We believe that everyone who works at Barclays should expect fair and appropriate pay.

The principles and policies\(^1\) that govern our approach to pay have evolved over many years. Through five broad themes, this Fair Pay Report brings that approach together in one place; to explain clearly how we think about pay, and how it sits alongside the other support we provide to help our people succeed both in and outside of work. We are committed to ensuring that pay is not only fair, but simple and transparent to all of our stakeholders.

We are grateful to those governments, academics and organisations around the world engaged in research on pay. We believe that we can best accelerate our own progress by learning from others and engaging constructively in the debate. There is much we are proud of in our approach but we recognise that we must continue to adapt to a constantly evolving working world.

We are also grateful to our colleagues on the Board Remuneration Committee and Group Executive Committee, as well as all of the professionals at Barclays, for their commitment to ensuring that our approach to pay is driven by our values, and for their support in delivering fair pay at Barclays.

Crawford Gillies  
Chair, Board Remuneration Committee

Tristram Roberts  
Group HR Director
Remuneration in Barclays

1. Fair pay for the lowest-paid
   Pay for our lowest-paid employees is sufficient, simple and transparent.

2. Equal opportunities to progress
   Ensuring everyone has the opportunity to progress through the organisation and earn more.

3. Equal pay
   Pay decisions must not take into account gender, age, ethnicity, disability, sexual orientation or any other protected characteristic.

4. Listening to employees
   Employees are appropriately represented in remuneration decision making.

5. Performance-linked pay
   Pay for all employees is linked to sustainable business performance.

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1 Barclays operates a global remuneration philosophy. This Fair Pay report reflects Barclays global principles and policies. However, certain pay elements are specific to different geographies – where a section of this report is specific to a particular geography, this is specified where possible.
Fair pay for the lowest-paid

Pay for our lowest-paid employees is sufficient, simple and transparent, appropriately rewarding all of our people for their work.

It is important to us that all of our employees feel fulfilled and can bring the best version of themselves to work, which means that they must be paid in a way that supports a decent quality of living.

Barclays was the first major financial services institution to become an accredited UK living wage employer in 2013, with all UK employees and those who provide services at our sites being paid at least the current National Living Wage (and London Living Wage in London), as set by the Living Wage Foundation.

For our lower-paid employees, more of their remuneration is delivered in fixed pay, which means that their total compensation is less volatile and less at risk.

In difficult years, where budgets are most constrained, pay increases are focused on more junior populations.

Incentives, often called bonuses, are a smaller part of the overall package for lower-paid employees but are available for people that really deliver for our customers and clients.

Our commitment to our lowest-paid employees extends beyond a fair salary; we offer a package of core benefits for each location, including benefits such as medical insurance and life assurance, as well as an employer-funded pension, to support longer-term wellbeing and financial stability.

We also provide a broad range of support on financial and other wellbeing issues to all of our employees through our Be Well programme. This includes help and education on budgeting – today and for the future – as well as support in dealing with life events, including stress management and mental health resources, through our Employee Assistance Programme (available in locations covering more than 95% of our employees).
What’s next?

Sufficiency

To begin to extend our living wage commitment beyond the UK, we have been following the “Fight for $15” movement in the US, and have reviewed our approach to pay in the US against this benchmark. By the end of 2019, we will have implemented this benchmark in our US pay structure and all US employees will be receiving at least this amount in salary, with benefits and any incentive in addition.

In India, where we have approximately 17,800 employees, we have provided above wage inflation salary increases for the most junior colleagues annually over the last few years.

In the UK, we intend to increase the minimum employer pension contribution to our defined contribution plan for our lowest paid grades during 2020. This change will benefit c.18,500 of our UK employees. This increased employer contribution will be focused at the lowest paid grades to positively promote and encourage long-term saving for retirement without forcing those employees to make difficult decisions between daily expenses and planning for the future.

