2021 Annual General Meeting

Frequently Asked Questions

As explained in our Notice of Meeting, in addition to asking questions at the AGM itself, shareholders were invited to submit questions in writing to the Company in advance of the meeting. Set out below are answers to the more frequently asked questions received before 26 April 2021.

Shareholders are reminded that the deadline for receipt of electronic proxy appointments and signed proxy forms is 11:00 am on Friday 30 April 2021. Further details on how to ask questions and how to vote are set out in the Notice of Meeting, available at home.barclays/agm.

Climate-change related matters

1. What is Barclays doing about climate change?

We believe Barclays can make a real contribution to tackling climate change.

Last year, following extensive engagement with shareholders and wider stakeholders from across society, we committed to align all of our financing to the goals and timelines of the Paris Agreement, and set an ambition to be a net zero bank by 2050. Having formalised our ambition and commitments, which received overwhelming support from shareholders at our 2020 AGM, we then worked to develop detailed metrics for setting targets and measuring our progress. You can read more about our approach to tackling climate change online[1].

In the last few weeks, Barclays has joined other financial services organisations in forming the Glasgow Financial Alliance for Net Zero[2] (GFANZ), ahead of the UN's COP26 climate summit later this year. GFANZ is a new industry-wide group, chaired by Mark Carney, designed to bring together the leading net zero initiatives from across the financial system into one sector-wide strategic forum. This includes the industry-led Net Zero Banking Alliance, of which Barclays is a founding member. All signatories to the Net Zero Banking Alliance, including Barclays, have committed to setting science-based, interim, and long-term goals to reach net zero no later than 2050, in line with the UN's Race to Zero criteria.

Aligning our financing to the goals of the Paris Agreement requires us to reduce the client emissions that we finance, not just for lending but for capital markets activities as well. To help us do that, we have developed BlueTrack™, our methodology for measuring financed emissions and tracking them over time against a decreasing 'carbon limit'. We have already used BlueTrack™ to assess the financed emissions of our client portfolios in the Energy and Power sectors, prioritising these two sectors because they are responsible for up to three quarters of all Greenhouse Gas (GHG) emissions globally and because Barclays has meaningful exposure to them. Therefore, they represented the most appropriate starting place from which to make a significant difference. In November 2020, we set a target for a 30% reduction in the CO_2 intensity of our Power portfolio by 2025, as well as a target for a 15% reduction in absolute emissions of our Energy portfolio by 2025. We are on track to meet both targets.

We are committed to extending BlueTrack™ to cover a substantial majority of carbon-intensive sectors in our financing portfolio where the data and methodologies allow, within the next three years. In the

[1] https://home.barclays/society/our-position-on-climate-change/
[2] https://www.unepfi.org/net-zero-banking/

last few months, we have started work to extend our focus to two additional sub-sectors, Cement and Metals (Steel and Aluminium) and, before the end of this year, we will select appropriate benchmarks for each, defining how financed emissions will need to change over time in line with the goals of the Paris Agreement. We will publish reduction targets for both Cement and Metals (Steel and Aluminium) in our Environmental, Social and Governance (ESG) Report next year.

We also continue to make progress in delivering on a number of specific financing commitments to help accelerate the transition to a low-carbon economy. By the end of 2020, we had already facilitated over £32.4bn of green finance on the way to achieving a commitment of £100bn by 2030. Meanwhile, Barclays' Sustainable Impact Capital Initiative is committed to investing £175m in innovative and environmentally-focused private companies by 2025. As at 31 December 2020, we had invested £24m and are actively working on more.

2. Why are you not recommending the Market Forces resolution?

The Board does not consider Resolution 29 to be in the best interests of the Company and its shareholders as a whole and unanimously recommends that shareholders vote against Resolution 29, as the Directors intend to do in respect of their own beneficial holdings. The reasons why Barclays does not support the Market Forces requisitioned resolution (Resolution 29) are set out in the Chairman's letter and Appendix 5 of the Notice of Meeting[3].

