

# 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 12 December 2024.

#### 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'), 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 for its approval (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\*.

In providing oversight of the responsibilities in these terms of reference, the Committee will have regard to the interests of Barclays' stakeholders and, in respect of customers and clients, shall (where appropriate) consider whether the Company and the Group as a whole are delivering good customer outcomes.

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(s) 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, (i) the establishment of sub-committees to analyse particular issues or themes and to report back to the Committee; and (ii) to the Chair of 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 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 PLC 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 they were 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. The Chair of the Board Audit Committee shall be a member of the 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 they were 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 Nominations Committee, be extended by a further two additional periods of three years, subject to the Director still meeting the criteria for membership of the Committee. Any extension beyond nine years shall be at the discretion of the Board Nominations Committee.

### 3.4 Secretary

- (i) The Secretary of the Company or their nominee shall act as Secretary to the Committee and attend all meetings.
- (ii) The Secretary to the Committee shall ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues; and 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) Any of the Chair of the Committee, the Chair of the Board or the Chief Executive Officer of the relevant Company may 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 they were 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 Interactions with Board Committees and Board escalations

- (i) 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 more 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.
- (ii) The Committee's oversight responsibilities with regard to Operational Risk cover the financial, capital and risk management implications of Operational Risk. The Board Audit Committee has oversight of the internal control aspects of Operational Risk.
- (iii) The Board Remuneration Committee has oversight of the remuneration aspects of conduct matters.
- (iv) The Board Sustainability Committee has responsibility for considering and approving changes to the Group's Net Zero sector targets. The Committee may, at the discretion of the Chair, escalate target performance matters to the Board Sustainability Committee for its consideration.
- (v) The Committee may, at the discretion of the Chair, refer any matters with material and/or strategic risk considerations to the Board.
- (vi) The Chair or the Committee shall escalate any matter with Reputation Risk, which may have strategic implications, to the Board.

## 6 Responsibilities

The Committee will undertake the following tasks / functions:

### 6.1 Risk Profile

- (i) 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 respect to, inter alia:
  - (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 Self-Assessment (RCSA) (bottom-up) and Material Risk Theme (top-down) information;
  - (e) liquidity and capital targets;
  - (f) regulatory and internal capital and funding requirements;
  - (g) capital performance against plan, including capital trajectory;
  - (h) impairment or provisions' experience against budget;
  - (i) Key Performance Indicators for the Group's principal risks;
  - (j) the effectiveness of the Group's management of Reputation Risk;
  - (k) the impact of Climate Risk on Financial and Operational Risks arising from climate change through physical risks or transition risks associated with transitioning to a lower carbon economy;
  - (l) progress against Net Zero sector targets; and
  - (m) specific modelling processes.
- (ii) 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 and/or constraints on its risk profile or Risk Appetite. On a periodic basis, review relevant management information on new product approval activity.

- (iii) 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, including strategic risk issues.

## 6.2 Risk Appetite

- (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 and any emerging risks which the Group may be willing to take when determining strategy. This should include considering and recommending to the Board for approval proposals in respect of the Group's overall Risk Appetite 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) Review and approve parameters determining Group Risk appetite allocation to BBPLC and BBUKPLC, and any other material subsidiaries specifically listed in any Group Risk function proposal in respect of such proposed parameters.\*
- (iii) 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.\*
- (iv) Receive and approve annually the Group's A Level 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) Consider and adopt on at least an annual basis, BBPLC Group A level risk limits.†
- (vi) 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.\*
- (vii) Receive notification of any breaches of the Group's overall Risk Appetite and A level risk limits in relation to the principal risks in the ERMF, and the proposed course of remediation.\*

## 6.3 Stress Testing

- (i) Consider the Group's capital and liquidity stress test scenarios and assumptions, and consider and approve the results of different stress and reverse stress tests, 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 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.
- (ii) Consider and approve internal stress test themes (and consider the financial and non-financial constraints and scenarios) for stress testing Risk Appetite for the Medium Term Plan.

## 6.4 Regulatory

- (i) Consider and approve on behalf of the Board the Group's capital and liquidity adequacy assessments and the methodologies and results of the reverse stress testing for submission of the ICAAP and ILAAP and the regulatory feedback related to those submissions. Additionally, if in the opinion of any of the Chair of the Committee, the Group Chief Risk Officer and/or the Group Finance Director there has been a material change to the risk profile of the Group and/or a material subsidiary, consider and approve a refresh of relevant ICAAP and/or ILAAP constituent elements as appropriate.

