BARCLAYS PLC

BOARD CORPORATE GOVERNANCE AND NOMINATIONS COMMITTEE

TERMS OF REFERENCE

Approved by the Board on 24 July 2014

A. SCOPE

1. Role

1.1 The role of the Board Corporate Governance and Nominations Committee (the Committee) is to support and advise the Board in ensuring it is comprised of individuals who are best able to discharge the duties and responsibilities of Directors and that the Company has the appropriate corporate governance standards and practices in place.

1.2 The Committee shall focus primarily on the composition, appointments, succession and effectiveness of the Board, but shall also oversee the adoption of appropriate internal policies on the assessment of the suitability of members of the Group Executive Committee and Committee and individuals performing significant influence functions (SIFs).

1.3 The Committee shall also keep the Board’s governance arrangements under review and make appropriate recommendation 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 Directors of Barclays PLC (the Board), from which it derives its authority and to which it regularly reports.

2.2 The Committee has delegated authority of the Board in respect of the functions and powers in these Terms of Reference. 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.

2.3 The Committee is concerned with the business of the entire Group and its authority extends to all matters relating to its responsibilities below for Barclays PLC, Barclays Bank PLC and their subsidiaries.

2.4 The Committee has authority to investigate any matters within its responsibilities and to obtain such information as it may require from any Director, officer or employee of the Group.

2.5 The Committee, and each member with the Chairman’s consent, may retain and engage independent counsel and other professional advisers at the expense of the Group, and/or invite them to attend meetings.

B. MEETINGS

1. Membership

1.1 Membership will comprise the Chairman of the Board, the Senior Independent Director and up to three other non-executive Board Directors, preferably drawn from the Chairmen of the principal Board Committees, to be nominated by the Board from time to time for a minimum term of three years.
1.2 All other Directors shall be entitled to attend meetings of the Committee, subject to the agreement of
the chairman of the Committee (the Chairman).

2. **Quorum**

2.1 The quorum necessary for the transaction of business shall be the Chairman of the Board or the
Senior Independent Director and at least two independent non-executive Directors.

2.2 In the absence of a quorum, independent non-executive Directors who are not members of the
Committee may be co-opted as members for individual meetings. The Chairman does not have a
casting vote.

3. **Frequency of Meetings**

3.1 The Committee will meet at least twice a year. Executive and Board succession will be reviewed at
one of these meetings. Ad hoc meetings may be held as required.

3.2 The Chairman may convene a meeting of the Committee at any time on reasonable notice to
consider any matter falling within these Terms of Reference.

4. **Chairman**

4.1 The Chairman of the Board will chair the Committee, except when it meets to discuss the Chairman
of the Board’s succession or performance. In any such case or in the Chairman of the Board’s
absence, the Senior Independent Director will chair meetings of the Committee.

5. **Secretary**

5.1 The Group Secretary and/or the Deputy Group Secretary and/or an Assistant Secretary shall attend
all meetings act as the Secretary of the Committee.

6. **Support**

6.1 The Committee will be supported by the Group Secretary, who may at any time consult the Chairman
independently.

7. **Minutes**

7.1 The minutes of each meeting will be circulated to all Directors and attendees as appropriate, taking
into account any conflicts of interest which may exist.

7.2 Reports will be made to the Board following each meeting of the Committee by the Chairman of that
meeting of the Committee.

8. **Attendees**

8.1 The Chief Executive and any other executive Board Director may attend meetings, withdrawing if
required to do so by the Chairman. Others may attend from time to time at the invitation of the
Chairman.
C. RESPONSIBILITIES OF THE COMMITTEE

In carrying out their responsibilities Committee members must act in accordance with the statement of Directors’ Duties set out in ss. 171-177 of the Companies Act 2006.

