan that is formally updated on an a '6+6 rolling plan' approach following any changes in Barclays risk profile, with approval sought from the Board Audit Committee for any requested changes to the plan. This means, the next six months audit plan is fixed, and the following six months, whilst planned, have adequate flexibility to allow for change
- Monitoring market conditions to be alert for new and emerging risks resulting from changes in current market forces, economies at risk and regulatory changes impacting the groups businesses or jurisdictions, Internal Audit will review the impact on existing audit plans and ensure where appropriate coverage is reprioritised and refocused
- Monitoring proposed significant strategic decisions, to ensure a timely and appropriate response is delivered for any proposed acquisitions, de novo start ups, business disposals, business transfers or mergers. Internal Audit will review the impact on existing audit plans and ensure where appropriate coverage is reprioritised and refocused
- Delivering the agreed internal audit plan through the issuance of audit reports, and other assurance, to management and to the Chairman of the Board Audit Committee, in accordance with the internal audit methodology
- Identifying, analysing, evaluating and recording sufficient information during the execution of internal audit work to achieve the internal audit objectives. Audit results shall be communicated accurately and timely following the completion of audit work
- Provide accurate, transparent and timely reporting to the Group ExCo, Chairman of the Board and / or Chair of other appropriate Board Committees as required. Specifically, provide periodic (at least quarterly) reports to the Board Audit Committee summarising the status of the Audit Plan, the results of audit activities and details of significant issues identified
- Monitoring follow-up action undertaken by management to remedy weaknesses identified by Internal Audit, forming a view on whether the action taken is sufficient, timely and controls introduced are operating as intended to mitigate the risk
- Maintaining an open, constructive and co-operative relationship with regulators, internal control functions (e.g. Risk, Finance and Compliance) and the appointed external auditors; which support sharing of information relevant to carrying out their respective responsibilities.

Standards of Practice

Internal Audit and all Internal Audit staff are expected to comply with The Barclays Way, policies and ethical standards, the Standards for the Professional Practice of Internal Auditing, Code of Ethics published by the Institute of Internal Auditors (together the IIA 'Standards') and any other material regulatory requirements as pertains to Internal Audit.

Internal Audit plans and performs its assurance work to the standards and requirements set out in the Internal Audit methodology covering: annual planning; audit planning; audit execution; audit reporting; and post audit issues validation. Internal Audit maintains a quality assurance function and a continuous improvement programme that covers all aspects of internal audit activity and continuously monitors its effectiveness. The independent Internal Audit Quality Assurance (QA) team operates an annual programme of review activity to sample all Internal Audit activity. The annual QA programme includes: 'in-flight' reviews of in-progress audit work; 'audit file' reviews sampling completed audit work; challenge of the semi-annual planning process; cyclical, internal audit team conformance testing reviews of conformance to Barclays Polices and BIA processes; thematic reviews of other priority focus areas for Internal Audit; risk based reviews of high impact Internal Audit reports pre issue; and close involvement in major change activities across Internal Audit.

Internal Audit QA will self-assess conformance with the Standards on an annual basis. This self-assessment is presented to the Board Audit Committee annually. Where full compliance with the IIA definition of internal auditing, the IIA Standards or the IIA Code of Ethics is not achieved and where this impacts the overall scope

of operation of internal audit activity, this will be explicitly disclosed to the Board Audit Committee including the principle on non-conformance, reasons and impact of the non-conformance. In evaluating the performance of Internal Audit, the Board Audit Committee will consider the results of the internal quality assurance programme.

In addition, the Board Audit Committee obtains an independent and objective external assessment by a qualified reviewer, at least once every five years. This may take the form of periodic reviews of elements of the function, or a single review of the overall function.

Exceptions or Variations

Any exceptions or variations to the purpose, authority and responsibilities of Internal Audit must be approved in advance by the Board Audit Committee.

This Charter will be reviewed at least annually to ensure it remains current and in accordance with current procedures, standards and good practice.

Approved by:

Chairman, Board Audit Committee

Dated: 19 April 2016

ANNEX TO THE BOARD AUDIT COMMITTEE TERMS OF REFERENCE

(Approved by the Board on 29 July 2003)

BOARD AUDIT COMMITTEE ACTING AS A QUALIFIED LEGAL COMPLIANCE COMMITTEE

1. Constitution, meetings etc.

- 1.1 **Membership** - will comprise members of the Board Audit Committee of Barclays PLC (“the Company”)
- 1.2 **Quorum** - shall be three.
- 1.3 **Meetings** - The Committee shall meet contemporaneously with the audit committee of the Company and on such other occasions as shall be necessary or appropriate to fulfil its functions as a Qualified Legal Compliance Committee. Each meeting will receive a report of any “material violations” prepared in accordance with 3 below.

The Chairman of the Barclays Group and the chairman of the Committee may each request that a meeting should be held at any time. The Group General Counsel may request a meeting to be held at any time.
- 1.4 **Chairman** - shall be appointed by the Board.
- 1.5 **Secretary** - the Group Secretary, and/or the Deputy Secretary or an Assistant Secretary, shall attend all meetings of the Committee.
- 1.6 **Minutes** - will be circulated to all members, the Group Chief Executive and the Group General Counsel, and reports made to the Board following each meeting of the Committee.
- 1.7 **Attendees** - Attendees shall be those persons directed to attend by the Committee. Attendees are not members of the Committee and they may be collectively or individually requested to withdraw from meetings of the Committee if required to do so by the Chairman of the Committee or any member of the Committee serving as chairman of the meeting.
- 1.8 **Advice** - the Committee shall have the power to engage independent counsel and other professional advisers at the expense of the Group, and to invite them to attend meetings.

2. Scope of authority

- 2.1 The Committee is a committee of the Board of the Company, to which Board it will report on a regular basis. The Committee is concerned with the business of the whole Barclays Group and its authority extends to all relevant matters relating to the Company and to Barclays Bank PLC and their business groups and subsidiaries.
- 2.2 The Committee has authority to investigate any matters within its responsibilities and to obtain such information as it may require from any director, officer or employee of the Barclays Group.
- 2.3 The Committee, with respect to any matter arising under 3 below, has the authority and responsibility, acting by majority vote, to take all appropriate action, including notification of the U.S. Securities and Exchange Commission, if the Group fails to implement the recommendations proposed by the Committee in its capacity as a Qualified Legal Compliance Committee.

3. Responsibilities of the Committee

The prime function of the Committee is to investigate and take remedial action with respect to any reports of “material violations”.

The Committee shall:

- (i) establish written procedures for the confidential receipt, retention and consideration of reports of material violations;
- (ii) inform the Group Chief Executive and the Group General Counsel of any report of evidence of a material violation (except where it is reasonably believed that such a communication would be futile);
- (iii) decide whether an investigation is necessary to determine whether in fact there is a material violation, and if so, to:
 - notify the full Board;
 - initiate an investigation, which may be conducted by the Group General Counsel or outside attorneys (retained pursuant to (1.8) above); and
 - retain such additional expert personnel as the committee deems necessary;
- (iv) at the conclusion of any investigation;
 - recommend, by a majority vote, that the Group implement an appropriate response to the evidence of a material violation;
 - inform the Group Chief Executive and the Group General Counsel and the Board of the results of the investigation and the appropriate remedial measures to be adopted.

As used in these terms of reference, a “material violation” shall include a material violation of U.S. federal or state securities laws or a breach of U.S. federal or state common law or statutory fiduciary duty, including malfeasance, nonfeasance, abdication of duty, abuse of trust and approval of unlawful transactions. A “material violation” shall also include any similar violation of any U.S. federal or state law.