In addition, during 2019 a review of non-UK pension plans will be carried out to understand whether changes could be made to encourage greater pension saving amongst the lowest paid grades.

We have recently increased holiday allowances in the US to make sure junior employees are not having to make a difficult choice between sacrificing their salary to increase their holiday allowance, and sacrificing important time outside of work in order to meet financial commitments.

Simplicity and transparency

During 2018 we have been reviewing the pay proposition for Barclays UK and, in particular, those working in our branches and contact centres. We have been looking at how their pay should be structured so that it is simple to understand and transparent. Following this review, we plan to increase the amount of base salary and reduce the amount of pay linked to bonuses for these customer-facing roles. This means that these employees will benefit from the certainty and reliability of a higher monthly income and an increase in pensionable salary. This work is underway and it is our intention to implement later in 2019.
Equal opportunities to progress

We want all of our employees to have the same opportunity to enjoy a successful career at Barclays, progress through the organisation and earn more.

We believe that diverse organisations perform better, and that diverse perspectives across the leadership of our organisation lead to better decisions. We are an equal opportunities employer.

This means that we hire diverse people from all backgrounds to join Barclays, and that all of our employees have the same opportunities to progress.

By looking inside and outside our organisation, we seek to understand the factors which help employees to reach their full potential, and ensure that our processes are aligned with them.

And we support all of our employees to balance their life commitments with their work commitments and achieve their personal and professional goals.

The launch of Dynamic Working in 2015 has given our colleagues at all stages of life the tools to balance work and life, and is helping them with parenthood, studies, caring and hobbies. Nearly two thirds of our workforce is working dynamically in some way, and we see higher engagement levels in those who are working dynamically compared with the overall workforce.

We have a range of employee networks to support our diverse workforce in making connections, empowering each other to succeed.

This means that we hire diverse people from all backgrounds to join Barclays, and that all of our employees have the same opportunities to progress.
Since 2016, we have brought diversity of thought and skills into our Group Executive Committee by creating an ex-officio position that is filled for four months at a time by an individual we believe is a future senior leader of the organisation – those with a fresh perspective. These additional positions are now mandatory for the 20 most senior executive committees in Barclays, and female participation is encouraged. We hope that this will bring more opportunities for female colleagues and build a diverse pipeline of future talent.

Some of our most utilised policies are those related to employees with childcare responsibilities. In many locations, Barclays offers enhanced maternity, adoption, paternity and shared parental entitlements which exceed statutory requirements. Barclays also supports employees with fostering, special guardianship, surrogacy and those undergoing fertility treatment.

In the US, all colleagues are now eligible for our back-up childcare service, which provides subsidised emergency childcare on-site in New York and Whippany, as well as a network of childcare centres across the US. A similar provision exists for some employees in the UK, for off-site emergency care of children and other dependents. During 2019 we will review the expansion of this provision to all UK employees.

For occasions when employees need to take short periods of leave for personal reasons, Barclays provides different options to suit individual requirements and circumstances. In the UK, most employees are entitled to paid leave of up to five days in a rolling year to deal with caring responsibilities and emergencies, or to make arrangements where issues may arise with existing childcare, family bereavement or serious ill health of a family member.

Barclays is committed to ensuring its policies effectively support its employees. We are currently reviewing our family and carers leave proposition to ensure we continue to support all of our employees with their other responsibilities. In recent years, we have increased paid leave for non-primary caregivers in the US and Asia.

Nearly two thirds of our workforce is working dynamically in some way, and we see significantly higher engagement in those who are working dynamically compared with the overall workforce.
Reducing the Gender Pay Gap at Barclays

What is the Gender Pay Gap?

Gender Pay Gap reporting is a UK specific requirement. It reflects the difference between average male pay and average female pay in an organisation, which is largely the result of differences in seniority between male and female employees.

It compares all employees and does not take into account differences in the role performed, individual expertise and experience, or other factors which legitimately impact the way in which different employees are paid.