There are three principal reasons:

First, we have a new strategy, adopted only last year, to align us to the goals of the Paris Agreement without universally phasing out fossil fuel clients. It sets us on an operationally deliverable path, with specific targets and regular reporting, to reduce the financed emissions of our portfolio on the way to becoming a net zero bank by 2050. This approach was developed following extensive engagement with shareholders, non-governmental organisations and stakeholders from across society and received overwhelming support from shareholders at our 2020 AGM.

Secondly, we have already made meaningful progress over the last year to design, refine and embed our detailed approach across Barclays. As the frontier of what constitutes effective action to tackle climate change moves forward, our approach will naturally evolve with it, but we do not believe we should radically change course now from the path we have only just taken.

Finally, the Board continues to believe that Barclays can make the greatest difference by supporting the transition to a low carbon economy, rather than by simply phasing out support for some of the clients who are most engaged in it. We believe that banks, especially those like Barclays with a large capital markets business, are in a unique position to help accelerate the transition by working with companies that are in the process of moving away from fossil fuels to renewables, as many of our clients have already begun to do.

We are therefore committed to continuing this work with clients in key sectors, believing it is better to be an active agent of change in the transition, rather than simply walking away from financing for individual companies and leaving other financiers that may not hold the same expectations of their clients to fill that gap. We recognise there may be companies or particular activities that cannot transition over time, and in such cases we believe those clients will find it increasingly difficult to access the capital markets for financing, including through Barclays. However, we firmly believe that

[3] https://home.barclays/content/dam/home-barclays/documents/investor-relations/reports-and-events/AGM2021/Barclays2021_Notice_of_Meeting.pdf

working with clients to facilitate their own zero-carbon transition wherever possible is the best way to make meaningful change in the climate crisis.

3. How is Barclays aligning its financing with the Paris Agreement?

To deliver on our commitment to align all of our financing with the goals of the Paris Agreement, including our capital markets activity, it was necessary to create a methodology that builds on and extends existing industry approaches. We call this methodology BlueTrack™. Our work sits alongside engagement with leading industry and academic groups on common approaches to measuring and assessing financed emissions, including the Paris Agreement Capital Transition Assessment (PACTA) and the Partnership for Carbon Accounting Financials (PCAF).

BlueTrack™ starts by selecting an appropriate benchmark for a sector, which defines how financed emissions for a portfolio need to change over time in line with the goals of the Paris Agreement. We then determine how our actual sector portfolios are performing against these benchmarks: by measuring the emissions that our clients produce, determining how those emissions should be linked to the financing we provide, and then aggregating those measurements into a portfolio-level metric. This portfolio-level metric is then compared to the benchmark, and ultimately published on our climate dashboard. Full details of our BlueTrack™ methodology, targets, and climate dashboard are available online[4].

BlueTrack™ is helping us to embed climate impact in our financing decisions, so that we can make active choices to re-shape our portfolio within our 'carbon limit' for each sector. This reflects our focus on transition and shows specifically how we are accelerating the shift from higher-emissions to lower-emissions activity.

We have already used BlueTrack™ to assess the financed emissions of our client portfolios in the Energy and Power sectors. We have derived Paris-aligned benchmarks for both of these sectors using the International Energy Agency's Sustainable Development Scenario (SDS)[5], as set out in the 2019 World Energy Outlook[6]. The IEA SDS is developed by a reputable external provider; is aligned with the Paris Agreement goals; and, in contrast to some other scenarios, offers a sufficiently high-resolution dataset to meet our needs. We will keep our use of the IEA SDS and its benchmarks under review and, as other useable scenarios and benchmarks develop in line with climate science, we will look to add them to BlueTrack™. The absolute emissions benchmark for our Energy portfolio is taken from the SDS's Organisation for Economic Co-operation and Development (OECD) fossil fuel production forecasts, which we believe most accurately reflect the geographic range of our client base. For our Power portfolio, we believe the SDS electricity production pathway for the OECD is the most appropriate benchmark. The intensity of the SDS pathway is derived by dividing electricity total emissions by electricity production.