Group Corporate Secretariat
July 2003

BARCLAYS PLC

BOARD NOMINATIONS COMMITTEE

TERMS OF REFERENCE

Approved by the Board on 28 July 2016

1. Role

The role of the Board Nominations Committee (the Committee) is to:

- 1.1 support and advise the Board in ensuring it is comprised of individuals who are best able to discharge the duties and responsibilities of Directors and that the Company has the appropriate corporate governance standards and practices in place;
- 1.2 focus primarily on the composition, appointments, succession and effectiveness of the Board, but shall also oversee the adoption of appropriate internal policies on the assessment of the suitability of Directors, members of the Group Executive Committee and other key personnel subject to regulatory approval; and
- 1.3 keep the Board's governance arrangements under review and make appropriate recommendation to the Board to ensure that the Company's arrangements are consistent with best practice corporate governance standards.

2. Authority

- 2.1 The Committee is a committee of the Board of Directors of Barclays PLC (the Board), from which it derives its authority and to which it regularly reports.
- 2.2 The Committee has delegated authority of the Board in respect of the functions and powers in these Terms of Reference.
- 2.3 The Committee may sub-delegate any or all of its powers and authority as it sees fit, including, without limitation the establishment of sub-committees to analyse particular issues or themes and to report back to the Committee.
- 2.4 The Committee is concerned with the business of the entire Group and its authority extends to all matters relating to its responsibilities below for Barclays PLC, Barclays Bank PLC and their subsidiaries.
- 2.5 The Committee has authority to investigate any matter relating to the Company, Barclays Bank PLC and their business units and subsidiaries (together 'the Group') within its Terms of Reference and to obtain such information as it may require from any Director, officer or employee of the Group.

3. Constitution

3.1 Chairman

- i) The Chairman of the Board will chair the Committee, except when it meets to discuss the Chairman of the Board's succession or performance. In any such case or in the Chairman of the Board's absence, the Senior Independent Director will chair meetings of the Committee.

- ii) In the absence of the Chairman of the Committee or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.
- iii) The Committee Chairman does not have a casting vote.

3.2 Membership

- i) The Committee will comprise the Chairman of the Board, the Senior Independent Director and at least three other non-executive Directors of the Company, preferably drawn from the chairmen of the principal Board Committees.
- ii) Members of the Committee shall be appointed by the Board, on the recommendation of the Board Nominations Committee and in consultation with the Chairman of the Committee.

3.3 Secretary

- i) The Secretary of the Company, and/or the Deputy Secretary or an Assistant Secretary shall act as Secretary to the Committee and attend all meetings.
- ii) The Secretary shall record the proceedings and decisions of the Committee meetings and the minutes shall be circulated to all Directors and attendees, as appropriate, taking into account any conflicts of interest that may exist.

4. Proceedings of Meetings

4.1 Frequency of Meetings

- i) The Committee shall meet at least twice a year and otherwise as required.
- ii) The Chairman of the Committee and the Chairman or Chief Executive of the Company may each convene meetings of the Committee at any time to consider any matters falling within these Terms of Reference.

4.2 Quorum

- i) The quorum necessary for the transaction of business shall be the Chairman of the Board or the Senior Independent Director and at least two independent non-executive Directors.
- ii) A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all of any of the authorities, powers and discretion vested in or exercisable by the Committee.
- iii) In the event of difficulty in forming a quorum, independent non-executive Directors who are not members of the Committee may be co-opted as members for individual meetings.

4.3 Attendees

- i) Only the members of the Committee, the Chairman of the Board if he or she was deemed independent on appointment and other independent non-executive Directors of Barclays PLC have the right to attend Committee meetings.
- ii) Any officer or employee of the Group may attend at the invitation of the Chairman of the Committee and they may collectively or individually be requested to withdraw from meetings of the Committee if required to do so by the Chairman of the Committee.

5. Responsibilities of the Committee

5.1 Composition of the Board and its Committees

- i) The Committee will regularly review the structure, size and composition of the Board and of its Committees in consultation with the Committee Chairmen, taking into account the results of the Board performance evaluation process.
- ii) In making recommendations on the composition of Board Committees, the Committee shall give consideration to the benefits of cross membership on Board Committees and the benefits of progressive refreshing of the Board Committees to promote fresh perspectives.

5.2 New appointments

- i) The Committee shall be responsible to the Board for leading the process for Board appointments and for identifying and nominating candidates for approval by the Board for appointment as Directors of the Company.
- ii) At the request of the Chairman or of the Board, the Committee will evaluate the balance of skills, experience, independence, knowledge and diversity, on the Board and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment.
- iii) The Committee will ensure that prospective non-executive Directors undertake that they will have sufficient time to fulfil their duties and that any significant new appointments outside the Group are subsequently disclosed to the Board prior to their acceptance.
- iv) Having done so, the Committee will, if it deems necessary, identify, review and recommend candidates for potential appointment as Directors (both executive and non-executive) of Barclays PLC and Barclays Bank PLC.
- v) The Committee shall be responsible for the appointment of non-executive Directors to the boards of significant subsidiaries of the Group and for agreeing appropriate policies and processes to apply to the governance of those subsidiaries.

5.3 Succession planning

- i) The Committee will review and make recommendations to the Board, at regular intervals, and at least once a year, for Board succession over the longer term in order to maintain an appropriate balance of skills, experience, independence, and knowledge and diversity to ensure progressive refreshing of the Board. Particular attention shall be paid to succession in respect of the Chief Executive, the Group Chairman and other key Board positions e.g., Senior Independent Director.
- ii) The Committee will keep under review the leadership needs of the Company and, at regular intervals and at least once a year, consider the adequacy of proposals for the succession, over the longer term, to key leadership positions within the Group, taking into account the challenges and opportunities facing the Company, and the skills, experience, independence, knowledge and diversity needed on the Board and the Group Executive Committee in the future with a view to ensuring the continued ability of the Group to compete effectively in the marketplace.
- iii) The Committee, in order to have oversight of the Group's succession and Talent Management programme, will review at regular intervals and at least once a year, a report on the Group's Talent Management programme, including any measures being taken to improve the pipeline of talent.

5.4 Board Effectiveness

The Committee shall:

- i) consider and set the criteria for the objective and rigorous performance review of each non-executive Director, the Board and its committees;

- ii) ensure that an annual performance evaluation is conducted of the effectiveness of the Board and its committees and the contribution of each Director, such evaluation to be externally facilitated at least once every three years;
- iii) ensure that the conclusions and recommendations arising from these reviews and evaluations of the Group Chairman and Chief Executive are reported to the Board;
- iv) agree an action plan addressing the results of the Board effectiveness review and periodically review progress against the plan; and
- v) consider the effectiveness of each Board evaluation carried out.

5.5 Serving Directors

The Committee will:

- i) consider additional commitments of non-executive Directors during their tenure, especially where such commitments might affect the time the non-executive Director is able to devote to their role, and review annually the time commitment required of non-executive Directors, taking into account the assessment made in performance evaluations;
- ii) make recommendations to the Board concerning:
 - a) the election and annual re-election by shareholders of Directors;
 - b) the independence of non-executive Directors and the individual's ability to perform his or her duties independently without undue influence from other persons;
 - c) renewal of terms of office of non-executive Directors after six years, based on a review of the Director's performance; and
 - d) any matters relating to the continuation in office of any Director at any time.

In making these recommendations to the Board the Committee shall take into account the Director's performance and ability to contribute as well as the need for progressive refreshing of the Board.

