

BARCLAYS PLC AND BARCLAYS BANK PLC

BOARD NOMINATIONS COMMITTEE

TERMS OF REFERENCE

Set out below are the terms of reference for both the Barclays PLC ('BPLC') and Barclays Bank PLC ('BBPLC') Board Nominations Committees, save that: (i) unless otherwise determined by the Board or Board Nominations Committee of BBPLC that it should also apply to BBPLC, within the parameters set by the BPLC Board where relevant, the paragraphs or provisions marked with '*' are expected to apply primarily to the Board Nominations Committee of BPLC, and (ii) unless otherwise determined by the Board or Board Nominations Committee of BPLC that it should also apply to BPLC, the paragraphs or provisions marked with a '+' are expected to apply primarily to the Board or Board Nominations Committee of BBPLC.

References in these terms of reference to the 'Company' shall mean each of BPLC and BBPLC, references to the 'Committee' shall mean the Board Nominations Committee of each of BPLC and BBPLC, references to the 'Board' shall mean the Board of each of BPLC and BBPLC, references to 'Director' shall mean a director of the Board of each of BPLC and BBPLC, and references to 'Group' means the 'BPLC Group' (being BPLC and its subsidiaries) or the 'BBPLC Group' (being BBPLC and its business units and subsidiaries) as appropriate, in each case, unless the context otherwise requires.

Approved by the Board with effect on and from 25 September 2019.

1 Role

The role of the Committee is to:

- 1.1 support and advise the Board in ensuring it is comprised of individuals who are best able to discharge the duties and responsibilities of Directors;
- 1.2 focus primarily on the composition, appointments, succession and effectiveness of the Board, ensuring that both appointments and succession plans are based on merit and objective criteria and, within this context, promote diversity of gender, social and ethnic background, cognitive and personal strengths;
- 1.3 oversee the adoption of appropriate internal policies on the assessment of the suitability of Directors, members of the relevant Group Executive Committee and other key personnel subject to regulatory approval; and
- 1.4 support and advise the Board in ensuring that the Company has the appropriate corporate governance standards and practices in place, keep the Board's governance arrangements under review and make appropriate recommendations to the Board to ensure that the Company's arrangements are consistent with best practice corporate governance standards.

2 Authority

- 2.1 The Committee is a committee of the Board of 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 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 Group as follows:

- (i) the Group as a whole and its authority extends to all matters relating to its responsibilities below for the Group save to the extent that matters relate solely to BBPLC or Barclays Bank UK PLC ('BBUKPLC') and/or their respective subsidiaries and fall solely within the remit of the terms of reference of the Board Nomination 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*; and
- (ii) matters which related solely to the business of BBPLC Group and accordingly its authority extends to all relevant matters relating to the BBPLC Group. †

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 Board will chair the Committee, except when it meets to discuss the Chair of the Board's succession or performance. In any such case or in the Chair of the Board's absence, another non-executive Director (normally the Senior Independent Director in respect of the BPLC Nominations Committee) will chair meetings of the 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 the Chair of the Board and:
 - i. the Senior Independent Director and at least three other non-executive Directors of the Company*; and
 - ii. at least three other non-executive Directors of the Company†, preferably drawn from the chairs of the principal Board Committees but with a view to ensuring a combination of skills, experience and knowledge among the members of the Committee.
- (ii) Members of the Committee shall be appointed by the Board, in consultation with the Chair of the Committee, and, in the case of BPLC*, on the recommendation of the Committee.
- (iii) Any member of the BPLC Committee who is not also a director of BBPLC and a member of BBPLC Committee shall be an observer only for the purposes of matters and decisions relating solely to BBPLC and shall not participate in any decisions of the BBPLC Committee relating thereto.

3.3 Secretary

- (i) The Secretary of the Company or his or her nominee 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 twice a year and otherwise as required.

- (ii) The Chair of the Committee, Chair of the Board or Chief Executive Officer of the relevant Company may each convene meetings of the Committee of the relevant Company at any time to consider any matters falling within these Terms of Reference.

4.2 Quorum

- (i) The quorum necessary for the transaction of business shall be at least two independent non-executive Directors, together in the case of BPLC* with the Chair of the Board or, failing him, the Senior Independent Director.
- (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 discretion vested in or exercisable by the Committee.
- (iii) In the event of difficulty in forming a quorum, independent non-executive Directors who are not members of the Committee may be co-opted as members for individual meetings.

