

BARCLAYS PLC

BOARD REMUNERATION COMMITTEE

TERMS OF REFERENCE

Approved by the Board with effect on and from 1 January 2019

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 Chair, the executive Directors of Barclays PLC (the 'Company'), other senior executives (as referred to 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 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 its direct and indirect subsidiaries (together, the 'Group'), save to the extent that matters relate solely to Barclays Bank PLC ('BBPLC') or Barclays Bank UK PLC ('BBUGPLC') and/or their respective subsidiaries and fall solely within the remit of the terms of reference of the Board remuneration committee of BBPLC or BBUGPLC, as the case may be, in which event such matters shall be dealt with by such committee within the parameters set by this Committee.
- 2.5 The Committee may request a summary of material issues considered at meetings of the remuneration committees of any of the Group's strategically significant subsidiaries and shall receive and review reports on any other material matters referred by the Chairs of those committees.
- 2.6 The Committee has authority to investigate any matter relating to 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 Chair

- (i) The Chair of the Committee will be an independent non-executive Director appointed by the Board of the Company on the recommendation of the Board Nominations Committee.
- (ii) The Chair of the Committee must have served on the Committee or the remuneration committee of another company for at least twelve months before appointment as Chairman.
- (iii) In the absence of the Chair of the Committee or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.
- (iv) The Chair of the Committee 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 Chair of the Company may also serve as an additional member of the Committee, but not its Chair, if he or she was considered independent on appointment as Chair.
- (iii) Members of the Committee shall be appointed by the Board, on the recommendation of the Board Nominations Committee and in consultation with the Chair 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 each, 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 members of the Committee 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 Chair of the Committee, Chair of the Board or Group Chief Executive Officer 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 of the Company 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 Chair of the Company, if he or she was deemed independent on appointment and other independent non-executive Directors of the Company have the right to attend Committee meetings.
- (ii) However, the following will be expected to attend Committee meetings on a regular basis:
 - Group Chief Executive Officer;
 - Group Human Resources Director; and
 - Group Reward and Performance Director.
- (iii) Any Director, officer, employee or adviser of the Committee or the Group may attend at the invitation of the Chair 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 Chair 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 Group, ensuring that it is adopting a coherent approach to remuneration in respect of all employees. The policy should be transparent, avoid complexity and, amongst other things, assess the impact of pay arrangements in supporting the Group's culture, values and strategy and on 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 each of the Group, BBPLC, BBUKPLC and operations and functions;
- (iii) exercise judgement in the application of remuneration policies to promote the long-term success of the Group for the benefit of shareholders;
- (iv) exercise independent judgment and discretion when making remuneration decisions, taking account of company and individual performance, and wider circumstances;

- (v) 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;
- (vi) 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;
- (vii) regularly review the operation and effectiveness of the Group remuneration policies;
- (viii) 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;
- (ix) determine the policy for pension arrangements for each executive Director and members of the Group Executive Committee;
- (x) 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;
- (xi) periodically review, at least annually, all material matters of retirement benefit design and governance; and
- (xii) periodically review reports on other remuneration-related and employee issues as necessary.

5.2 Specific Remuneration Arrangements

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

- a) To determine the fees to be paid (including any conditions attaching to such fees) to independent non-executive directors of Group subsidiary boards by reference to such principles as the Committee may from time to time recommend to the Board of the Company for approval and taking into account the time commitment and responsibilities of the role, to ensure, so far as possible, a fair and consistent approach to fee setting across the Group.
- b) To determine, in consultation with the Chair of the Board and / or the Group Chief Executive Officer, 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 Company; 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.
- c) To consider and approve in consultation with the Group Chief Executive Officer, 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, present and prospective, whose total annual compensation 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.
 - d) 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 b) and 5.2 c) above.
 - e) 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 b) and 5.2 c) (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.
 - f) 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.
 - g) The approval by the Committee of remuneration packages for the individuals, described in a), b), c), d) and e) above, shall be effected by:
 - (i) pre-approval by the Committee 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 Chair of the Committee) 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 Chair of the Company.
- h) To take into account pay policy and employment conditions of the wider workforce of the Group, especially when deciding the remuneration of the executive Directors and other employees described in paragraph 5.2(c)(i) above.
 - i) To obtain reliable, up-to-date information about remuneration in other companies of comparable scale and complexity.
 - j) 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:

- a) advise on the principles on which remuneration schemes shall operate;
- b) have the discretion to override formulaic outcomes; and
- c) be asked to approve, in consultation with the Chair of the Board and Group Chief Executive Officer, 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 c) made under such plans or schemes.

5.4 Shareholding Policy

The Committee shall ensure that the remuneration policy promotes the alignment of the long-term interests of shareholders and employees, by requiring Directors and senior executives, where appropriate, to maintain a holding in the Company's shares, including for a period post-employment, or retain a portion of vested awards in line with relevant individual's total compensation, salary or other measure on a historic or expected basis, to be built up over a period at the Committee's discretion.

6 Reporting and Disclosure

- 6.1 The Chair of the Committee shall report to the Board on how the Committee has discharged its responsibilities and on any other matters referred to it by the Board. In doing so it shall identify any matters in respect of which it considers that action or improvement is needed, and make any recommendation it deems appropriate as the steps to be taken.
- 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) a description of the significant issues dealt with by the Committee;
 - b) a description (to the extent required by such code) of how the Committee has addressed any specific requirements of the UK Corporate Governance Code; and
 - c) a summary of the use of discretion by the Committee (and, if no discretion was exercised, confirmation of this) and the reasons why.
- 6.3 The Committee shall work and liaise as necessary with all other Committees of the Board, BBPLC and BBUKPLC.
- 6.4 The Committee shall review and consider any reports from Barclays Internal Audit containing material findings relevant to the responsibilities of the Committee.
- 6.5 The Chair of the Committee will review and approve, where appropriate, the Group's Remuneration Policy Statement submissions to the Prudential Regulation Authority and the Financial Conduct Authority.
- 6.6 The Chair 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 reputational, risk and risk management implications of its decisions;
- 7.4 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 Chair 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, and to commission or purchase any reports, surveys or information which it deems necessary, at the expense of the Group and shall exercise independent judgment when evaluating any advice received.

8 Terms of Reference

The Committee shall:

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

Barclays Corporate Secretariat
1 January 2019