5.6 Legal and Regulatory Requirements

The Committee shall assist the Chairman, as required, in discharging his duties and complying with those requirements of statutory and regulatory bodies that affect the functions and responsibilities of the Board, including supporting the Chairman in:

- i) allocating all prescribed responsibilities under the Prudential Regulation Authority (PRA) and Financial Conduct Authority's Senior Managers Regime;
- ii) ensuring the Group's performance of its obligations under *Fitness and Propriety* (in the PRA Rulebook) in respect of its Notified non-executive Directors;
- iii) leading the development of and monitoring the effective implementation of policies and procedures for the induction, training and professional development of all members of the Board.

The Committee shall also ensure that appropriate internal policies and procedures are in place for assessing the suitability of Directors, members of the Group Executive Committee and other key personnel subject to regulatory approval.

5.7 Corporate governance

The Committee shall:

- i) review and approve changes to the Board's Corporate Governance guidelines, monitor the Group's compliance with such guidelines and recommend to the Board such changes or additional action as it deems necessary;
- ii) review and approve changes to the Board Diversity Policy and regularly review progress against any measurable objectives that the Board has set in respect of Board diversity;
- iii) review and recommend to the Board for approval the Corporate Governance report for inclusion in the Annual Report;
- iv) monitor developing trends, initiatives or proposals in relation to legal developments, Board governance issues and best corporate governance practice in order to determine the extent to which these initiatives impact the Company and provide periodic updates to the Board; and
- v) review and approve any material information of the Group made public or made available to any public body by the Group relating to corporate governance.

5.8 Conflicts of Interest

The Committee:-

- i) will, with assistance from the Company Secretary, ensure that prospective non-executive Directors disclose any business interests that may result in any actual or potential conflict of interests with those of the Group prior to any offer of appointment is made and be required to report any future business interest that could result in a conflict of interest;
- ii) may consider and authorise, subject to ratification by the Board, any situational conflict in which a Director may have a direct or indirect interest that conflicts, or possibly may conflict with the interests of the Company;
- iii) when considering the authorisation of these situations, the Committee will have regard to the possible time required to fulfil this, and all other outside commitments notified by the Director, and whether it could impede the Director from spending sufficient time to fulfil his/her obligations to the Company; and
- iv) will conduct an annual review of the Conflicts Register and review any disclosure relating to conflicts of interest to be made public.

6. Reporting and Disclosure

- 6.1 The Chairman of the Committee shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 6.2 The Committee shall compile a report of the work of the Committee in discharging its responsibilities for inclusion in the Annual Report, including a description of the significant issues dealt with by the Committee.
- 6.3 The Committee shall work and liaise as necessary with all other Committees of the Board.
- 6.4 The Chairman of the Committee, or a deputy chosen from the Committee membership, shall attend and will be prepared to answer questions at the Annual General Meeting of the Company which relate to any matter within the remit of the Committee.

7. Governance and Resources

The Committee shall:

- 7.1 via the Secretary to the Committee, make available to new members of the Committee a suitable induction process and, for existing Members, on-going training as discussed with the Committee.
- 7.2 conduct an annual self-assessment and report any conclusions and recommendations to the Board and, as part of this assessment, shall consider whether or not it receives adequate and appropriate support in fulfilment of its role and whether or not its current workload is manageable;
- 7.3 in its decision making, give due regard to any relevant legal or regulatory requirements, and associated best practice guidance, as well as to the risk and risk management implications of its decisions;
- 7.4 have access to sufficient resources in order to carry out its duties, including access to the Company Secretary, who shall have independent access to the Chairman of the Committee and to the services of Barclays Corporate Secretariat on Committee matters; and
- 7.5 have the power to engage independent counsel and other professional advisers at the expense of the Group and to invite them to attend meetings.

8. Terms of Reference

The Committee shall:

- 8.1 report to the Board on how its responsibilities identified in these Terms of Reference have been discharged.
- 8.2 periodically review its Terms of Reference and may recommend to the Board any amendments to these Terms of Reference.

**Barclays Corporate Secretariat
July 2016**

BARCLAYS PLC

BOARD REMUNERATION COMMITTEE

TERMS OF REFERENCE

Revised by the Board on 23 July 2015

1 Role

The role of the Board Remuneration Committee ('the Committee') is to:

- 1.1 set the over-arching principles and parameters of remuneration policy across the Group;
- 1.2 consider and approve the remuneration arrangements of the Chairman, the executive Directors of the Company, other senior executives (as defined in paragraph 5.2 below) and those employees whose total annual compensation exceeds an amount determined by the Committee from time to time; and
- 1.3 exercise oversight for remuneration issues.

2 Authority

- 2.1 The Committee is a Committee of the Board of Barclays PLC ('the Company') from which it derives its authority and to which it regularly reports.
- 2.2 The Committee has delegated authority from the Board in respect of the functions and powers set out in these Terms of Reference.
- 2.3 The Committee may sub-delegate any or all of its powers and authority as it sees fit, including, without limitation, the establishment of sub-committees to analyse particular issues or themes and to report back to the Committee.
- 2.4 The Committee is concerned with the business of the whole Barclays Group and accordingly its authority extends to all relevant matters relating to the Company and to Barclays Bank PLC and its subsidiaries.
- 2.5 The Committee has authority to investigate any matter relating to the Company, Barclays Bank PLC and their business units and subsidiaries (together 'the Group') within its Terms of Reference and to obtain such information as it may require from any Director, officer or employee of the Group.
- 2.6 With the exception of the Chairman of the Company, the Committee does not have any authority with respect to the remuneration of non-executive Directors, which is determined by the Board of the Company and which shall be a matter for the Company Chairman and executive members of the Board.

3 Constitution

3.1 Chairman

- (i) The Chairman of the Committee will be an independent non-executive Director appointed by the Board of the Company.
- (ii) In the absence of the Chairman of the Committee or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

(iii) In accordance with the UK Corporate Governance Code, the Chairman of the Company will not chair meetings of the Committee.

(iv) The Committee Chairman does not have a casting vote.

3.2 Membership

(i) The Committee will comprise at least three independent non-executive Directors of the Company.

(ii) The Chairman of the Company may also serve as an additional member if he or she was considered independent on appointment as Chairman.

(iii) Members of the Committee shall be appointed by the Board, on the recommendation of the Board Nominations Committee and in consultation with the Chairman of the Committee.

3.3 Duration of appointments

The duration of appointments shall be for a period of up to three years which may be extended by a further two additional periods of up to three years, subject to the Director still meeting the criteria for membership of the Committee.

3.4 Secretary

(i) The Secretary of the Company, and/or the Deputy Secretary or an Assistant Secretary, shall act as Secretary to the Committee and attend all meetings.

(ii) The Secretary to the Committee shall record the proceedings and decisions of the Committee meetings and the minutes shall be circulated to all Directors and attendees, as appropriate, taking into account any conflicts of interest that may exist.

4 Proceedings of Meetings

4.1 Frequency of Meetings

(i) The Committee shall meet at least four times a year and otherwise as required.

(ii) The Chairman of the Committee and the Chairman or Chief Executive of the Company may each convene meetings of the Committee at any time to consider any matters falling within these Terms of Reference.

4.2 Quorum

(i) Any two independent non-executive Directors may form a quorum.

(ii) A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

(iii) In the event of difficulty in forming a quorum, independent non-executive Directors who are not members of the Committee may be co-opted as members for individual meetings.

4.3 Attendees

(i) Only the members of the Committee and other independent non-executive Directors of Barclays PLC have the right to attend Committee meetings.

(ii) The Company's Chairman, if not a member of the Committee, and the Chief Executive, Group Human Resources Director and Group Reward and Performance Director may attend meetings of the Committee, withdrawing if required to do so by the Chairman of the Committee.