We are committed to extending BlueTrack™ to cover the majority of highly emitting sectors in our financing portfolio within the next three years. In the last few months, we have started work to extend our focus to two additional sub-sectors, Cement and Metals (Steel and Aluminium) and, before the end of this year, we will select appropriate benchmarks for each, defining how financed emissions will need to change over time in line with the goals of the Paris Agreement. We will publish reduction

[4] https://home.barclays/society/our-position-on-climate-change/
[5] https://home.barclays/society/esg-resource-hub/statements-and-policy-positions/
[6] https://www.iea.org/reports/world-energy-outlook-2019

targets for both Cement and Metals (Steel and Aluminium) in our Environmental, Social and Governance (ESG) Report next year.

4. According to the Rainforest Action Network's "*Banking on Climate Chaos*" report published in March 2021, Barclays is still financing thermal coal. Why is Barclays financing thermal coal and what is its approach to reducing this?

The Rainforest Action Network's "*Banking on Climate Chaos*" report highlights Barclays' fossil fuel financing over the last five years, much of which took place before we set our net zero ambition and before we started work to align our financing portfolio to the goals of the Paris Agreement. Since we announced our approach last year our fossil fuel financing has reduced, which the report notes.

We are committed to not provide any project finance for the construction or material expansion of coal-fired power stations or the development of greenfield thermal coal mines anywhere in the world. We are also committed to not provide general corporate financing that is specified as being for new or expanded coal mining or coal-fired power plant development.

In 2020, we introduced tightened restrictions on financing of thermal coal mining and power clients. In particular, we set a limit on the amount of revenue which any client may derive from thermal coal mining and/or power, progressively decreasing from 50% now to 30% by 2025, to 10% by 2030. The 10% threshold enables us to continue supporting clients through their transition where a small, legacy element of their overall portfolio is taking longer to phase out. These restrictions relating to the percentage of revenue generated by clients from thermal coal activities apply to the entity being financed, whether transacting with a group parent, subsidiary or joint venture.

Full detail of the restrictions we have in place are set out online[7].

In addition to our specific restrictions on thermal coal, our portfolio alignment work (set out above) takes into consideration all clients in the Energy and Power sectors. This work ensures we are tracking our financed emissions in both these sectors over time against a decreasing 'carbon limit', which means we will be reducing coal financing further in the years to come.

5. Why has Barclays' financing to arctic oil and gas, oil / tar sands and hydraulic fracturing (fracking) activities increased in 2020 compared to 2019 (according to the Rainforest Action Network's "Banking on Climate Chaos" report published in March 2021)?

The Rainforest Action Network's "*Banking on Climate Chaos*" report highlights Barclays' fossil fuel financing over the last five years, much of which took place before we set our net zero ambition and before we started work to align our financing portfolio to the goals of the Paris Agreement. Since we announced our approach last year, our fossil fuel financing has reduced, which the report notes.

In 2020, we introduced tightened restrictions on financing Arctic oil and gas, oil sands and fracking activities.

We have a clear commitment not to directly finance oil and gas projects in the Arctic Circle[8] nor to provide finance to companies we consider to be primarily engaged in these activities. We will also not provide financing to ancillary Arctic oil and gas businesses where proceeds are known to be for

[7] https://home.barclays/society/esg-resource-hub/statements-and-policy-positions/

[8] Refers to new exploration and production of oil and gas in the area within the Arctic Circle which is subject to sea ice, and includes the Arctic National Wildlife Refuge (ANWR) and the Coastal Plains

supporting new oil and gas exploration, production or new pipeline transportation projects in the Arctic Circle.

In 2020, we strengthened our approach with regard to financing of the oil sands sector. We will only provide financing to clients who have projects to reduce materially their overall emissions intensity, and a plan for the company as a whole to have lower emissions intensity than the level of the median global oil producer by the end of the decade. This approach takes into consideration the just transition for the workforce and communities currently dependent on the oil sands industry in Canada.

Barclays does not directly finance projects involving fracking in the UK and Europe, nor do we provide any financing to companies primarily engaged in fracking activities in the UK and Europe. Any financing of fracking outside of these regions is subject to enhanced due diligence, requiring clients and transactions to demonstrate consideration of environmental and social impacts and risks.

Full detail of the restrictions we have in place are set out online[9].

