

BARCLAYS CONVERTED INVESTMENTS (NO.2) LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Section 172(1) statement

The Directors have acted in a way that they considered, in good faith, to be most likely to promote the success of the Company for the benefit of its sole member and this section forms our Section 172 disclosure, describing how, in doing so, the Directors considered the matters set out in section 172(1)(a) to (f) of the Companies Act 2006. The Directors also took into account the views and interests of a wider set of stakeholders, including regulators.

The Directors have acted in a way that they considered, in good faith, to be most likely to promote the success of the Company for the benefit of its member as a whole, and in doing so had regard, amongst other matters, to:

- the likely consequences of any decision in the long term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company's maintaining a reputation for high standards of business conduct; and
- to act fairly between members of the Company.

You can find out more about who the Barclays Group's stakeholders are, how management and/or the Directors engaged with them, the key issues raised and actions taken on pages 18 to 19 of the Barclays PLC annual report 2020 which is incorporated by reference into this statement.

Considering this broad range of interests is an important part of the way the Board makes decisions; however, in balancing those different perspectives it won't always be possible to deliver everyone's desired outcome.

How does the board engage with stakeholders?

Depending on the decision in question, the relevance of each particular stakeholder group may differ and equally the Board adopts a variety of methods of engagement with different stakeholder groups. The Board will sometimes engage directly with certain stakeholders on certain issues, but the size and distribution of our stakeholders and of the Company means that stakeholder engagement often takes place at an operational level.

In addition, to ensure a more efficient and effective approach, certain stakeholder engagement is led at Barclays Group level, in particular where matters are of group-wide significance or have the potential to impact the reputation of the Barclays Group.

The Board considers and discusses information from across the organisation to help it understand the impact of the Company's operations, and the interests and views of our key stakeholders. It also reviews strategy, financial and operational performance, as well as information covering areas such as key risks, and legal and regulatory compliance. This information is provided to the Board through reports sent in advance of each Board meeting, and through in-person presentations.

As a result of these activities, the Board has an overview of engagement with stakeholders, and other relevant factors, which enables the Directors to comply with their legal duty under section 172 of the Companies Act 2006.

The following is an example of how the Directors have had regard to the matters set out in sections 172 (1)(a)-(f) when discharging their section 172 duties and the effect of that on certain of the decisions taken by them.

BARCLAYS CONVERTED INVESTMENTS (NO.2) LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Engagement in action

COVID-19

Throughout almost the entirety of 2020, as the pandemic unfurled, the primary focus of the Company and the Board has been on (i) maintaining service levels with strategic partners, leading to limited interruption to clients; (ii) the operational and financial resilience of the Company to ensure that it has been able to maximise, indirectly, the Group's support for the economy and society during a time of such challenge; (iii) the health and wellbeing of Barclays Group colleagues; and (iv) the continued satisfactory control environment including reviewing the processes to monitor and mitigate risk.

This report was approved by the Board on 24 September 2021 and signed on its behalf:

DocuSigned by:
David Mudie
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D R Mudie
Director
Date: 29 September 2021
Registered number: 05535473