

BARCLAYS PLC AND BARCLAYS BANK PLC

BOARD RISK COMMITTEE

TERMS OF REFERENCE

Set out below are the terms of reference for both the Barclays PLC ('BPLC') and Barclays Bank PLC ('BBPLC') Board Risk Committees, save that: (i) unless otherwise determined by the Board or Board Risk 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 Risk Committee of BPLC, and (ii) unless otherwise determined by the Board or Board Risk 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 Risk 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 Risk Committee of each of BPLC and BBPLC, references to the 'Board' shall mean the Board of each of BPLC and BBPLC, to 'Director' shall mean a director of the Board of each of BPLC and BBPLC, and references to 'Group' shall mean 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 Board Risk Committee (the 'Committee') is to review, on behalf of the Board management's recommendations on the principal risks as set out in the Group's Enterprise Risk Management Framework (ERMF) with the exception of Reputation Risk which is a matter reserved to the Board, and in particular:

- (i) review, on behalf of the Board, the management of the principal risks in the ERMF;
- (ii) consider and recommend to the Board (in the case of BBPLC, within the risk parameters set by the BPLC Committee) as appropriate the Group's risk appetite and tolerance for those principal risks;
- (iii) review, on behalf of the Board, the Group's risk profile for those principal risks;
- (iv) commission, receive and consider reports on key risk issues; and
- (v) safeguard the independence of, and oversee the performance of, Barclays Risk and Compliance Functions*.

The Committee's oversight responsibilities with regard to operational risk cover the financial and capital implications of operational risk. The Board Audit Committee has oversight of the internal control aspects of operational risk. The Board Remuneration Committee has oversight of the remuneration aspects of conduct matters. The Committee may, at the discretion of the Chairman, refer any matters with material and/or strategic risk considerations to the Board.

The Committee may also consider any other matters of relevance to its purpose.

In areas where the Committee reviews and evaluates reports from management, but does not formally approve such items, the Committee may:

- (i) receive the report, being satisfied that either no management action is required or that existing actions being taken by management are appropriate; or
- (ii) receive the report and, after discussion with management, satisfy itself that actions to be taken by management following the discussion are appropriate; or
- (iii) receive the report and, following discussion with management, escalate to the Board any matters under its responsibility where it considers that material action or improvement additional to that proposed by management is needed to bring the risk being considered within appetite/tolerance, with recommendations

as to the steps to be taken.

The Committee will decide, on a case by case basis, whether to report items under (i) and (ii) above to the Board to the extent the issue has not been covered in the regular reports made by the Chief Risk Officer to the Board.

2 Authority

- 2.1 The Committee is a committee of the Board of the relevant 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 BPLC Group and accordingly its authority extends to all relevant matters relating to BPLC, Barclays Execution Services Limited, and each of their subsidiaries, save to the extent that such matters are not material in the context of the Group as a whole, or as provided in paragraph 2.5 below.*
- 2.5 The Committee has oversight of the Group as a whole in relation to the matters within its remit, but notes that, within the parameters set by this Committee: (i) matters which relate solely to Barclays Bank UK PLC ('BBUKPLC') and/or its respective subsidiaries and which fall solely within the remit of the terms of reference of the Board risk committee of BBUKPLC shall be dealt with by that committee*; (ii) the Board Enterprise Risk Committee of Barclays US LLC (Barclays' US intermediate holding company) has risk management oversight of Barclays' broader combined US operations; and (iii) the Board risk committee of Barclays Bank Ireland has risk management oversight of Barclays' European operations. However, to the extent that such matters are of Group-level significance, the Committee will exercise additional oversight.
- 2.6 Subject always to any applicable legal or regulatory restrictions or limitations, 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 of both BPLC and BBPLC, appointed by the Board of the Company (or the Chair of the Board, if he or she was considered independent on appointment as Chair*).
- (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 independent non-executive Directors of the Company and a majority of members must be independent non-executive Directors. The activities of the Committee should involve participation by the Chair of the Board Audit Committee.
- (ii) No person may serve or act as a member of the Committee unless they are a non-executive Director of the Company. The Committee as a whole shall have competence relevant to the banking sector.†
- (iii) The Chair of the Company may also serve as an additional member of the Committee (if he or she was

considered independent on appointment as Chair*), but not as its Chair.