6. Why is Barclays' ambition of net-zero set for 2050 rather than 2040 as some scientific reports suggest would be better?

Our ambition to be net zero by 2050 aligns to the same ambition set by major governments around the world. It is also the ambition set out by the Net Zero Banking Alliance, in line with the UN's Race to Zero criteria.

2050 is the latest date by which we will aim to achieve net zero. As climate science adjusts to take account of changes in the real economy, we will keep this deadline under review.

7. Why is Barclays using the IEA's SDS rather than the IEA's NZE2050 scenario for its portfolio alignment?

We have derived Paris-aligned benchmarks for portfolio alignment of our Energy and Power sectors using the International Energy Agency's Sustainable Development Scenario (SDS)[10], as set out in the 2019 World Energy Outlook[11]. The IEA SDS is developed by a reputable external provider; is aligned with the Paris Agreement goals; and, in contrast to some other scenarios, offers a sufficiently high-resolution dataset to meet our needs.

The Net Zero Emissions by 2050 (NZE2050) scenario is different to the SDS in that it reaches net zero by 2050, whereas the IEA SDS reaches net zero by 2070. However, the NZE2050 has not published a sufficient dataset for us to undertake analysis of our financing portfolio in order to apply our BlueTrack™ methodology. We recognise that IEA NZE2050 will publish further data soon.

We will keep our use of the IEA SDS and its benchmarks under review and, as other useable scenarios and benchmarks develop in line with climate science, we will look to add them to BlueTrack™.

8. Why hasn't Barclays set medium- and long-term targets in addition to the short-term (2025) target for the power and energy sectors?

We believe it is imperative to set near-term targets like the ones we have set for Energy and Power, because that is the best way to ensure we are making sufficiently rapid and meaningful progress on

[9] https://home.barclays/society/esg-resource-hub/statements-and-policy-positions/
[10] https://www.iea.org/weo/weomodel/sds/
[11] https://www.iea.org/reports/world-energy-outlook-2019

alignment, while also allowing us to keep pace with best practice and adjust according to climate science.

As we progress, we will be adding additional medium-term targets to ensure our journey towards alignment is continuing on track and we can disclose that progress in a transparent manner. Indeed, as a signatory of the Net Zero Banking Alliance and member of the Glasgow Financial Alliance for Net Zero (GFANZ), we are required to set intermediate targets every five years from 2030 onwards. We will ensure all our targets are set in a manner that means we will reach net zero by 2050, if not earlier.

9. Why has Barclays chosen to use an emissions intensity reduction target in the power sector and not a target for absolute emissions reduction?

Our BlueTrack™ methodology uses both an absolute emissions metric and an emissions intensity metric. The most appropriate choice of metric for each sector depends on the nature of the portfolio being measured, and how far its emissions have already reduced.

Generally speaking, we believe that most portfolios will be best measured primarily using emissions intensity, at least in the earlier stages of de-carbonisation. This encourages transition to lower emitting fuel sources. Emissions intensity measures are also less affected by volatility, which can change the calculation of absolute emissions. The Power sector, which is responsible for generating the world's supply of electricity, is best measured initially using an intensity metric. As our Power portfolio de-carbonises, we will also start to track its absolute emissions, which will enable us to reduce any residual financed emissions to net zero.

An exception to our general measurement approach is the Energy sector, which is responsible for extracting fossil fuels from the earth – mainly coal, oil and gas. It is different because it cannot reduce its emissions intensity below a certain point (a barrel of oil cannot be de-carbonised), and so a reduction in absolute emissions is the more appropriate measure from the outset.

10. What is Barclays' policy and current achievement in terms of financing renewable energy production?

We see opportunity in the transition to a low-carbon economy: to strengthen relationships with our clients as we help them to adapt; to build new relationships with innovative, fast-growth organisations that are developing new green technology; and to work in partnership with academics and industry associations to shape the latest thinking and learn from the experience of others.

Barclays has a long history of green financing, having worked on some of the industry's most significant renewables deals since one of the first in 2009, so we are well placed to continue enabling the sort of high-impact investments that will make the most difference.