- (iii) Other executives including the Group Finance Director and Chief Risk Officer will attend from time to time at the invitation of the Chairman of the Committee.
- (iv) Any Director, officer or employee of the Group may attend at the invitation of the Chairman of the Committee and they may collectively or individually be requested to withdraw from meetings of the Committee if required to do so by the Chairman of the Committee.

5 Responsibilities

The Committee will undertake the following tasks/functions:-

5.1 Group Remuneration Policy

To set and recommend to the Board for approval, the over-arching objectives, principles and parameters of remuneration policy across the Barclays Group, ensuring that it is adopting a coherent approach to remuneration in respect of all employees. The policy should, amongst other things, assess the impact of pay arrangements on culture and all elements of risk management.

In discharging this responsibility, the Committee shall:

- (i) approve the reward and performance appraisal structures (including matters such as levels of deferral and setting of performance targets);
- (ii) approve incentive pools for all major businesses;
- (iii) exercise judgement in the application of remuneration policies to promote the long term success of the Group for the benefit of shareholders;
- (iv) include measures in the remuneration approach to avoid potential conflicts of interest in the design of incentive arrangements to ensure the interests of employees and shareholders are aligned;
- (v) work with and seek advice from the Board Risk Committee, the Board Reputation Committee, the Board Audit Committee and the Remuneration Review Panel on the management of remuneration risk including advice on the measurement of performance in the context of incentives, the vesting of long-term incentives, and the application of risk adjustments, malus or clawback. In the event of any difference of view, appropriate performance objectives will be decided by the non-executive members of the Board;
- (vi) regularly review the operation and effectiveness of the Group remuneration policy;
- (vii) at least annually review the adequacy and effectiveness of the Directors' remuneration policy to ensure it supports sound and effective risk management and the appropriateness of any variable remuneration included in overall compensation;
- (viii) determine the policy for pension arrangements for each executive Director and members of the Group Executive Committee including which elements of remuneration should be pensionable and which should not; and
- (ix) seek periodic internal assurances that the Group's remuneration processes and principles as set out in the remuneration policy are being implemented in line with the Policy.

5.2 Specific Remuneration Arrangements

The Committee's responsibilities include the following specific matters and remuneration arrangements:

- a) To determine, in consultation with the Chairman and / or the Chief Executive of the Company, as appropriate, provided that no individual shall be directly involved in setting their own remuneration:

- (i) the total individual remuneration package of the Chairman of the Board; and
 - (ii) the total individual remuneration packages for each of the executive Directors, including bonuses, deferred awards and long term incentive awards, pension rights and any compensation payments.
- b) To consider and approve in consultation with the Chief Executive of the Company the level and structure of remuneration of the following:
- (i) members of the Barclays Group Executive Committee and any other senior executives specified by the Committee from time to time;
 - (ii) all other Group employees (including any of Barclays Africa Group Limited), present and prospective, whose total annual compensation, consisting of fixed remuneration including base salary and role based pay, guaranteed or any other bonuses, the annual present fair value of long-term incentive awards and other long-term awards, and any exceptional payments made as part of the remuneration package is expected to equal or exceed an amount specified from time to time by the Committee, currently £2 million; and
 - (iii) any other employees specified by the Committee from time to time.
- c) Consider and approve the buy-outs of forfeited rights for:
- (i) any new hire where the value of the buy-out is £2 million or more; and
 - (ii) buy-outs of any value in respect of individuals in categories 5.2 a) and 5.2 b) (i), (ii) and (iii) above.
- d) Consider and approve packages on termination for employees where the total value is £1 million or more or any value in respect of individuals in categories 5.2 a) and 5.2 b) (i) and (iii) above, but this excludes values that reflect express contractual obligations, that form part of a redundancy policy, or that result from 'eligible leaver' treatment either under express plan rule provisions or which form part of a 'eligible leaver' framework approved by the Committee. In making any such determinations the Committee shall ensure that any such packages are reasonable.
- e) The Committee shall also ensure that management does not permit failure or conduct that is not in line with Barclays values and behaviours to be rewarded and that the duty to mitigate loss is fully recognised.
- f) The approval by the Committee of remuneration packages for the individuals, described in a), b), c) and d) above shall be effected by:
- (i) pre-approval of senior resourcing plans including the estimated range of total compensation for each role, provided the actual total compensation offered is within the estimated range and progress against the plan is reported to the Committee at regular meetings; or
 - (ii) approval at a meeting of the Committee, whether in person, by telephone or written resolution; or
 - (iii) when a meeting of the Committee cannot be arranged in the time available, a sub-committee consisting of any one member of the Committee (normally the Committee Chairman) who shall approve the proposed remuneration package. A formal record of any such sub-committee decision shall be circulated to all the members of the Committee.
- The procedures set out in (i) and (iii) above cannot, however, be utilised where the matter for consideration relates to an executive Director or the Chairman of the Company.
- g) Take into account pay and employment conditions elsewhere in the Group, especially when determining annual salary increases.
- h) Obtain reliable, up-to-date information about remuneration in other companies of comparable scale

and complexity.

- i) The Committee shall ensure and be satisfied that remuneration arrangements and proposals for individuals falling within its remit are rigorously reviewed by management prior to approval by the Committee.

5.3 Remuneration Schemes

The Committee shall, within the terms of the agreed policy, advise on the principles on which remuneration schemes shall operate and shall be asked to approve, in consultation with the Chairman and Chief Executive of the Company, all new long term incentive plans or other remuneration schemes and the arrangements for individual invitations to executives or employees described in paragraph 5.2 b) made under such schemes.

5.4 Shareholding Policy

To consider and approve how the remuneration policy promotes the alignment of the interests of shareholders and employees. The policy may require maintenance of a Barclays shareholding or retention of a portion of vested awards in line with relevant employees' total compensation, salary or other measure on a historic or expected basis, to be built up over a period at the Committee's discretion. Vesting of stock for this group will not normally be accelerated on cessation of employment other than at the Committee's discretion.

6 Reporting and Disclosure

- 6.1 The Chairman of the Committee shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 6.2 The Committee shall ensure that there is an open disclosure of the most importance characteristics of the Company's remuneration system design and application.
- 6.3 The Committee will prepare and provide reports on the Company's Remuneration Policy and practices to the Board.
- 6.4 The Committee shall compile a report of the work of the Committee in discharging its responsibilities for inclusion in the Annual Report, including a description of the significant issues dealt with by the Committee.
- 6.5 The Committee will consider and approve the annual statement on the Company's Remuneration Policy to the Prudential Regulation Authority and the Financial Conduct Authority.
- 6.6 The Chairman of the Committee, or a deputy chosen from the Committee membership, shall attend and will be prepared to answer questions at the Annual General Meeting of the Company which relate to any matter within the remit of the Committee.

7 Other matters

The Committee shall:

- 7.1 review periodically, reports on other remuneration-related and employee issues as necessary;
- 7.2 work and liaise as necessary with all other Committees of the Board; and
- 7.3 review periodically, and at least annually, all material matters of retirement benefit design and governance.

8 Governance and Resources

The Committee shall:

- 8.1 via the Secretary to the Committee, make available to new members of the Committee a suitable induction process and, for existing Members, on-going training as discussed with the Committee.
- 8.2 conduct an annual self-assessment and report any conclusions and recommendations to the Board and, as part of this assessment, shall consider whether or not it receives adequate and appropriate support in fulfilment of its role and whether or not its current workload is manageable;
- 8.3 in its decision making, give due regard to any relevant legal or regulatory requirements, and associated best practice guidance, as well as to the risk and risk management implications of its decisions;
- 8.4 have access to sufficient resources in order to carry out its duties, including support from the Group Human Resources Director and the Group Reward and Performance Director, who shall have independent access to the Chairman of the Committee, and to the services of Barclays Corporate Secretariat on Committee matters; and
- 8.5 have the power to engage independent counsel and other professional advisers, and to commission or purchase any reports, surveys or information which it deems necessary, at the expense of the Group and to invite any such adviser to attend meetings.
- 8.6 The Committee shall be exclusively responsible for establishing the selection criteria, selecting, appointing and setting terms of reference for any remuneration consultants that advise the Committee.