- (iv) 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.
- (v) Any member of the BPLC Committee who is not also a director of BBPLC and a member of the 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 Duration of appointments

The duration of appointments shall be for a period of up to three years which may, at the discretion of the Board Nomination Committee, 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 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 four times 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) 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 Risk Officer;
 - b. Group Finance Director;
 - c. Group Chief Internal Auditor; and
 - d. Group Chief Compliance Officer.*
- (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. In particular, the Chief Risk Officer and

Chief Compliance Officer of BBPLC may be invited to attend Committee meetings for matters relevant to BBPLC.

5 Responsibilities

The Committee will undertake the following tasks/functions:-

5.1 Risk Appetite, Stress Testing and Risk Profile

- (i) Advise the Board (in the case of BBPLC within the risk parameters set by the BPLC Committee) on the Group's Risk Appetite and tolerance for the principal risks in the ERMF (with the exception of Reputation Risk which is a matter reserved to the Board) when determining strategy, including considering and recommending to the Board for approval proposals in respect of the Group's overall Risk Appetite and risk limits for those principal risks, and taking into account the current and prospective macroeconomic, geopolitical, macro-prudential and financial environment, drawing on financial stability assessments such as those published by the Bank of England, the Prudential Regulation Authority (PRA), the Financial Conduct Authority (FCA) and other authoritative sources that may be relevant.
- (ii) Consider and approve the Group's capital and liquidity stress test scenarios and the results of different stress and reverse stress assumptions, including those proposed by the PRA and other regulatory bodies including the EBA, provided that while the Committee has oversight over the regulatory feedback, the Board Enterprise Risk Committee of Barclays US LLC (Barclays' US intermediate holding company) is responsible for the Comprehensive Capital Analysis and Review of Barclays' US Operations required by the Federal Reserve Board.
- (iii) Consider and approve internal stress test themes and the financial and non-financial constraints and scenarios for stress testing Risk Appetite for the Medium Term Plan.
- (iv) Receive and approve annually the Group's stress loss and mandate and scale limits for financial principal risks and periodically to receive and consider reports on trends in exposures or concentrations.
- (v) Evaluate, and report to the Board on the Group's risk profile, risk monitoring and risk tolerance for the principal risks in the ERMF (with the exception of Reputation Risk which is a matter reserved to the Board), in particular with respect to:
 - a. the performance versus Risk Appetite;
 - b. risk trends and concentrations;
 - c. operational risk tolerance, event trends and financial and non-financial impact (including in relation to the Group's operational risk capital requirements);
 - d. operational Risk and Control Assessment (bottom-up) and Material Risk Theme (top-down) information;
 - e. legal risk;
 - f. liquidity and capital targets;
 - g. regulatory and internal capital and funding requirements;
 - h. capital performance against plan, including capital trajectory;
 - i. impairment or provisions' experience against budget; and
 - j. Key Performance Indicators for the Group's principal risks.
- (vi) Consider proposed material changes to the Group's risk profile or Risk Appetite arising from planned new or increased business and/or the risks associated with the Group's entry into new business, products and/or geographical areas.
- (vii) Receive and consider reports from management on key risk issues that assess the nature and extent of risks facing the Group, the likelihood of the risks concerned materialising, and the completeness and adequacy of the ERMF to manage those risks (with the exception of Reputation Risk which is a matter reserved to the Board), including strategic risk issues.
- (viii) Propose parameters for the risk appetite of BBPLC and BBUKPLC, respectively and other material subsidiaries.*

- (ix) Consider and approve on at least an annual basis A level risk limits and, as appropriate, any delegation by the Committee to the Group Chief Risk Officer in regard to those limits, with any exercise of such delegated authority being reported to the Committee at the following meeting.*
- (x) Consider and approve as required any delegations of authority to the Group Chief Risk Officer with regard to the exercise of discretion and/or setting risk limits within the Group's overall Risk Appetite, with any exercise of such delegated authority being reported to the Committee at the following meeting.*
- (xi) Receive notification of any breaches of the Group's overall Risk Appetite or risk limits as appropriate in relation to the principal risks in the ERMF (with the exception of Reputation Risk which is a matter reserved to the Board), and the proposed course of remediation.*

5.2 Capital and Funding

- (i) Receive and consider reports from management on capital performance against plan (including the capital trajectory).
- (ii) Receive and consider reports from management on liquidity performance against internal and regulatory requirements.
- (iii) Receive and consider reports from management on capital and funding requirements and monitor those requirements.
- (iv) Receive and consider from management an ICAAP and ILAAP scenario review, to be presented to the Committee on at least a quarterly basis. Additionally, if in the opinion of any of the Chair, Group Chief Risk Officer and/or Group Finance Director there has been a material change to the risk profile of the Group and/or a material subsidiary, receive and consider a refresh of relevant ICAAP and/or ILAAP constituent elements as appropriate.

