

# BARCLAYS PLC

## BOARD REPUTATION COMMITTEE

### TERMS OF REFERENCE

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

#### 1 Role

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

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

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

#### 2 Authority

- 2.1 The Committee is a committee of the Board of Barclays PLC (the 'Company') from which it derives its authority and to which it regularly reports.
- 2.2 The Committee has delegated authority from the Board in respect of the functions and powers set out in these Terms of Reference.
- 2.3 The Committee may sub-delegate any or all of its powers and authority as it sees fit, including, without limitation, the establishment of sub-committees to analyse particular issues or themes and to report back to the Committee.
- 2.4 The Committee is concerned with the business of the whole Barclays group and accordingly its authority extends to all relevant matters relating to the Company and its subsidiaries and their respective business units (together, the 'Group'), save to the extent that such matters are not material in the context of the Group as a whole, relate solely to Barclays Bank PLC ('BBPLC') or Barclays Bank UK PLC ('BBUKPLC') and/or their respective subsidiaries and fall solely within the remit of the terms of reference of an appropriate board committee of BBPLC or BBUKPLC, 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 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 or the Chair of the Board, if he or she was considered independent on appointment, on the recommendation of the Board Nominations Committee.
- (ii) 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.
- (iii) The Chair of the Committee does not have a casting vote.

### 3.2 Membership

- (i) The Committee will comprise at least three non-executive Directors of the Company and a majority of members must be independent non-executive Directors.
- (ii) The Chair of the Company may also serve as an additional member 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, 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) Meetings of the Committee may be called by the Secretary of the Committee at any time to consider any matters falling within these Terms of Reference.

### 4.2 Quorum

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

#### 4.3 Attendees

- (i) Only the members of the Committee, the Chair of the Board, 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:
  - a. Group Chief Compliance Officer; and
  - b. Chief Internal Auditor.
- (iii) Any Director, officer, employee or adviser of 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 shall:-

#### 5.1 Conduct, Culture and Values

- (i) review and approve the Annual Compliance Plan and receive periodic updates, including details of activities (planned and/or undertaken), resources and available skills, experience and expertise;
- (ii) consider and approve the Conduct Risk Framework for the Group and any amendments thereto;
- (iii) review the effectiveness of the processes and policies by which Barclays identifies and manages Conduct Risk including annually reviewing the effectiveness of the Conduct Risk Framework;
- (iv) seek to ensure fair customer outcomes by carrying out periodic reviews of Barclays implementation of policies on customers, clients and counterparties and by monitoring management reports on issues such as complaint levels, customer satisfaction indicators, net promoter scores and market share measures;
- (v) review periodic Conduct Risk Reports which will include agreed Conduct Risk metrics and compliance with Group Conduct Risk Policies;
- (vi) review annually performance against Conduct Risk metrics and provide input to the Board Remuneration Committee to assist it in its deliberations on appropriate risk adjustments to be made to incentive packages;
- (vii) monitor, on behalf of the Board, cultural progress and the embedding of Barclays culture and values, including regularly assessing cultural key indicators, findings from employee opinion surveys and relevant updates from external bodies; and
- (viii) seek to support Executive Management in embedding and maintaining throughout the Group a supportive culture.

#### 5.2 Reputation Risk and Corporate Relations

- (i) review the effectiveness of the processes and policies by which Barclays identifies and manages reputational risk, including annually reviewing the effectiveness of the Reputation Key Risk Framework and approving/amending the Framework as appropriate;
- (ii) consider and evaluate regular reports on Barclays reputational risk issues / exposures;
- (iii) receive reports from management on any significant business decisions, issues or events that may impact Barclays reputation in order to satisfy itself that the potential impact has been considered fully

and mitigated as appropriate;

- (iv) consider whether significant business decisions will compromise Barclays ethical policies or core business beliefs and values and escalate any matters as necessary to the Board; and
- (v) undertake a timely review of significant internal incidents and industry developments with high potential reputational risk.

### 5.3 **Citizenship**

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

### 5.4 **Regulatory Compliance**

- (i) receive prompt notification of any material adverse reports or sanctions by any regulatory authority likely to be prejudicial to the reputation of the Group as a whole;
- (ii) review forward looking compliance reports and reports on regulatory relationships; and
- (iii) be kept updated on the actions being taken to address issues raised by regulators.

### 5.5 **Internal control and risk control framework**

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

## 6 **Reporting and Disclosure**

- 6.1 The Chair of the Committee shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 6.2 The Committee shall compile a report of the work of the Committee in discharging its responsibilities for inclusion in the Annual Report, including a description of the significant issues dealt with by the Committee.
- 6.3 The Committee shall work and liaise as necessary with all other Committees of the Board.
- 6.4 The 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 risk and risk management implications of its decisions;
- 7.4 have access to sufficient resources in order to carry out its duties, including access to the Group Chief Compliance Officer, 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 at the expense of the Group and to invite them to attend meetings.

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

## 8 Terms of Reference

The Committee shall:

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

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

Barclays Corporate Secretariat  
1 January 2019