9 Terms of Reference

The Committee shall:

- 9.1 report to the Board on how its responsibilities identified in these Terms of Reference have been discharged.
- 9.2 periodically review its Terms of Reference and may recommend to the Board any amendments to these Terms of Reference.

**Barclays Corporate Secretariat
July 2015**

BARCLAYS PLC

BOARD REPUTATION COMMITTEE

TERMS OF REFERENCE

Revised by the Board on 23 June 2016

1 Role

The role of the Board Reputation Committee ('the Committee') is to:

- 1.1 support the Board in promoting its collective vision of Barclays purpose, values, culture and behaviours;
- 1.2 review, on behalf of the Board, the management of conduct risk;
- 1.3 review, on behalf of the Board, the management of reputational risk; and
- 1.4 oversee Barclays conduct in relation to its corporate and societal obligations, including setting the guidance, direction and policies for Barclays approach to customer and regulatory matters and Barclays Citizenship strategy, including advising the Board and management on these matters.

The Committee may escalate to the Board any matters under its responsibility where it considers that action or improvement is needed, with recommendations as to the steps to be taken.

2 Authority

- 2.1 The Committee is a Committee of the Board of Barclays PLC ('the Company') from which it derives its authority and to which it regularly reports.
- 2.2 The Committee has delegated authority from the Board in respect of the functions and powers set out in these Terms of Reference.
- 2.3 The Committee may sub-delegate any or all of its powers and authority as it sees fit, including, without limitation, the establishment of sub-committees to analyse particular issues or themes and to report back to the Committee.
- 2.4 The Committee is concerned with the business of the whole Barclays Group and accordingly its authority extends to all relevant matters relating to the Company and to Barclays Bank PLC and its subsidiaries.
- 2.5 The Committee has authority to investigate any matter relating to the Company, Barclays Bank PLC and their business units and subsidiaries (together 'the Group') within its Terms of Reference and to obtain such information as it may require from any Director, officer or employee of the Group.
- 2.6 The Committee has authority to request a summary of material issues considered at any reputation committee (or equivalent) of the Group's strategically significant subsidiaries and shall receive and review reports on any other material matters referred by the chairman of those committees.

3 Constitution

3.1 Chairman

- (i) The Chairman of the Committee will be an independent non-executive Director appointed by the Board of the Company or the Chairman of the Board, if independent on appointment on the recommendation of the Company's Board Nominations Committee.
- (ii) In the absence of the Chairman of the Committee or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.
- (iii) The Committee Chairman does not have a casting vote.

3.2 Membership

- (i) The Committee will comprise at least three non-executive Directors of the Company and a majority of members must be independent non-executive Directors.
- (ii) The Chairman of the Company may also serve as an additional member if he or she was considered independent on appointment as Chairman.
- (iii) Members of the Committee shall be appointed by the Board, on the recommendation of the Board Nominations Committee and in consultation with the Chairman of the Committee.

3.3 Duration of appointments

The duration of appointments shall be for a period of up to three years which may be extended by a further two additional periods of up to three years, subject to the Director still meeting the criteria for membership of the Committee.

3.4 Secretary

- (i) The Secretary of the Company or his nominee shall act as Secretary to the Committee and attend all meetings.
- (ii) The Secretary shall record the proceedings and decisions of the Committee meetings and the minutes shall be circulated to all Directors and attendees, as appropriate, taking into account any conflicts of interest that may exist.

4 Proceedings of Meetings

4.1 Frequency of Meetings

- (i) The Committee shall meet at least four times a year and otherwise as required.
- (ii) Meetings of the Committee may be called by the Secretary of the Committee at any time to consider any matters falling within these Terms of Reference.

4.2 Quorum

- (i) Any two independent non-executive Directors may form a quorum.
- (ii) A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
- (iii) In the event of difficulty in forming a quorum, independent non-executive Directors who are not members of the Committee may be co-opted as members for individual meetings.

4.3 Attendees

- (i) Only the members of the Committee, the Chairman of the Board, if he or she was deemed independent on appointment, and other independent non-executive Directors of Barclays PLC have the right to attend Committee meetings.
- (ii) However, the following will be expected to attend Committee meetings on a regular basis:
 - a. Head of Compliance; and
 - b. Chief Internal Auditor.
- (iii) Any Director, officer or employee of the Group may attend at the invitation of the Chairman of the Committee and they may collectively or individually be requested to withdraw from meetings of the Committee if required to do so by the Chairman of the Committee.

5 Responsibilities

The Committee shall:-

5.1 Conduct, Culture and Values

- (i) review the effectiveness of the processes and policies by which Barclays identifies and manages Conduct Risk including annually reviewing the effectiveness of the Conduct Principal Risk Framework;
- (ii) seek to ensure fair customer outcomes by carrying out periodic reviews of Barclays implementation of policies on customers, clients and counterparties and by monitoring management reports on issues such as complaint levels, customer satisfaction indicators, net promoter scores and market share measures;
- (iii) review annually performance against Conduct Risk metrics and provide input to the Board Remuneration Committee to assist it in its deliberations on appropriate risk adjustments to be made to incentive packages;
- (iv) monitor, on behalf of the Board, cultural progress and the embedding of Barclays culture and values, including regularly assessing cultural key indicators; and
- (v) seek to support Executive Management in embedding and maintaining throughout the Group a supportive culture.

5.2 Reputation

- (i) review the effectiveness of the processes and policies by which Barclays identifies and manages reputational risk, including annually reviewing the effectiveness of the Reputation Key Risk Framework;
- (ii) consider and evaluate regular reports on Barclays reputational risk issues / exposures;
- (iii) receive reports from management on any significant business decisions that may impact Barclays reputation in order to satisfy itself that the potential impact has been considered fully;
- (iv) consider whether significant business decisions will compromise Barclays ethical policies or core business beliefs and values and escalate any matters as necessary to the Board; and
- (v) undertake a timely review of significant internal incidents and industry developments with high potential reputational risk.

5.3 Citizenship

- (i) review and approve on behalf of the Board Barclays overall Citizenship strategy and the effectiveness of any associated policy statements, including those on financial inclusion, diversity, citizenship and environment;
- (ii) review Citizenship key performance indicators and progress against Citizenship objectives twice-yearly; and
- (iii) review and sign off the content of Barclays annual Citizenship Report, including the auditors management report.

5.4 Regulatory Compliance

- (i) receive prompt notification of any material adverse reports or sanctions by any regulatory authority;
- (ii) review and approve the Annual Compliance Plan, including details of activities, resources and available skills, experience and expertise;
- (iii) review forward looking compliance reports and reports on regulatory relationships; and
- (iv) be kept updated on the actions being taken to address issues raised by regulators.

5.5 Internal control and risk control framework

- (i) review and consider reports from Barclays Internal Audit containing findings relevant to the responsibilities of the Committee; and
- (ii) consider and where necessary update and approve, on behalf of the Board, any relevant Conduct Risk, Reputation Risk or Compliance Group policy statements required by law or regulation.