1. Composition of the Board

1.1 The Committee shall meet at least once in each year to:

   i) assess the skills, experience, independence, knowledge and diversity of the Board required to competently discharge the Board’s duties, having regard to the agreed strategic direction of the Group, its commercial environment and the markets in which it operates and the nature, scale and complexity of the business;

   ii) consider and make recommendations to the Board on the appropriate structure, size and composition of the Board and of its Committees in consultation with the Committee Chairmen, taking into account the results of the Board performance evaluation process; and

   iii) assess whether changes made to Board composition have achieved the desired outcome.

1.2 Factors for consideration will include, but not be limited to:

   i) total number of Directors taking into account the optimum size range of the Board as determined by the Committee from time to time;

   ii) balance of the number of executive and non-executive Directors;

   iii) balance of the number of independent non-executive Directors;

   viii) ensuring an adequate collective knowledge and experience required relevant to the activities of the Company

   iv) length of service and likely retirement dates of existing Directors;

   v) diversity, including the skill mix, regional and industry experience, background and gender of Directors; responsibilities of specific Directors;

   vi) scope and mix of outside experience brought to the Board; and

   vii) the expected time commitment required of non-executive Directors and each key Board position.

1.3 In making recommendations on the composition of Board Committees, the Committee shall give consideration to:

   i) the benefits of cross membership on Board Committees; and

   ii) the benefits of progressive refreshing of the Board Committees to promote fresh perspectives.

1.4 The Committee will also regularly review progress against any measurable objectives that the Board has set in respect of Board diversity.

2. New appointments

2.1 The Committee shall be responsible to the Board for leading the process for Board appointments and for identifying and nominating candidates for approval by the Board for appointment as Directors of the Company.
2.2 At the request of the Chairman or of the Board, the Committee will evaluate the balance of skills, experience, independence, knowledge and diversity, on the Board and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment.

2.3 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) of Barclays PLC and Barclays Bank PLC. In identifying suitable candidates the Committee shall:

i) use such method or methods to facilitate the search as it may deem appropriate including the use of open advertising or the services of external advisers to facilitate the search and consideration of candidates from a wide range of backgrounds;

ii) consider candidates on merit against objective criteria, which will include reputation, experience and the ability of the candidates to perform their duties independently without undue influence from other persons;

iii) have due regard for the benefits of diversity on the Board, including gender;

iv) consider whether candidates have sufficient time available to devote to the position; and

v) require the proposed candidate to disclose any other business interest that may result in a conflict of interest and require him or her to report any future business interests that could result in a conflict of interests.

2.4 On appointment, non-executive Directors will receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside Board meetings. The Group Secretary, in consultation with the Chairman of the Board or the relevant Committee Chairman, will review and approve orientation and induction plans.

2.5 The Committee shall report on whether there is a satisfactory induction for new Directors with respect to their Board and Board committee responsibilities and ensure that an appropriate on-going training programme is in place for existing Directors and Board committee members, in line with market practice.

3. Succession planning

3.1 The Committee will review and make recommendations to the Board, at regular intervals, and at least once a year, for Board succession over the longer term in order to maintain an appropriate balance of skills, experience, independence, and knowledge and diversity to ensure progressive refreshing of the Board. Particular attention shall be paid to succession in respect of the Chief Executive, the Group Chairman and other key Board positions e.g., Senior Independent Director.

3.2 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.

3.3 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 pipeline of talent.

4. Training

4.1 The Committee, via the Group Secretary, shall make available to new Members of the Committee a suitable induction process and, for existing Members, on-going training where appropriate and as discussed with the Committee.
5. **Board Effectiveness**

5.1 The Committee shall:

i) consider and set the criteria for the objective and rigorous performance review of each non-executive Director, the Board and each committee of the Board (including the Committee);

ii) conduct an annual performance evaluation of the effectiveness of the Board, and each committee of the Board, 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 out of the annual Board effectiveness review and the annual performance evaluations of the Group Chairman and Chief Executive, by the Senior Independent Director and Group Chairman respectively, are reported to the Board;

iv) agree an action plan addressing the results of the Board effectiveness review and periodically review progress against the plan; and

v) consider the effectiveness of each Board evaluation carried out.