5.3 Operational Risk

- (i) Receive and consider reports from management on operational risk matters, including in respect of operational risk capital requirements, the Group's operational risk profile, and performance of specific operational risks against agreed risk appetite.
- (ii) Review and approve annually the operational risk tolerance statement.

5.4 Model Risk

- (i) Evaluate the appropriateness of Barclays' Model Risk management framework and receive and consider reports from management on specific modelling processes.

5.5 Conduct Risk

- (i) Review the effectiveness of the processes and policies by which the Company identifies and manages Conduct Risk including annually reviewing the effectiveness of the Conduct Risk Framework.
- (ii) 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.
- (iii) Consider and approve the Conduct Risk Framework for the Group and any amendments thereto.*
- (iv) Review periodic Conduct Risk Reports, which, with respect to BBPLC only, will include agreeing Conduct Risk metrics and compliance with Group Conduct Risk Policies.
- (v) Maintain oversight of the Group's Compliance Function, which will include financial crime updates where relevant to the remit of the Committee.

5.6 Regulatory

- (i) Consider and approve on behalf of the Board the Group's capital adequacy assessment and the methodologies and results of the reverse stress testing for submission of the Internal Capital Adequacy Assessment Process and Individual Liquidity Adequacy Assessment Process and the regulatory feedback related to those submissions.
- (ii) Consider and recommend to the Board the Group/ BBPLC Group Resolution and Recovery Plan.
- (iii) Assess risk management matters raised by the Group's regulators and the actions being taken by management to respond.
- (iv) Consider and where necessary update and approve, on behalf of the Board, any policy statements required by law or regulation concerning the principal risks in the ERMF (with the exception of Reputation Risk which is a matter reserved to the Board).

5.7 Risk frameworks and governance

- (i) Review and recommend to the Board on an annual basis the design of the Group's ERMF, including evaluating the completeness of the Group's Principal Risk Categories and, if required, reviewing any supporting Key Risk Frameworks.
- (ii) Periodically review and approve the methodology used to establish the Group's Risk Appetite.
- (iii) Keep under review the effectiveness of the Company's risk management systems.
- (iv) On an annual basis, evaluate the appropriateness of the Group's risk measurement systems and models governance.*
- (v) Review and consider any relevant advice from the Board Audit Committee and any reports from Barclays Internal Audit containing findings relevant to the responsibilities of the Committee.
- (vi) Monitor the progress of significant risk management projects.
- (vii) Support Executive Management in embedding and maintaining throughout the Group a supportive culture in relation to the management of risk.*
- (viii) Review reports on any material breaches of the Group's overall Risk Appetite or risk limits and the adequacy of proposed remediation.

5.8 Strategic transaction risk

Take such steps as are appropriate to satisfy itself that the due diligence process followed for proposed strategic acquisitions or disposals (i) valued at over £500m or (ii) requiring Board approval pursuant to the Barclays Discretion Limits, is thorough. The Committee will review, with the support of external advisors where appropriate and available, the key conclusions of the due diligence process, including the impact of the transaction on the Group's risk profile and overall Risk Appetite, reporting its conclusions to the Board. Due diligence on strategic acquisitions or disposals valued at £150m - £500m may be reviewed by the Committee at the discretion of the Chair of the Committee, and if so reviewed the Committee will report its conclusions to the Board.

5.9 Remuneration

Review annually performance against risk metrics, including of conduct matters, and provide input to the Board Remuneration Committee to assist it in its deliberations on appropriate quantitative and qualitative risk metrics and risk adjustments to be made to incentive packages.

5.10 Risk reporting

Review and endorse statements in relation to (i) the principal risks in the ERMF (with the exception of Reputation Risk which is a matter reserved to the Board), and (ii) the effectiveness of the Company's risk management systems, made in Barclays' strategic report, annual report, and Pillar 3 reporting.