4.3 Attendees

- (i) Only the members of the Committee, and other independent non-executive Directors of the Company (and, in the case of BPLC, the Chair of the Board if he or she was deemed independent on appointment) have the right to attend Committee meetings.
- (ii) 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

5.1 Composition of the Board and its Committees

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

5.2 New appointments

- (i) The Committee shall be responsible to the Board for leading the process for Board and Board committee appointments, such process to include the use of open advertising and/or engagement of an external search consultancy if appropriate. The Committee shall be responsible for identifying and nominating candidates for approval by the Board for appointment as Directors of the Company and members of Board committees.
- (ii) At the request of the Chair or of the Board, the Committee will evaluate the balance of skills, experience, independence, knowledge and diversity, on the Board or any Board committee and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment.
- (iii) The Committee will ensure that prospective non-executive Directors undertake that they will have sufficient time to fulfil their duties and that any significant new appointments outside the Group are subsequently disclosed to the Board for approval prior to their acceptance.
- (iv) Having done so, the Committee will, if it deems necessary, identify, review and recommend candidates for potential appointment as Directors (both executive and non-executive) and Board committee members of the Company.

5.3 Succession planning

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

5.4 Board Effectiveness

The Committee shall:

- (i) consider and set the criteria for the objective and rigorous performance review of the Chair of the Board, each non-executive Director individually, the Board as a whole and its committees;
- (ii) ensure that an annual performance evaluation is conducted of the composition, diversity and effectiveness of the Board and its committees and the contribution of each Director, such evaluation to be externally facilitated at least once every three years;
- (iii) ensure that the conclusions and recommendations arising from these reviews and evaluations of the Chair of the Board and Chief Executive Officer are reported to the Board;
- (iv) agree an action plan addressing the results of the Board effectiveness review, particularly in relation to any changes required to succession planning, and periodically review progress against the plan; and
- (v) consider the effectiveness of each Board evaluation carried out.

The Committee shall additionally monitor periodically the collective suitability of the Directors in accordance with the European Banking Authority and the European Securities and Markets Authority's Guidelines on the assessment of suitability of members of the management body and key functions holders and other applicable regulatory requirements proportionate to the size, nature and complexity of the business. †

5.5 Serving Directors

The Committee will:

- (i) consider additional commitments of non-executive Directors during their tenure, especially where such commitments might affect the time the non-executive Director is able to devote to their role, and review annually the time commitment required of non-executive Directors, taking into account the assessment made in performance evaluations; *
- (ii) make recommendations to the Board concerning:
 - a) the election and annual re-election by shareholders of Directors;*
 - b) the independence of non-executive Directors and the individual's ability to perform his or her duties independently without undue influence from other persons;

- c) renewal of terms of office of non-executive Directors after six years, based on a review of the Director's performance; and
- d) any matters relating to the continuation in office of any Director at any time.

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

5.6 Legal and Regulatory Requirements

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

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

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

5.7 Corporate governance

The Committee shall:*

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

5.8 Conflicts of Interest

The Committee:

- (i) will, with assistance from the Company Secretary, ensure that prospective non-executive Directors disclose any business interests that may result in any actual or potential conflict of interests with those of the Group prior to any offer of appointment being made and ensure they report any future business interest that could result in a conflict of interest;

- (ii) may consider and authorise, subject to ratification by the Board, any situational conflict in which a Director may have a direct or indirect interest that conflicts, or possibly may conflict with the interests of the Company;
- (iii) when considering the authorisation of these situations, the Committee will have regard to the possible time required to fulfil this, and all other outside commitments notified by the Director, and whether it could impede the Director from spending sufficient time to fulfil his or her obligations to the Company;
- (iv) will conduct an annual review of the Conflicts Register and review any disclosure relating to conflicts of interest to be made public; and
- (v) will review the Company's approach to the management of conflicts of interest to ensure that it is in line with the Group's conflicts management protocols and in particular any actual or potential conflict between the Company and its shareholder is appropriately managed.†

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: *
- (i) a description of the significant issues dealt with by the Committee;
 - (ii) the process used in relation to appointments, its approach to succession planning and how both support developing a diverse pipeline;
 - (iii) how the Board evaluation has been conducted, the nature and extent of an external evaluator's contact with the Board and individual Directors, the outcomes and actions taken, and how it has or will influence Board composition;
 - (iv) a statement of the Board's policy on diversity and inclusion, including its objectives and linkage to company strategy, how it has been implemented and progress on achieving the objectives and the gender balance of those in the senior management and their direct reports;
 - (v) disclosure identifying any external search consultancies engaged (and any connection any such consultancy has with the Group or any of the Directors); and
 - (vi) where any Director seeks consent to take on a significant additional external appointment in accordance with paragraph 5.2(iii) above, the reasons for permitting any such appointment.
- 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 tailored 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 it has performed in accordance with its responsibilities and whether or not it receives adequate and appropriate support in fulfilment of its role and whether or not its current workload is manageable;
- 7.3 in its decision making, give due regard to any relevant legal or regulatory requirements, and associated best practice guidance, as well as to the risk and risk management implications of its decisions;

- 7.4 have access to sufficient resources in order to carry out its duties, including access to the Company Secretary, who shall have independent access to the 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.

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.

**Barclays Corporate Secretariat
25 September 2019**