Paying our employees fairly and equitably relative to their role, skills, experience and performance is central to our global reward philosophy. We review our global reward structures on an ongoing basis to ensure that there is no unfair gender or other bias in how colleagues are paid.

We are confident that men and women across our organisation are paid equally for doing the same job, with regard to their specific role, seniority, responsibilities, skills and experience and other factors which properly affect pay.

Our 2018 reporting and action planning

We have evolved our approach to reporting for 2018 to also include the overall pay gap for our UK employees combined. This greater transparency enables us to more easily compare ourselves with other organisations, and track progress across Barclays as a whole. We have still published entity-specific figures to enable a full, detailed comparison with previous years.

We are also additionally publishing the Gender Pay Gap for Barclays PLC, our group holding company, which now has around 90 employees. This isn’t a legal requirement but we believe is important to give the most accurate picture of our overall position.

Whilst we observe some small positive changes, overall our Gender Pay Gap results are similar to those for 2017. The average man at Barclays is still more senior than the average woman at Barclays.

We continue to review our Gender Pay Gaps outside the UK. In the US, the results continue to broadly align to BBPLC, the entity housing the Barclays International business.

We are grateful to the UK’s Government Equalities Office and The Behavioural Insights Team for their report Reducing the gender pay gap and improving gender equality in organisations: Evidence-based actions for employers. It sets out clearly the evidence for what works in closing the Gender Pay Gap and is a valuable resource in creating our action plan.

We have been particularly pleased to see evidence that a number of our long-standing gender initiatives are effective in closing the Gender Pay Gap. It will take time but the evidence shows that they work.

We are also pleased that the Government is focusing on initiatives in education and training, as research shows that women continue to choose lower paid professions and training routes, and often follow gender stereotypes because they do not feel that all routes are open to them.
2018 results – UK-wide Gender Pay Gap

The Ordinary Pay Gap represents the difference in the average regular pay for male and female employees. This includes regular payments of salary and allowances.

The Bonus Pay Gap represents the difference in the average bonus pay for male and female employees.

Whilst we observe some small positive changes, overall our Gender Pay Gap results are similar to those for 2017. The average man at Barclays is still more senior than the average woman at Barclays.

Ordinary Pay Gap

<table>
<thead>
<tr>
<th>Median</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary Pay Gap Median</td>
<td>Ordinary Pay Gap Mean</td>
</tr>
<tr>
<td>▲ 0.4% on 2017</td>
<td>▼ 1.4% on 2017</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Bonus Pay Gap Median</th>
<th>Bonus Pay Gap Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>▼ 4.8% on 2017</td>
<td>▼ 2.7% on 2017</td>
</tr>
</tbody>
</table>

Receiving Bonus

<table>
<thead>
<tr>
<th>Female</th>
<th>Male</th>
</tr>
</thead>
<tbody>
<tr>
<td>93.5%</td>
<td>91.4%</td>
</tr>
</tbody>
</table>

Across our UK population, 93.5% of all female employees and 91.4% of all male employees received a bonus payment.

Pay Quartiles

<table>
<thead>
<tr>
<th>Q4 (Highest paid)</th>
<th>Q3</th>
<th>Q2</th>
<th>Q1 (Lowest paid)</th>
</tr>
</thead>
<tbody>
<tr>
<td>29%</td>
<td>47%</td>
<td>64%</td>
<td>68% Male</td>
</tr>
<tr>
<td>71%</td>
<td>53%</td>
<td>36%</td>
<td>32% Female</td>
</tr>
</tbody>
</table>

Pay quartiles are prepared by ordering the population by ordinary pay from lowest to highest, and then dividing it into four equal sub-populations (lower quartile, lower middle quartile, upper middle quartile and upper quartile) to show how the distribution of males and females varies according to each quartile.
The shape of our organisation

The proportion of men and women at each of our corporate grades in 2018 is broadly the same as for 2017. Our Gender Pay Gap results will only change significantly when we see significant changes in the shape of our employee population. This will take time.