5.11 Minutes and reports

- (i) The Committee may ask to receive the minutes of any management committee with oversight of the Group's Principal Risks and may also request the minutes of any committee with oversight of any other matters relevant to its purpose.
- (ii) The Committee will receive relevant reports that are provided to the Company's Board and Board committees, including the PRA's and FCA's letters to the Board on their annual risk assessment of Barclays and the associated management response.*
- (iii) The Committee will determine the nature, the amount, the format, and the frequency of the information on risk which it is to receive.

6 Compliance and Risk Officers

6.1 Chief Risk Officer and Group Risk Function

- (i) The Committee, on the recommendation of the Group Chief Executive Officer (and, in the case of the BBPLC Chief Risk Officer, on the recommendation of the BPLC Group Chief Risk Officer) will make recommendations to the Board on the appointment and removal of the Chief Risk Officer. The Chief Risk Officer shall additionally be approved by the Board Nominations Committee. The Chair of the Committee will be consulted in respect of the Group Chief Risk Officer's performance appraisal and compensation.*
- (ii) The Committee will satisfy itself that the Risk function is adequately resourced and has appropriate access to information so as to be able to perform its function effectively. In particular, in the case of the BPLC Committee*, the Credit Risk Review Group will have direct and unfettered access to the Committee as required.
- (iii) The Group Chief Risk Officer shall elevate issues to the Group Chief Executive Officer. However, the Group Chief Risk Officer will also meet regularly with the Chair of the Committee and shall also have the right and responsibility to elevate issues to the Committee through the Chair of the Committee or by way of a private session in respect of matters set out in these Terms of Reference where he or she considers it necessary in the furtherance of his/her responsibilities.*
- (iv) The BBPLC Chief Risk Officer shall elevate issues to the Group Chief Risk Officer and BBPLC President. However, the BBPLC Chief Risk Officer shall have the right and responsibility to elevate issues to the Committee through the Chair of the Committee or by way of a private session in respect of matters set out in these Terms of Reference where he or she considers it necessary in the furtherance of his/her responsibilities. †

6.2 Chief Compliance Officer and Group Compliance Function

- (i) The Board Nominations Committee:
 - a. on the recommendation of the Group Chief Executive Officer and the Group Chief Risk Officer, will make recommendations to the Board on the appointment and removal of the Group Chief Compliance Officer. The Chair of the Committee will be consulted in respect of the Group Chief Compliance Officer's performance appraisal and compensation;* and
 - b. on the recommendation of the BBPLC Chief Executive Officer and the Group Chief Compliance Officer, will make recommendations to the Board on the appointment and removal of the BBPLC Chief Compliance Officer.†

- (ii) The Committee will safeguard the independence of, and oversee the performance of, the Group's Compliance function. The Committee will satisfy itself that the Compliance function is adequately resourced, has appropriate access to information so as to be able to perform its function effectively.
- (iii) The Group Chief Compliance Officer shall elevate issues to the Group Chief Risk Officer. However, the Group Chief Compliance Officer will also meet regularly with the Chair of the Committee and will have the right and responsibility to elevate issues to the Committee through the Chair of the Committee or by way of private session in respect of matters set out in these Terms of Reference, where he or she considers it necessary in the furtherance of his or her responsibilities.*
- (iv) The BBPLC Chief Compliance Officer shall elevate issues to the Group Chief Compliance Officer and the BBPLC President. However, the Group Chief Compliance Officer will have the right and responsibility to elevate issues to the Committee through the Chair of the Committee or by way of private session in respect of matters set out in these Terms of Reference, where he or she considers it necessary in the furtherance of his or her responsibilities. †

7 Reporting and Disclosure

- 7.1 The Chair of the Committee shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 7.2 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*.
- 7.3 The Committee shall work and liaise as necessary with all other Committees of the Board.
- 7.4 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.*

8 Governance and Resources

The Committee shall:

- 8.1 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;
- 8.2 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;
- 8.3 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;
- 8.4 have access to sufficient resources in order to carry out its duties, including access to the Group Chief Risk Officer, who shall have independent access to the Chair of the Committee, and to the services of Barclays Corporate Secretariat on Committee matters; and
- 8.5 have the power to engage independent counsel and other professional advisers at the expense of the Group and to invite them to attend meetings.

9 Terms of Reference

The Committee shall:

- 9.1 report to the Board on how its responsibilities identified in these Terms of Reference have been discharged; and

9.2 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 and the Board Audit 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 or the Board Audit Committee will be deemed by the Board to have been fulfilled provided it is dealt with by either of the Committee or the Board Audit Committee.

Barclays Corporate Secretariat
25 September 2019