The investment required for the world to meet the goals of the Paris Agreement is estimated to be between US$1.6 and US$3.8tn annually until 2050. Matching the investment needed is fundamental to the support we are providing to clients as they accelerate their transition to a low-carbon economy.

We are committed to £100bn of green financing by 2030. Green financing supports the transition by providing financing that is specifically focused on green activity, including for renewables, energy efficiency and sustainable transport. This includes specific products such as Green Loans, Green Project Finance, and Green Bonds and there is increasing demand for more innovative products, such as Sustainability Linked Loans and Bonds. There is also potential for growth in areas such as securitisation, as households borrow to finance solar panels, electric vehicles and making homes more energy efficient.

Our Sustainable Impact Capital Initiative will invest £175m over the next five years in the equity of innovative and environmentally-focused private companies. These will be principal investments made by Barclays, which we hope will provide environmental entrepreneurs with additional support to turn their green ideas into reality, such as through the acceleration of innovative carbon-efficient technologies and supply chains, and supporting the development of viable markets for carbon capture and sequestration.

11. How does Barclays communicate its climate-related activities to stakeholders?

We believe that comprehensive, robust and comparable disclosures are essential to enabling stakeholders to understand our activity and progress.

We produce an annual climate-related financial disclosures report, aligning to the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD). The TCFD recommendations are a framework to help organisations more effectively disclose climate-related risks and opportunities and is commonly referenced as a best-in-class climate disclosure framework. The UK Government has also announced its intention to make TCFD-aligned disclosures mandatory by 2025.

Within our 2020 TCFD Report[12], we provide detail on our climate-related governance, strategy and risk management. We also include metrics and targets such as our exposure to sectors deemed at an elevated risk from climate change, and our capital markets activity in the carbon-related energy and extractive sectors. As we further develop our strategic response to climate-related issues, we will continue to reflect these advancements in our TCFD disclosures.

We also produce an annual Environmental, Social and Governance (ESG) Report[13] and were delighted to be recognised at the 2020 International Climate Reporting (ICR) Awards for our 2019 ESG Report. Building on leading global standards, including the TCFD, the ICR Awards aim to recognise financial institutions that integrate climate-related considerations into their reporting and business practices.

12. What is Barclays doing to protect shareholders from the risk of investment in fossil fuel projects, which may become stranded assets?

Last year, we made our net zero ambition a key responsibility of a new role on Barclays' Executive Committee, and appointed a Group Head of Climate Risk specifically to lead our work in this area. The Board Risk Committee also made a decision that Climate risk would become one of the Principal Risks within Barclays' Enterprise Risk Management Framework (ERMF) from 2022.

We have developed a comprehensive climate-related risk management approach. In 2019, we introduced a policy that outlines the requirements for identifying, assessing, managing and reporting on Financial and Operational risks arising from the physical, transition and connected risks associated with climate change.

[12] https://home.barclays/content/dam/home-barclays/documents/investor-relations/reports-and-events/annual-reports/2020/Barclays-TCFD-Report-2020.pdf
[13] https://home.barclays/content/dam/home-barclays/documents/investor-relations/reports-and-events/annual-reports/2020/Barclays-PLC-2020-ESG-Report-2020.pdf

As part of this policy, in 2020, we have integrated environmental and climate change risks into Mandate & Scale annual credit portfolio reviews for elevated risk sectors, which includes fossil fuel sectors.

Mandate & Scale Exposure Controls form part of the overall Risk Appetite control framework to review and control business activities. Limits and triggers are put in place to avoid concentrations that may lead to unexpected losses detrimental to the stability of the relevant business or the Group.

In addition, a Credit Risk Materiality Matrix for climate change, known as a 'Credit Climate Lens', was developed to identify and assess how climate change may impact the Group's wholesale credit risk exposures, against physical and transition risks. The Lens consists of a set of 20 questions, grouped into themes, that are used to assess the impact of physical and transition risk on the counterparty.

On an annual basis, where an overall Credit Climate Lens rating for a client is assessed as Medium or High, the client details are referred to the Environmental Risk Team. This dedicated team conducts enhanced due diligence. Following their analysis, the Environmental Risk Team provides recommendations and guidance on how to proceed with these clients, addressing any issues identified during the enhanced due diligence process.