We have grouped our corporate grades into junior, mid-level and senior. The shape of our UK organisation in 2018 on this basis is reflected below. It shows a continued difference in the shape of our female population and our male population, which continues to drive our pay gaps.

There are many drivers for the proportion of males and females at each level. For example, in our retail bank we have historically, like others in the industry, attracted many women to more junior roles in branches that are both local and flexible, allowing our employees to balance their work with other commitments. In our corporate and investment bank, where there are a greater number of more senior roles, we have historically attracted more men and it has been challenging to find and attract female applicants, similar to others in the industry.
Doing what works globally

We have assessed ourselves against the actions set out by the Government Equalities Office and the Behavioural Insights Team, which have been shown through evidence to reduce the Gender Pay Gap, or to be promising in reducing the Gender Pay Gap. Our current position gives us a good platform on which to build. We recognise that we have more to do.

<table>
<thead>
<tr>
<th>Effective actions</th>
<th>Barclays approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multiple women on shortlists †</td>
<td>Barclays strives to recruit female talent and works with recruitment partners to identify diverse talent for shortlists.</td>
</tr>
<tr>
<td>Skill-based assessment tasks in recruitment</td>
<td>We use skills-based assessment for hiring onto our Graduate and Apprentice programmes. For our experienced roles, competency based questions are used to assess the skills that candidates can demonstrate.</td>
</tr>
<tr>
<td>Structured interviews</td>
<td>Interviews held for the same role follow the same approach and the same competencies and values are tested.</td>
</tr>
<tr>
<td>Salary negotiation encouraged by showing ranges</td>
<td>While we do not publish hiring ranges for our advertised vacancies, we do provide ranges to recruiters internally and externally. For many high-volume roles, we hire onto a standard starting salary. In the US and Canada we have changed our hiring practices to comply with recent legislation which prohibits the solicitation of compensation data in the hiring process. During 2019, we will monitor the impact of this change.</td>
</tr>
<tr>
<td>Transparency on promotion, pay and reward processes †</td>
<td>Our processes are standardised and are easily accessible to all employees. Our internal jobs board ensures that open roles are advertised to all employees. We operate on a Recruit Within approach, to give current employees the first chance to apply for new roles.</td>
</tr>
<tr>
<td>Appoint diversity managers</td>
<td>Each of our diversity networks has a senior Executive level sponsor. A team of specialist Diversity and Inclusion professionals supports our activities across the Group.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Promising actions</th>
<th>Barclays approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improve flexibility</td>
<td>Almost two thirds of our employees globally take advantage of our Dynamic Working initiative.</td>
</tr>
<tr>
<td>Encourage uptake of shared parental leave</td>
<td>We pay above the statutory amount for shared parental leave in the UK, and non-primary caregivers leave in the US and Asia.</td>
</tr>
<tr>
<td>Recruit returners</td>
<td>We run our Encore! Programme to recruit returners, those who have been out of the workplace for at least 12 months and previously worked at a mid or senior level. The programme is open to all, but does attract a number of women who want to return to previous careers.</td>
</tr>
<tr>
<td>Mentoring and sponsorship 2019 †</td>
<td>We run a range of mentoring and sponsorship programmes, including the Progression Coaching programme in Barclays UK. Our US Executive Committee and business units run Sponsorship Programs designed to retain, engage and develop our most senior women.</td>
</tr>
<tr>
<td>Networking programmes</td>
<td>Win, the gender network, has over 8,500 members and brings together men and women across the organisation in support of female colleagues. Win is supported by the Male Allies, as part of the UN's He for She campaign.</td>
</tr>
<tr>
<td>Internal targets †</td>
<td>We have 2020 targets for female representation of 33% for the Board and 33% across the Group Executive Committee and their direct reports.</td>
</tr>
</tbody>
</table>

† This table sets out the position at the end of 2018. Early in 2019, the Group Executive Committee set out some new actions which will enhance work already underway. These are discussed later in this report.
Are our programmes working?