6 Reporting and Disclosure

- 6.1 The Chairman of the Committee shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 6.2 The Committee shall compile a report of the work of the Committee in discharging its responsibilities for inclusion in the Annual Report, including a description of the significant issues dealt with by the Committee.
- 6.3 The Committee shall work and liaise as necessary with all other Committees of the Board.
- 6.4 The Chairman of the Committee, or a deputy chosen from the Committee membership, shall attend and will be prepared to answer questions at the Annual General Meeting of the Company which relate to any matter within the remit of the Committee.

7 Governance and Resources

The Committee shall:

- 7.1 via the Secretary to the Committee, make available to new members of the Committee a suitable induction process and, for existing Members, on-going training as discussed with the Committee.
- 7.2 conduct an annual self-assessment and report any conclusions and recommendations to the Board and, as part of this assessment, shall consider whether or not it receives adequate and appropriate support in fulfilment of its role and whether or not its current workload is manageable;

- 7.3 in its decision making, give due regard to any relevant legal or regulatory requirements, and associated best practice guidance, as well as to the risk and risk management implications of its decisions;
- 7.4 have access to sufficient resources in order to carry out its duties, including access to the Head of Compliance, who shall have independent access to the Chairman of the Committee, and to the services of Barclays Corporate Secretariat on Committee matters; and
- 7.5 have the power to engage independent counsel and other professional advisers at the expense of the Group and to invite them to attend meetings.

The formal reporting line of the Head of Compliance is to the Chief Executive. However, the Head of Compliance also has a reporting line to the Committee through the Committee Chairman in respect of matters set out in these Terms of Reference. The Head of Compliance will meet regularly with the Chairman of the Committee and will have the right and responsibility to elevate issues to the Chairman of the Committee where he/she considers it necessary in the furtherance of his/her responsibilities.

8 Terms of Reference

The Committee shall:

- 8.1 report to the Board on how its responsibilities identified in these Terms of Reference have been discharged.
- 8.2 periodically review its Terms of Reference and may recommend to the Board any amendments to these Terms of Reference.

Where there is a perceived overlap of responsibilities between the Committee, the Board Audit Committee and the Board Risk Committee, the respective Committee Chairmen shall have discretion to agree the most appropriate Committee to fulfil any obligation. An obligation under the Terms of Reference of the Committee, the Board Audit Committee or the Board Risk Committee will be deemed by the Board to have been fulfilled provided it is dealt with by any of the Committee, the Board Audit Committee and the Board Risk Committee.

Barclays Corporate Secretariat
June 2016

BARCLAYS PLC

BOARD RISK COMMITTEE

TERMS OF REFERENCE

Revised by the Board on 23 June 2016

1 Role

The role of the Board Risk Committee ('the Committee') is to review, on behalf of the Board, management's recommendations on financial and operational risk, in particular:

- (i) consider and recommend to the Board the Group's risk appetite for financial and operational risk;
- (ii) review, on behalf of the Board, the Group's risk profile for financial and operational risk; and
- (iii) commission, receive and consider reports on key financial and operational risk issues.

The Committee's oversight responsibilities with regard to operational risk cover the financial and capital implications of operational risk. The Board Audit Committee has oversight of the internal control aspects of operational risk. The Board Reputation Committee has oversight of conduct risk.

The Committee may also consider any other matters of relevance to its purpose.

In areas where the Committee reviews and evaluates reports from management, but does not formally approve such items, the Committee may either:

- (i) receive the report, being satisfied that either no management action is required or that existing actions being taken by management are appropriate; or
- (ii) receive the report and, after discussion with management, satisfy itself that actions to be taken by management following the discussion are appropriate; or
- (iii) receive the report and, following discussion with management, escalate to the Board any matters under its responsibility where it considers that action or improvement is needed, with recommendations as to the steps to be taken.

The Committee will decide, on a case by case basis, whether to report items under (i) and (ii) above to the Board.

2 Authority

- 2.1 The Committee is a Committee of the Board of Barclays PLC ('the Company') from which it derives its authority and to which it regularly reports.
- 2.2 The Committee has delegated authority from the Board in respect of the functions and powers set out in these Terms of Reference.
- 2.3 The Committee may sub-delegate any or all of its powers and authority as it sees fit, including, without limitation, the establishment of sub-committees to analyse particular issues or themes and to report back to the Committee.
- 2.4 The Committee is concerned with the business of the whole Barclays Group and accordingly its authority extends to all relevant matters relating to the Company and to Barclays Bank PLC and its subsidiaries.
- 2.5 The Committee has authority to investigate any matter relating to the Company, Barclays Bank PLC and their business units and subsidiaries (together 'the Group') within its Terms of Reference and to obtain such information as it may require from any Director, officer or employee of the Group.

- 2.6 The Committee may request a summary of material issues considered at any risk committees of the Group's strategically significant subsidiaries and shall receive and review reports on any other material matters referred by the chairmen of those committees.
- 2.7 The Committee has risk management oversight of the Group as a whole but notes that the Board Enterprise Risk Committee of Barclays US LLC (Barclays US intermediate holding company) also has risk management oversight of Barclays' broader combined US operations.

3 Constitution

3.1 Chairman

- (i) The Chairman of the Committee will be an independent non-executive Director appointed by the Board of the Company or the Chairman of the Board, if he or she was considered independent on appointment as Chairman.
- (ii) In the absence of the Chairman of the Committee or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.
- (iii) The Committee Chairman does not have a casting vote.

3.2 Membership

- (i) The Committee will comprise at least three independent non-executive Directors of the Company and a majority of members must be independent non-executive Directors. The activities of the Committee should involve participation by the Chairman of the Board Audit Committee.
- (ii) The Chairman of the Company may also serve as an additional member if he or she was considered independent on appointment as Chairman.
- (iii) Members of the Committee shall be appointed by the Board, on the recommendation of the Board Nominations Committee and in consultation with the Chairman of the Committee.

3.3 Duration of appointments

The duration of appointments shall be for a period of up to three years which may be extended by a further two additional periods of up to three years, subject to the Director still meeting the criteria for membership of the Committee.

3.4 Secretary

- (i) The Secretary of the Company, and/or the Deputy Secretary or an Assistant Secretary shall act as Secretary to the Committee and attend all meetings.
- (ii) The Secretary shall record the proceedings and decisions of the Committee meetings and the minutes shall be circulated to all Directors and attendees, as appropriate, taking into account any conflicts of interest that may exist.

4 Proceedings of Meetings

4.1 Frequency of Meetings

- (i) The Committee shall meet at least four times a year and otherwise as required.
- (ii) The Chairman of the Committee and the Chairman or Chief Executive of the Company may each convene meetings of the Committee at any time to consider any matters falling within these Terms of Reference.

4.2 Quorum

- (i) Any two independent non-executive Directors may form a quorum.
- (ii) A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.
- (iii) In the event of difficulty in forming a quorum, independent non-executive Directors who are not members of the Committee may be co-opted as members for individual meetings.

4.3 Attendees

- (i) Only the members of the Committee, the Chairman of the Board, if he or she was deemed independent on appointment, and other independent non-executive Directors of Barclays PLC have the right to attend Committee meetings.
- (ii) However, the following will be expected to attend Committee meetings on a regular basis:
 - a. Chief Risk Officer;
 - b. Group Finance Director;
 - c. Barclays Treasurer; and
 - d. Chief Internal Auditor.
- (iii) Any Director, officer or employee of the Group may attend at the invitation of the Chairman of the Committee and they may collectively or individually be requested to withdraw from meetings of the Committee if required to do so by the Chairman of the Committee.