13. How is Barclays taking biodiversity loss into account when making financing decisions?

Barclays is committed to ensuring that impact of financing activities on biodiversity and natural ecosystems is minimised through a combination of policy commitments and transaction review processes.

This includes explicit provisions on the protection of critical habitats and biodiversity within our Statements on Forestry and Agricultural Commodities, World Heritage Sites and Ramsar Wetlands, and Climate Change, which are available online[14].

14. What is Barclays doing to manage Amazonian deforestation risk in its client portfolio?

Barclays recognises the Amazon is one of the Earth's most precious ecosystems and is critical to delivering on global climate and biodiversity goals.

In 2020, we expanded the scope of our policy and due diligence approach for the agribusiness sector. In recognition of the fact that some of the most significant drivers of deforestation in the Amazon are linked to soy production, clients involved in soy now undergo enhanced due diligence and are required to demonstrate commitment to preventing deforestation in their supply chains.

We are also continuing to assess the impact of other agricultural commodities. You can view more information on our approach to Forestry and Agricultural Commodities online[15].

15. What is Barclays doing to restrict financing to companies that are expanding fossil fuel production?

Barclays is committed to aligning all of our financing, including our fossil fuel financing, to the goals of the Paris Agreement. That means we are taking into consideration all our financed emissions in the Energy and Power sectors and tracking these emissions over time against a decreasing 'carbon limit'. Since we started this work, and as the Rainforest Action Network's "*Banking on Climate Chaos*" report

[14] https://home.barclays/society/esg-resource-hub/statements-and-policy-positions
[15] https://home.barclays/society/esg-resource-hub/statements-and-policy-positions

notes, our fossil fuel financing has reduced. As our 'carbon limit' continues to decrease, our future financing of fossil fuels will continue to decrease with it.

We remain committed to taking a considered approach to clients in sectors with particularly high carbon-related exposures or emissions from extraction or consumption, or those that may have an impact in certain sensitive environments or on communities. We have a clear set of restrictions in place with respect to these sensitive energy sectors, including with respect to thermal coal mining and power.

We are committed to not provide any project finance for the construction or material expansion of coal-fired power stations, or the development of greenfield thermal coal mines anywhere in the world. We are also committed to not provide general corporate financing that is specified as being for new or expanded coal mining or coal-fired power plant development.

In 2020, we introduced tightened restrictions on financing of thermal coal mining and power clients. In particular, we set a limit on the amount of revenue which any client may derive from thermal coal mining and/or power, progressively decreasing from 50% now to 30% by 2025, to 10% by 2030. The 10% threshold enables us to continue supporting clients who are committed to the goals of the Paris Agreement through their transition to a low-carbon economy, but where a small, legacy element of their overall portfolio might be taking longer to eliminate. Full detail of the restrictions we have in place are set out online[16].

Remuneration and Diversity

16. Where can I find details about Directors' remuneration?

Details about Directors' remuneration for the year ended 31 December 2020 can be found in the Remuneration Report contained in the 2020 Annual Report[17] (starting on Page 108).

17. Do you consider the ethnic diversity of your workforce in the context of local populations?

We are committed to supporting all our colleagues, regardless of religion, ethnicity, nationality or race. "*Capturing ethnicity data and publicising progress*" is one of the five commitments we have signed up to as part of the Race at Work Charter. In October 2020, we launched our 12-point Race at Work Action Plan. The plan comprises a thorough set of sustained actions that will open up new opportunities to attract, grow and add to our great Black talent, including a commitment to introduce enhanced ethnic diversity data.

As part of this action plan, we have created an ethnicity dashboard to better understand the ethnic diversity of our workforce at a regional level and in the context of the local populations. This will enable us to improve transparency on our progress in future years, as well as help senior leaders make evidence-based decisions to drive our strategy.

Publishing the ethnicity splits in the 2020 Annual Report was a step towards increased transparency and our commitment to better represent our ethnically diverse colleagues, beyond the amalgamated BAME (Black, Asian and Minority Ethnic) data that was published in 2019.