A small but positive trend towards increased female seniority shows that our actions have been working, albeit slowly.

Proportionate changes within the male and female UK populations, 2015–2018

We know that changing the historic gender imbalance in our organisation will take time, but we are encouraged by the changes we are seeing.

Over the past three years, within our female population the proportion of women who are at the senior level has increased by 11%, while within the male population the proportion of men who are at the senior level has fallen by 6%.

Given the starting point, change will be slow but we hope that these figures reflect the creation of a strong female pipeline for the future.
Changing the shape of our organisation more quickly

We are pleased to see that our initiatives on gender equality are beginning to work, but disappointed that change has been so slow. It will take some time to redress the historic imbalance we observe at Barclays and in Financial Services. We need to focus on how to increase the rate of change.

We know what levers we have available to us to increase the seniority of women overall in our organisation. They are hiring, promotion and managing attrition.

Our internal analysis shows that our male and female attrition is balanced. Men and women leave Barclays at approximately the same rate.

Hiring can be difficult. Others in the banking industry report similar pay gaps driven by similar levels of female representation. We cannot hire enough women at senior levels to address the balance, because the industry has not attracted enough women over the last few decades.

We must focus on our internal pipeline. This means developing women of all levels, and focusing on promotions all the way through the Corporate Grade structure. We need to hire females at every level, and ensure that our talented females are given opportunities to accelerate through the organisation.

We have analysed what we need to do to increase our proportion of female Directors and Managing Directors to 28%, our new target, by the end of 2021. This means at least maintaining current rates of attrition and hiring, and seeking to achieve a more even balance in the numbers of men and women being promoted to mid-level and senior-level positions over the next three years. Given the smaller numbers of women in the pool for promotion, this is an extremely stretching target.

To do all that we can do to achieve this target, our CEO Jes Staley has taken accountability for trying to redress the historic gender imbalance at our most senior levels, and with the support of his Group Executive Committee has set out the following actions to try to accelerate the rate of change.

- **Promotion**
  - Introduce an accelerator programme for all of our high-potential mid-level employees, giving them structured, focused career development support to advance in the organisation to senior level.
  - Enhance our Recruit Within initiative to ensure that we are actively encouraging and supporting our female Directors to make the move to Managing Directors.

- **Attrition**
  - Continue to understand better what causes women to leave Barclays, and what we might change to stop that happening.

- **Hiring**
  - Review detailed recruitment shortlists for all MD hires. Although some of our most specialised roles have a very small candidate pool, our expectation is that every list will include female candidates.
  - Work with our external recruitment partners to ensure they share our objective of more women in senior leadership positions.
What’s next?

We support the Government’s consultation on Ethnicity Pay Gap reporting and its objectives. Increasing the transparency around Gender Pay Gaps has fuelled positive discussion across the business world and society more broadly, and we recognise the value that brings in driving change.

We are therefore choosing to publish our Ethnicity Pay Gap for the first time in the UK, ahead of any mandatory reporting requirements. For now, we are disclosing a calculation which mirrors the Gender Pay Gap, comparing average hourly earnings and bonus pay of Black, Asian and Minority Ethnic (BAME) employees with those of White employees, and calculating the percentage difference. Our approach to this disclosure will evolve as legal requirements are published and best practice emerges.

UK-wide 2018 indicative disclosure, based on self-reported employees (83% of total UK population)

<table>
<thead>
<tr>
<th>Ordinary Pay Gap</th>
<th>Bonus Pay Gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>Median Mean</td>
<td>Median Mean</td>
</tr>
<tr>
<td>-2.9% 2.1%</td>
<td>12.3% 14.7%</td>
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</tbody>
</table>

While we have published data in relation to our multicultural diversity for a number of years, this additional disclosure is intended to encourage positive conversations in this space. We want to make a start.