- (ii) Consider and recommend to the Board for its approval the Group/BBPLC Group Resolution and Recovery Plan and the Group Resolvability Self-Assessment.
- (iii) Consider and recommend to the Board for its approval on an annual basis the Group Operational Resilience Self-Assessment, and any other material changes thereto as necessary.\*
- (iv) Assess risk management matters raised by the Group's regulators and the actions being taken by management to respond.
- (v) 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.
- (vi) Oversee compliance with the Group's prudential regulatory requirements, including risk-weighted asset and capital impact, and review material items with high interpretative risk.\*

## 6.5 Risk frameworks and governance

- (i) Review and recommend to the Board for its approval on an annual basis the design of the Group's ERMF, including evaluating the completeness of the Group's principal risk categories and, if requested by the Group Chief Risk Officer, reviewing any supporting principal risk (Level 2) frameworks.\*
- (ii) Periodically review and approve the methodology used to establish the Group's Risk Appetite and associated stress testing.
- (iii) Keep under review the effectiveness of the Company's risk management systems.
- (iv) Keep under review the effectiveness of the processes and policies by which the Company identifies and manages Compliance Risk including annually reviewing the effectiveness of the Compliance Risk Framework, and with respect to BBPLC only, agreeing Compliance Risk metrics and overseeing compliance with Group Compliance Risk policies.
- (v) On an annual basis, evaluate the appropriateness of the Group's risk measurement systems and models governance.\*
- (vi) 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 including any matter relevant to the effectiveness of the control framework.
- (vii) Monitor the progress of significant risk management projects.
- (viii) Support Executive Management in embedding and maintaining throughout the Group a supportive culture in relation to the management of risk.\*
- (ix) Approve and monitor the Group's approach to New and Amended Product Approvals ('NAPA'), including the NAPA governance framework for high /exceptional risk NAPA and NAPA top-down tolerances.\*
- (x) Approve any high / exceptional risk NAPA requests relating to the BBPLC Group upon their escalation by the NAPA Senior Oversight Committee.†

## 6.6 Strategic transaction risk

Take such steps as are appropriate to satisfy itself that the due diligence process followed for proposed significant and strategic acquisitions or disposals ('transactions') is thorough. The Chair of the Board, in consultation with the Chair of the Committee and the Group Chief Executive Officer shall determine which transactions shall be the subject of a review by the Committee in line with the provisions of this paragraph. 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, tolerance and strategy of the Group, reporting its conclusions to the Board.

## 6.7 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.

## 6.8 Risk reporting

In respect of external reporting (including statutory disclosures in the BPLC and BBPLC annual reports and Basel Pillar 3 reports), upon escalation or where otherwise requested by either the Disclosure Committee or the Board Audit Committee, the Committee shall review or endorse statements in relation to (i) the principal risks in the ERMF, and (ii) the effectiveness of the Company's risk management systems.

## 6.9 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.

# 7 Compliance and Risk Officers

## 7.1 Chief Risk Officer and Group Risk Function

- (i) The appointment or removal of the Group Chief Risk Officer shall be made on the recommendation of the Group Chief Executive Officer in consultation with the Chair of the Committee and is subject to the approval of the BPLC Board.\*
- (ii) The appointment or removal of the BBPLC Chief Risk Officer shall be made on the recommendation of the BBPLC Chief Executive Officer and the Group Chief Risk Officer in consultation with the Chair of the Committee and is subject to the approval of the BBPLC Board.†
- (iii) The Chair of the Committee will be consulted in respect of the Group Chief Risk Officer's performance appraisal and compensation.\*
- (iv) The Committee will safeguard the independence of, and oversee the performance of, the Group's Risk function. 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.
- (v) 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 they consider it necessary in the furtherance of his/her responsibilities.\*
- (vi) 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 they consider it necessary in the furtherance of his/her responsibilities.†

## 7.2 Chief Compliance Officer and Group Compliance Function

- (i) The appointment or removal of the Group Chief Compliance Officer shall be made on the recommendation of the Group Chief Executive Officer in consultation with the Chair of the Committee and is subject to the approval of the BPLC Board.\*
- (ii) The appointment or removal of the BBPLC Chief Compliance Officer shall be made on the recommendation of the BBPLC Chief Executive Officer and the Group Chief Compliance Officer in consultation with the Chair of the Committee and is subject to the approval of the BBPLC Board.†
- (iii) The Chair of the Committee will be consulted in respect of the Group Chief Compliance Officer's performance appraisal and compensation;\*
- (iv) 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.
- (v) The Group Chief Compliance Officer shall elevate issues to the Group Chief Executive 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 they consider it necessary in the furtherance of their responsibilities.\*
- (vi) The BBPLC Chief Compliance Officer shall elevate issues to the Group Chief Compliance Officer and the BBPLC President. However, the BBPLC 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 they consider it necessary in the furtherance of their responsibilities.†
- (vii) The Committee will 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.
- (viii) The Committee will review and approve the BBPLC Annual Compliance Assurance Plan.†

## 8 Reporting and Disclosure

- 8.1 The Chair of the Committee shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 8.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any areas within its remit where action or improvement is needed.
- 8.3 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.\*
- 8.4 The Committee shall work and liaise as necessary with all other Committees of the Board.
- 8.5 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.\*

## 9 Governance and Resources

The Committee shall:

- 9.1 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;



- 9.2 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;
- 9.3 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;
- 9.4 have access to sufficient resources in order to carry out its duties, including access to the Group Chief Risk Officer and 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
- 9.5 have the power to engage independent counsel and other professional advisers at the expense of the Group and to invite them to attend meetings.

## 10 Terms of Reference

The Committee shall:

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

**Barclays Corporate Secretariat  
12 December 2024**