5 Responsibilities

The Committee will undertake the following tasks/functions:-

5.1 Risk Appetite and Risk Profile

- (i) advise the Board on the Group's Risk Appetite and tolerance when determining strategy, including considering and recommending to the Board for approval proposals in respect of the Group's overall Risk Appetite and risk limits for financial and operational risk, taking into account the current and prospective macroeconomic, macro-prudential and financial environment, drawing on financial stability assessments such as those published by the Bank of England, the Prudential Regulation Authority (PRA), the Financial Conduct Authority (FCA) and other authoritative sources that may be relevant.
- (ii) evaluate, and report to the Board on the Group's financial and operational risk profile and risk monitoring, in particular with respect to the performance versus Risk Appetite; risk trends and concentrations; operational risk event losses and gains; operational risk and control event trends; liquidity and capital targets; regulatory capital requirements; impairment or provisions' experience against budget; and Key Performance Indicators for financial and operational risk.
- (iii) receive and approve annually the Group's mandate and scale limits for credit and market risk and periodically to receive and consider reports on trends in exposures or concentrations.
- (iv) consider proposed material changes to the Group's risk profile or Risk Appetite arising from planned new or increased business.
- (v) receive and consider reports on key financial and operational risk issues (including, where appropriate, the risks associated with the Group's entry into new businesses or geographical areas), that assess the nature and extent of risks facing the Group, including Executive Management's assessments of the likelihood of the risks concerned materialising; and the completeness and

adequacy of the Enterprise Risk Management Framework to manage those risks.

- (vi) consider and approve the Group's capital and liquidity stress test scenarios and the results of different stress and reverse stress assumptions, including those proposed by the PRA and other regulatory bodies.
- (vii) consider and approve as required any delegations of authority to the Chief Risk Officer with regard to the exercise of discretion and/or setting risk limits within the Group's overall Risk Appetite, with any exercise of such delegated authority being reported to the Committee at its next following meeting.
- (viii) receive notification of any breaches of the Group's overall Risk Appetite or risk limits for financial and operational risk and the proposed course of action.

5.2 Regulatory

- (i) consider and approve on behalf of the Board the Group's individual liquidity adequacy assessment (ILAA) and internal capital adequacy assessment process (ICAAP).
- (ii) consider and where necessary update and approve, on behalf of the Board, any financial or operational risk policy statements required by law or regulation.

5.3 Internal control and risk control framework

- (i) review and approve on an annual basis the Enterprise Risk Management Framework, including evaluating the completeness of the Group's Principal Risk Categories and, if required, reviewing any supporting Key Risk Frameworks.
- (ii) periodically review and approve the methodology used to establish the Group's Risk Appetite for financial and operational risk.
- (iii) on an annual basis, evaluate the appropriateness of the Group's risk measurement systems and models governance.
- (iv) review and consider reports from Barclays Internal Audit containing findings relevant to the responsibilities of the Committee.
- (v) seek to support Executive Management in embedding and maintaining throughout the Group a supportive culture in relation to the management of risk.

5.4 Strategic transaction risk

Take such steps as are appropriate to satisfy itself that the due diligence process followed for proposed strategic acquisitions [or disposals] valued at over £500m is thorough. The Committee will review, with the support of external advisors where appropriate and available, the key conclusions of the due diligence process, including the impact of the transaction on the Group's risk profile and overall Risk Appetite, reporting its conclusions to the Board or Board Finance Committee. Due diligence on transactions valued at £150m - £500m will be reviewed by the Committee at the discretion of the Chairman of the Committee.

5.5 Remuneration

Review annually performance against financial and operational risk metrics and provide input to the Board Remuneration Committee to assist it in its deliberations on appropriate quantitative and qualitative risk metrics and risk adjustments to be made to incentive packages.

5.6 Risk reporting

Review and endorse statements in relation to financial and operational risk made in Barclays strategic report, annual report and Pillar 3 report.

5.7 Minutes and reports

- (i) The Committee may ask to receive the minutes of any committee with oversight of the Group's Principal Risks and may also request the minutes of any committee with oversight of any other matters relevant to its purpose.
- (ii) The Committee will receive relevant reports that are provided to the Barclays Board and Board Committees, including the PRA's and FCA's letters to the Board on their risk assessment of Barclays and the associated management response.

5.8 Chief Risk Officer and Group Risk Function

- (i) The Chief Risk Officer's formal reporting line is to the Chief Executive. However, the Chief Risk Officer also has a reporting line to the Committee through the Committee Chairman in respect of matters set out in these Terms of Reference.
- (ii) The Chief Risk Officer will meet regularly with the Chairman of the Committee and will have the right and responsibility to elevate issues to the Chairman of the Committee where he/she considers it necessary in the furtherance of his/her responsibilities.
- (iii) The Committee will make recommendations to the Board on the appointment and removal of the Chief Risk Officer. The Chairman of the Committee will be consulted in respect of the Chief Risk Officer's performance appraisal and compensation.
- (iv) The Committee will satisfy itself that the Risk function is adequately resourced, has appropriate access to information and is free from constraint by management or other restrictions so as to be able to perform its function effectively. In particular, the Credit Risk Review Group will have direct and unfettered access to the Committee as required.

6 Reporting and Disclosure

- 6.1 The Chairman of the Committee shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 6.2 The Committee shall compile a report of the work of the Committee in discharging its responsibilities for inclusion in the Annual Report, including a description of the significant issues dealt with by the Committee.
- 6.3 The Committee shall work and liaise as necessary with all other Committees of the Board.
- 6.4 The Chairman of the Committee, or a deputy chosen from the Committee membership, shall attend and will be prepared to answer questions at the Annual General Meeting of the Company which relate to any matter within the remit of the Committee.

7 Governance and Resources

The Committee shall:

- 7.1 via the Secretary to the Committee, make available to new members of the Committee a suitable induction process and, for existing Members, on-going training as discussed with the Committee;
- 7.2 conduct an annual self-assessment and report any conclusions and recommendations to the Board and, as part of this assessment, shall consider whether or not it receives adequate and appropriate support in fulfilment of its role and whether or not its current workload is manageable;
- 7.3 in its decision making, give due regard to any relevant legal or regulatory requirements, and associated best practice guidance, as well as to the risk and risk management implications of its decisions;

- 7.4 have access to sufficient resources in order to carry out its duties, including access to the Chief Risk Officer, who shall have independent access to the Chairman of the Committee, and to the services of Barclays Corporate Secretariat on Committee matters; and
- 7.5 have the power to engage independent counsel and other professional advisers at the expense of the Group and to invite them to attend meetings.

8 Terms of Reference

The Committee shall:

- 8.1 report to the Board on how its responsibilities identified in these Terms of Reference have been discharged.
- 8.2 periodically review its Terms of Reference and may recommend to the Board any amendments to these Terms of Reference.

Where there is a perceived overlap of responsibilities between the Committee, the Board Audit Committee and the Board Reputation Committee, the respective Committee Chairmen shall have discretion to agree the most appropriate Committee to fulfil any obligation. An obligation under the Terms of Reference of the Committee, the Board Audit Committee or the Board Reputation Committee will be deemed by the Board to have been fulfilled provided it is dealt with by any of the Committee, the Board Audit Committee and the Board Reputation Committee.

**Barclays Corporate Secretariat
June 2016**



Board Diversity Policy

19 November 2015

Board Diversity Policy

Purpose

The Board Diversity Policy ('the Policy') sets out the approach to diversity on the Boards of Directors of Barclays PLC and Barclays Bank PLC ('the Board').

Scope of Application

The Policy applies to the Board. It does not apply to diversity in relation to employees of the Barclays Group, which is covered by Barclays Equality and Diversity Charter.

Policy Statement

Barclays recognises and embraces the benefits of having a diverse Board, and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background, race, gender and other distinctions between Directors. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. All Board appointments are made on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective.