The analysis is based on all UK employees who have disclosed their ethnicity to us. If no ethnicity has been disclosed, the pay information for the employee has not been included in the disclosure. We believe that by explaining the importance of this data to our employees and demonstrating how it can be used for positive purposes such as this type of analysis, we will encourage higher levels of voluntary disclosure.

While we have an ethnically diverse Group Executive Committee, the data we have reviewed for employees who have disclosed their ethnicity shows that the proportion of BAME employees at each corporate grade gradually declines with seniority. While there are small pay gaps reflected in ordinary pay, there are more noticeable bonus pay gaps given the pay mix at more senior levels. Similar to the Gender Pay Gaps, we will continue to review the underlying data to further understand the trends as we strive to ensure equal opportunities for all of our staff.

Addressing the demographic drivers of the pay gaps shown is not new for Barclays. We are a proud signatory of the Business in the Community’s (BITC) Race at Work Charter and aim to ensure that all of our employees are able to progress and meet their full potential. Barclays also takes part in the BITC cross company mentoring scheme aimed at enhancing career development and opportunities for BAME employees. Additionally, Barclays is a founding member of EMpower, a professional membership organisation that helps corporate members drive greater ethnic minority inclusion at all levels of the organisation. Since its inception in 2017, EMpower has provided BAME networking opportunities through role modelling events and activities, mentoring and reverse mentoring. Internally, the Embracing Us campaign focusses on challenging and shifting global stereotypes and mindsets in relation to nationality, faith, ethnicity, race and language. It aims to tackle how these stereotypes can manifest in the workplace.

We recognise there is more to do, and continue to review our data as well as emerging thinking and best practice. We look forward to further positive conversations on this important topic.
Equal Pay

We believe that employees should be appropriately and fairly rewarded for their contribution. Here we formalise our Equal Pay Commitment for the first time.

There are differences in what the phrase “equal pay” means across different jurisdictions in legal terms, but the principle is the same globally across Barclays – pay decisions must not take into account gender, age, ethnicity, religion, sexual orientation or any other protected characteristic.

We take specific steps to ensure that employees are paid equally for doing the same job, which means ensuring they are rewarded fairly with regard to their specific role and responsibilities and other factors that properly affect pay.

There will be times when it is appropriate to pay employees differently, even if they are doing the same or similar roles. This may be, for example, because of different levels of market pay, geographical differences, skills and experience shortages, relative levels of experience and performance in the role and other business needs.

What steps do we take to support our commitment to equal pay?

In addition to ensuring that our internal policies and processes in relation to pay are free from any conscious or unconscious bias, we are committed to:

- Being explicit with those who make pay decisions, through clear guidance and training, that those decisions must reflect the individual’s role and contribution
- Requiring that pay decisions must not, directly or indirectly, take into account an individual’s gender, age, ethnicity, religion, sexual orientation, marital status, pregnancy, maternity, shared parental, paternity or parental leave, veteran status, disability or any other protected characteristic
- Subjecting our annual pay review work to a rigorous check and challenge process internally
- Working closely with Unite (our recognised trade union in the UK) to evaluate the fairness of our performance management and pay distribution concerning the union-recognised population
- Communicating more with our staff and other stakeholders about pay, and increasing transparency of our Fair Pay Agenda
- Continuing to look for opportunities to simplify our pay structures where appropriate

Are processes in place for staff if they feel that they are not paid equally?

Yes. If employees are concerned that they are not being rewarded appropriately they can raise this with their line manager in the first instance or with their HR Business partner.

What’s next?

We continue to develop our processes to manage Equal Pay, and to review pay outcomes for all of our employees.
Listening to employees

We make sure that employees are appropriately represented in remuneration decision-making

It is important to us that there is engagement between employees and the Board on a broad range of issues, including remuneration. This helps the Board to ensure that Barclays is run for the benefit of all stakeholders.

We formally listen to employees through a wide range of different channels, and report their views to the Board. That includes through senior management dialogue with the Remuneration Committee, and through the year-end pay review process.