[16] https://home.barclays/society/esg-resource-hub/statements-and-policy-positions/

[17] https://home.barclays/content/dam/home-barclays/documents/investor-relations/reports-and-events/annual-reports/2020/Barclays-PLC-Annual-Report-2020.pdf

FY20 capital distributions

18. What capital distributions were announced on 18 February 2021?

As indicated in the Barclays PLC FY2020 Results Announcement published on 18 February 2021, total capital distributions for FY20 were equivalent to 5p per share (or a total pay-out of c.£874m) and comprised (1) a cash dividend of 1p per share (which was paid to shareholders on or about 1 April 2021); and (2) a £700m share buy-back (which commenced on 19 March 2021 and completed on 22 April 2021).

The level and form of the capital distributions announced on 18 February 2021 were determined in light of the current circumstances and shareholders should not read anything specific into the level of capital distributions or the mix between cash dividends and share buy-backs on this occasion. Although we can confirm that the total pay-out (which is equivalent to 5p per share) represented the maximum permitted amount which could be distributed under the PRA's temporary 'guardrails' announced in December 2020.

Barclays understands the importance of delivering attractive total cash returns to shareholders. Barclays is therefore committed to maintaining an appropriate balance between total cash returns to shareholders, investment in the business and maintaining a strong capital position. Going forward, Barclays intends to pay a progressive ordinary dividend, taking into account these objectives and the earnings outlook of the Group. It is also the Board's intention to continue to supplement the ordinary dividends with additional cash returns, including share buybacks, to shareholders as and when appropriate.

Withdrawal of Scrip Dividend Programme

19. Why did you withdraw the Scrip Dividend Programme and replace it with the Dividend Reinvestment Programme?

The Scrip Dividend Programme was established in May 2013, a few months prior to the September 2013 Rights Issue. The Scrip Dividend Programme was put in place following conversations with our regulators as a device to enable shareholders to receive newly issued shares in lieu of a cash dividend in a manner which would increase Barclays PLC's Common Equity Tier 1 ("CET1") ratio (as cash dividends would be used to 'pay up' the newly issued shares).

In the intervening years, Barclays PLC has substantially increased its CET1 ratio, such that, as at 31 December 2020, the Group's CET1 ratio was 15.1% - well in excess of the Group's stated target CET1 ratio of between 13% and 14% and 390 basis points above the maximum distributable amount hurdle of 11.2% (the point at which mandatory constraints are imposed on (among other things) distributions to shareholders).

In light of the foregoing and the Board's stated intention to supplement the ordinary dividends with additional cash returns, including share buybacks, the Board believes it is appropriate to withdraw the Scrip Dividend Programme, because (among other things) (1) Barclays no longer has the same need for CET1 capital as it did when the Scrip Dividend Programme was established; and (2) scrip issuance would negate the benefit of any share buy-back.

20. Why are shareholders being asked to vote on the reintroduction of the Scrip Dividend Programme (Resolution 27) when it was withdrawn in February 2021 and you will no longer offer a scrip alternative dividend?

As announced on 18 February 2021, Barclays has decided to cease to offer the Scrip Dividend Programme and will no longer offer a scrip alternative for dividends. Under the terms of the Scrip Dividend Programme, ordinary shareholders and ADR holders were able to elect to receive new fully paid ordinary shares in Barclays in lieu of receiving a cash dividend. For those shareholders who wish to elect to use their cash dividends to purchase additional ordinary shares in the market, rather than receive a cash payment, Barclays has arranged for its registrar, Equiniti, to provide and administer a dividend re-investment plan ("DRIP"). Further information about the DRIP is available online[18].

Resolution 27 will grant the Directors the authority to reintroduce the Scrip Dividend Programme if the Board deems it appropriate or desirable to do so in the future (for example, if Barclays is required to re-establish the Scrip Dividend Programme by its regulators). The Board believes that seeking authority to be able to reintroduce the Scrip Dividend Programme will allow the Company greater flexibility in managing its capital resources going forward.

[18] https://home.barclays/investor-relations/shareholder-information/dividends/

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Forward-looking Statements

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