The Board Nominations Committee ('the Committee') reviews and assesses Board composition on behalf of the Board and recommends the appointment of new Directors. The Committee also oversees the conduct of the annual review of Board effectiveness.

- In reviewing Board composition, the Committee will consider the benefits of all aspects of diversity including, but not limited to, those described above, in order to enable it to discharge its duties and responsibilities effectively.
- In identifying suitable candidates for appointment to the Board, the Committee will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board.
- As part of the annual performance evaluation of the effectiveness of the Board, Board Committees and individual Directors, the Committee will consider the balance of skills, experience, independence and knowledge of Barclays on the Board and the diversity representation of the Board, including gender, how the Board works together as a unit, and other factors relevant to its effectiveness.

Measurable Objectives

The Committee will discuss and agree annually all measurable objectives for achieving diversity on the Board and recommend them to the Board for adoption. At any given time the Board may seek to improve one or more aspects of its diversity and measure progress accordingly.

The Board's current target is to ensure that the proportion of women on the Board is 33 per cent by 2020.

Monitoring and Reporting

The Committee will report annually, in the corporate governance section of the Barclays Annual Report, on the process it has used in relation to Board appointments. Such report will include a summary of this Policy, the measurable objectives set for implementing the Policy and progress made towards achieving those objectives.

Review of the Policy

The Committee will review the Policy annually, which will include an assessment of the effectiveness of the Policy. The Committee will discuss any revisions that may be required and recommend any such revisions to the Board for approval.

Policy Governance

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|---|--------------------------------|
| Policy Sponsor: | Group Chairman |
| Date approved: | 19 April 2012 |
| Approved by: | The Board |
| Date last revised: | 19 November 2015 |
| Responsibility for document management: | Barclays Corporate Secretariat |

Section 170 - Scope and nature of general duties

- (1) The general duties specified in sections 171 to 177 are owed by a director of a company to the company.
- (2) A person who ceases to be a director continues to be subject—
 - (a) to the duty in section 175 (duty to avoid conflicts of interest) as regards the exploitation of any property, information or opportunity of which he became aware at a time when he was a director, and
 - (b) to the duty in section 176 (duty not to accept benefits from third parties) as regards things done or omitted by him before he ceased to be a director.To that extent those duties apply to a former director as to a director, subject to any necessary adaptations.
- (3) The general duties are based on certain common law rules and equitable principles as they apply in relation to directors and have effect in place of those rules and principles as regards the duties owed to a company by a director.
- (4) The general duties shall be interpreted and applied in the same way as common law rules or equitable principles, and regard shall be had to the corresponding common law rules and equitable principles in interpreting and applying the general duties.
- (5) The general duties apply to shadow directors where, and to the extent that, the corresponding common law rules or equitable principles so apply.

Section 171 - Duty to act within powers

A director of a company must—

- (a) act in accordance with the company's constitution, and
- (b) only exercise powers for the purposes for which they are conferred.

Section 172 - Duty to promote the success of the company

- (1) A director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to—
 - (a) the likely consequences of any decision in the long term,
 - (b) the interests of the company's employees,
 - (c) the need to foster the company's business relationships with suppliers, customers and others,
 - (d) the impact of the company's operations on the community and the environment,
 - (e) the desirability of the company maintaining a reputation for high standards of business conduct, and
 - (f) the need to act fairly as between members of the company.
- (2) Where or to the extent that the purposes of the company consist of or include purposes other than the benefit of its members, subsection (1) has effect as if the reference to promoting the success of the company for the benefit of its members were to achieving those purposes.
- (3) The duty imposed by this section has effect subject to any enactment or rule of law requiring directors, in certain circumstances, to consider or act in the interests of creditors of the company.

Section 173 - Duty to exercise independent judgment

- (1) A director of a company must exercise independent judgment.
- (2) This duty is not infringed by his acting—
 - (a) in accordance with an agreement duly entered into by the company that restricts the future exercise of discretion by its directors, or
 - (b) in a way authorised by the company's constitution.

Section 174 - Duty to exercise reasonable care, skill and diligence

- (1) A director of a company must exercise reasonable care, skill and diligence.
- (2) This means the care, skill and diligence that would be exercised by a reasonably diligent person with—
 - (a) the general knowledge, skill and experience that may reasonably be expected of a person carrying out the functions carried out by the director in relation to the company, and
 - (b) the general knowledge, skill and experience that the director has.

The following aspects of the Statement of Directors' Duties will be implemented from 1 October 2008.

Section 175 - Duty to avoid conflicts of interest

- (1) A director of a company must avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the company.
- (2) This applies in particular to the exploitation of any property, information or opportunity (and it is immaterial whether the company could take advantage of the property, information or opportunity).
- (3) This duty does not apply to a conflict of interest arising in relation to a transaction or arrangement with the company.
- (4) This duty is not infringed—
 - (a) if the situation cannot reasonably be regarded as likely to give rise to a conflict of interest; or
 - (b) if the matter has been authorised by the directors.
- (5) Authorisation may be given by the directors—
 - (a) where the company is a private company and nothing in the company's constitution invalidates such authorisation, by the matter being proposed to and authorised by the directors; or
 - (b) where the company is a public company and its constitution includes provision enabling the directors to authorise the matter, by the matter being proposed to and authorised by them in accordance with the constitution.
- (6) The authorisation is effective only if—
 - (a) any requirement as to the quorum at the meeting at which the matter is considered is met without counting the director in question or any other interested director, and
 - (b) the matter was agreed to without their voting or would have agreed to if their votes had not been counted.
- (7) Any reference in this section to a conflict of interest includes a conflict of interest and duty and a conflict of duties.

Section 176 - Duty not to accept benefits from third parties

- (1) A director of a company must not accept a benefit from a third party conferred by reason of—
 - (a) his being a director, or
 - (b) his doing (or not doing) anything as director.
- (2) A "third party" means a person other than the company, an associated body corporate or a person acting on behalf of the company or an associated body corporate.
- (3) Benefits received by a director from a person by whom his services (as a director or otherwise) are provided to the company are not regarded as conferred by a third party.
- (4) This duty is not infringed if the acceptance of the benefit cannot reasonably be regarded as likely to give rise to a conflict of interest.
- (5) Any reference in this section to a conflict of interest includes a conflict of interest and duty and a conflict of duties.

Section 177 - Duty to declare interest in proposed transaction or arrangement

- (1) If a director of a company is in any way, directly or indirectly, interested in a proposed transaction or arrangement with the company, he must declare the nature and extent of that interest to the other directors.
- (2) The declaration may (but need not) be made—
 - (a) at a meeting of the directors, or
 - (b) by notice to the directors in accordance with—
 - (i) section 184 (notice in writing), or
 - (ii) section 185 (general notice).
- (3) If a declaration of interest under this section proves to be, or becomes, inaccurate or incomplete, a further declaration must be made.
- (4) Any declaration required by this section must be made before the company enters into the transaction or arrangement.
- (5) This section does not require a declaration of an interest of which the director is not aware or where the director is not aware of the transaction or arrangement in question. For this purpose a director is treated as being aware of matters of which he ought reasonably to be aware.
- (6) A director need not declare an interest—
 - (a) if it cannot reasonably be regarded as likely to give rise to a conflict of interest;
 - (b) if, or to the extent that, the other directors are already aware of it (and for this purpose the other directors are treated as aware of anything of which they ought reasonably to be aware); or
 - (c) if, or to the extent that, it concerns terms of his service contract that have been or are to be considered—
 - (i) by a meeting of the directors, or
 - (ii) by a committee of the directors appointed for the purpose under the company's constitution.