In addition, several jurisdictions are covered by unions or works councils, and approximately 95% of colleagues across the UK and Europe are represented by the Barclays’ Group Employee Forum (which includes representatives from Unite and works councils across Europe). In the UK, we consult with Unite and listen to feedback on a wide range of topics including pay. Specifically, we partner to deliver a pay deal at three year intervals. The current pay deal covers the period from 1 January 2017 to 31 December 2019, and it includes pay principles and a commitment by Barclays to increase total salary spend by 7.5% over the period, with at least 10% for the most junior roles.

We also report employee views and other relevant management information to the Board through the annual employee opinion survey, talent and succession plans, diversity and inclusion reporting, and a dedicated culture dashboard. The Board also receives regular updates from the CEO which cover engagement and diversity.

Our Remuneration Committee members for the Group and our main subsidiaries have spent time with customer and client-facing staff and listened to their views and perspectives about how they are paid.

What’s next?

While the Group Remuneration Committee has for many years reviewed remuneration policies and outcomes for the broader workforce, this has now been formalised within its responsibilities and will continue to be considered throughout 2019 when making decisions for both the executive Directors, other senior employees and the wider workforce.
Listening to employees – case study

Barclays UK Reward Proposition

During 2017, we decided to review the Reward proposition for Barclays UK. We engaged with:

- 22 senior leaders from BUK
- 2,000+ BUK employees through a pulse survey (c. 50% response rate)
- 25 focus groups held across multiple sites and business areas

Employees told us that the following were important for the Reward proposition:

- Transparency
- Understanding and awareness
- Consistency and fairness
- Simplification

Work is ongoing to respond to this feedback, which will be communicated back out to our colleagues during 2019, as set out on page 5 of this report.
Performance linked pay

We ensure that both executive pay and employee pay are linked to sustainable business performance.

We reward sustainable performance. This means making a positive contribution to stakeholders, in both the short and longer term. To do this, we review performance through financial and non-financial lenses, and assess individual performance both on “what” is achieved and “how” it is achieved.

In line with our commitment to fair pay for the lowest paid, we ensure that employees at the most junior levels are not significantly exposed to fluctuations in business performance. This helps them to plan and manage their income more effectively.

As employees progress through the organisation and become more senior, a greater proportion of their remuneration is linked to individual and business performance, and is therefore variable each year. A significant proportion of remuneration for senior employees is delivered in deferred shares, ensuring longer-term alignment with company performance. The shares are deferred over 3, 5 or 7 years depending on level of pay and seniority. Our executive Directors and Group Executive Committee are also required to hold Barclays shares of equal value to 200% of their fixed pay (executive Directors) or salary (Group Executive Committee).

Pay at the most senior levels is most heavily weighted towards performance-related incentives. And executive Directors also have a proportion of their compensation in the form of Long Term Incentive Plans, which have an even longer performance-related period.

Junior Level

Support employees in their lives outside work and help them plan for the future.

- Fixed Pay
- Benefits
- Incentive
- All ee shares

Mid-Level

A balance between security of fixed pay and more pay at risk through performance related incentives.

- Fixed Pay
- Incentive
- In-year
- Deferred
- All ee shares

Senior Level

Strong pay for performance approach to attract, retain and motivate senior talent. High proportion of pay variable and at risk.

- Fixed Pay
- Incentive
- Deferred
- All ee shares

- Fixed pay aligned to market rates and experience in role
- Market aligned benefits (including pensions) with flexibility for employees to fit their needs
- Robust performance differentiation through incentive awards. Payments typically paid ‘in-year’ i.e. at the end of the performance year but may be deferred for a number of years at high incentive payment levels
- All employees have the opportunity to participate in “all employee” share plans to obtain shares at beneficial rates

*Available in locations representing 98% of employees globally
Making risk and conduct adjustments to compensation

The compensation of employees and executive Directors is aligned to our risk and conduct expectations, and those of our stakeholders.