6. **Serving Directors**

6.1 The Committee will review annually the time commitment required of non-executive Directors. Performance evaluation should be used to assess whether non-executive Directors are committing enough time to fulfil their duties.

6.2 The Committee will make recommendations to the Board concerning:

i) the election and annual re-election by shareholders of Directors in accordance with the UK Corporate Governance Code, in particular determining that there is no conflict of interest between the long term interests of Barclays and the short term uncertainty of voting;

ii) the independence of non-executive Directors and the individual’s ability to perform his or her duties independently without undue influence from other persons, the number of responsibilities and consequent call on the time of the individual concerned and his or her ability to continue to contribute to the Board in the light of skills, experience, independence, knowledge and diversity required;

iii) renewal of terms of office of non-executive Directors after six years, based on a review of the Director’s performance; and

iv) any matters relating to the continuation in office of any Director at any time.

6.3 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.

7. **Assessments of suitability of members of the Board, the Executive Committee and individuals performing significant influence functions (SIFs)**

7.1 The Committee shall be responsible for adopting appropriate internal policies on the assessment of the suitability of members of the Board, the Executive Committee and SIFs.

7.2 The Committee should ensure that the policies, which should include assessments of fitness and propriety, provide for

i) assessments to be undertaken prior to the individual taking up his or her position;

ii) re-assessment whenever necessary to verify the individual’s on-going suitability;
iii) prevention of the appointment of any individual assessed as being unsuitable; and

iv) taking appropriate measure to rectify the situation and inform the competent authority where a re-assessment concludes that the individual is no longer suitable.

8. Corporate governance

8.1 The Committee shall:

i) review and approve changes to the Board’s Corporate Governance guidelines, including role profiles, monitor the Group’s compliance with such guidelines and with applicable legal, regulatory and listing requirements and recommend to the Board such changes or additional action as it deems necessary;

ii) review and approve changes to the Board Diversity Policy;

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.

9. Conflicts of Interest

9.1 The Committee:

i) may consider and authorise, subject to ratification at the next Board meeting, a situation in which a Director has, or could have, a direct or indirect interest that conflicts, or possibly may conflict with the interests of the Company providing that the situation cannot reasonably be regarded as likely to give rise to a conflict of interest at the time that authorisation is sought;

ii) 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/her obligations to the Company; and

iii) will conduct an annual review of the Conflicts Register and review any disclosure relating to conflicts of interest to be made public.

10. Committee self-assessment

10.1 The Committee will conduct an annual self-assessment of the performance of the Committee and report conclusions and recommendations for change to the Board.

11. Disclosure

11.1 The Committee shall make a statement in the Annual Report of its membership and a description of its duties and activities including:

i) the process it has used in relation to Board appointments and explain if external advice or open advertising has not been used; and
ii) a description of the Board’s policy on diversity, any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives;

11.2 The Chairman of the Committee, or a deputy chosen from its membership, shall be available at the Annual General Meeting of the Company to answer questions which relate to the work of the Committee.

12. Information to be considered

12.1 In carrying out its duties, the Committee will consider the following information:

   i) the UK Companies Act 2006, including the Statement of Directors’ Duties and Conflicts’ Register;

   ii) the requirements of the listing rules of the UK Listing Authority;

   iii) the requirements of the UK Corporate Governance Code;

   iv) the requirements of the US Sarbanes-Oxley Act 2002;

   v) the standards imposed on themselves by companies of a similar size and of a similar business to the Group;

   vi) any other legislation or external published corporate governance standards in any country in which the shares of Barclays PLC are listed on a recognised stock exchange;

   vii) the standards published by any association or other body of institutional shareholders; and

   viii) strategic issues and commercial changes affecting the Group and the markets in which it operates,

   in each case, as amended or updated from time to time.

D. AMENDMENTS TO TERMS OF REFERENCE

The Committee shall review its Terms of Reference on an annual basis to ensure that it is operating with maximum effectiveness and may recommend any changes it considers necessary to the Boards for approval.

Barclays Corporate Secretariat
July 2014