We take risk and conduct events very seriously, with adjustments made to individual remuneration and the overall incentive pool where necessary and appropriate.

Adjustment can be applied to all employees for both in-year incentives (in-year adjustment) and unvested deferred awards (malus). For the employees most able to impact Barclays’ risk profile (i.e. Material Risk Takers, or “MRTs”), clawback, where awards have to be repaid, applies also for up to 7 years after an award is made (10 years in some instances).

<table>
<thead>
<tr>
<th>Can apply to</th>
<th>Impacts</th>
</tr>
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<tbody>
<tr>
<td>In-year adjustment</td>
<td>Current year incentive</td>
</tr>
<tr>
<td>Malus</td>
<td>Deferred unvested incentive from prior years, includes cash and shares</td>
</tr>
<tr>
<td>Clawback</td>
<td>Any variable pay awarded on or after 1 January 2015 and can apply for up to seven year (ten years in some circumstances)</td>
</tr>
</tbody>
</table>

Executive Pay Ratios

We are committed to transparency in the link between executive pay and employee pay, and so we have published our Group CEO pay ratio two years in advance of the disclosure becoming a statutory requirement.

Our Remuneration Committee considers pay outcomes for all employees as part of the annual assessment of the appropriateness of outcomes for the executive Directors and other highly paid executives.

We published our Group CEO pay ratios for the first time in our 2017 Annual Report, ahead of upcoming reporting requirements and a full disclosure is again available in the 2018 Annual Report.

The ratios can be volatile because Group CEO pay can be impacted by many factors including LTIP releases1. Over the last three years we have seen decline as the Group CEO pay has decreased whilst the median employees pay has risen over the period.

<table>
<thead>
<tr>
<th>Group CEO total remuneration (£000s)</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK employee median</td>
<td>4,233</td>
<td>3,873</td>
<td>3,362</td>
</tr>
<tr>
<td>137x</td>
<td>119x</td>
<td>96x</td>
<td></td>
</tr>
</tbody>
</table>

What's next?

We will be reviewing our Directors Remuneration Policy during 2019, for review by shareholders at the 2020 AGM. We will also use this as an opportunity to review our remuneration philosophy more broadly, to ensure consistency with our aims and objectives in relation to all aspects of Fair Pay.

1 Group CEO has not been eligible for an LTIP release in 2016, 2017 or 2018
2 As is required by legislation on reporting of remuneration, this number was reduced by £500,000 in respect of a prior year adjustment. Without this adjustment, the ratio for 2018 is 110x.
Gender Pay Gap detailed reporting by UK legal entity

<table>
<thead>
<tr>
<th></th>
<th>Ordinary Pay</th>
<th>Bonus Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Median pay gap</td>
<td>Mean pay gap</td>
</tr>
<tr>
<td></td>
<td>F</td>
<td>M</td>
</tr>
<tr>
<td>Barclays Bank UK PLC²</td>
<td>2018</td>
<td>14.9%</td>
</tr>
<tr>
<td></td>
<td>2017</td>
<td>14.2%</td>
</tr>
<tr>
<td>Barclays Bank PLC²</td>
<td>2018</td>
<td>44.1%</td>
</tr>
<tr>
<td></td>
<td>2017</td>
<td>43.5%</td>
</tr>
<tr>
<td>Barclays Services Limited²</td>
<td>2018</td>
<td>27.5%</td>
</tr>
<tr>
<td></td>
<td>2017</td>
<td>29.9%</td>
</tr>
<tr>
<td>Barclays PLC³</td>
<td>2018</td>
<td>23.9%</td>
</tr>
</tbody>
</table>

¹ Definitions of Ordinary pay, Bonus pay and pay quartiles are included earlier in the report.
² Results are published for Barclays Bank UK PLC, Barclays Bank PLC and Barclays Services Limited under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.
³ Results are published on a voluntary basis for Barclays PLC.