

Best Execution Policy: Client Summary

Introduction

This document sets out the Execution Policy for the European and UK operations of the Investment Bank of Barclays Bank PLC, Barclays Capital Securities Limited and Barclays Bank Ireland PLC (together Barclays, we, our or us) and our approach to providing Best Execution as required by the European Union Markets in Financial Instruments Directive 2014/65/EU ('MiFID') and the rules of the Financial Conduct Authority ('FCA') and the Central Bank of Ireland ('CBI') (the 'Policy').

Best Execution is the requirement to take all sufficient steps to obtain the best possible result for our clients on a consistent basis, taking into account price, cost, speed, likelihood of execution and settlement, size, nature or any other execution consideration, when executing transactions on your behalf. The information below sets out general information with respect to our approach to Best Execution and how we assess whether a transaction is in scope. It is supplemented by appendices with detailed information with respect to the following business areas: Equities, ADS, Macro (FX, Rates), Credit, Securities Financing Transactions, Agency Lending, Banking and Commodities.

Please note that by conducting business with us following receipt of this document, you will be deemed to have consented to the Policy.

1. Scope

The Policy applies only to clients classified by Barclays as Retail or Professional Clients, and to certain types of transactions in 'financial instruments'. Financial instruments is a defined term under MiFID and the rules of the FCA and includes, but is not limited to, shares, bonds, ETFs, derivatives (excluding certain categories of commodity derivatives) and units in collective investment schemes. It does not include, for example, FX spot, deposits, loans and physical commodities¹ ('Financial Instruments').

The Policy does not apply to business conducted with clients who we have categorised as Eligible Counterparties; accordingly, we will not owe Best Execution for transactions entered into with Eligible Counterparties.

For the avoidance of doubt, nothing in the Policy shall result in Barclays owing you any fiduciary responsibilities.

2. How we determine whether Best Execution is owed

2.1 Executing transactions on behalf of clients

Barclays owes a duty of Best Execution when it 'executes transactions on your behalf'. Barclays will be executing transactions on your behalf where you legitimately rely on us to protect your interests in relation to the pricing and other elements of the transaction (such as speed and/or likelihood of execution) that may be affected by the choices we make. This may occur either where we execute a transaction directly or where we place a transaction with (or transmit it to) brokers or other third parties.

2.2 Determining legitimate reliance

We will apply the following criteria to determine whether you are legitimately relying on us in relation to any transaction.

2.2.1 Retail Clients

If we have classified you as a Retail Client, Barclays will assume that you will place legitimate reliance on us to protect your interests in relation to the pricing and other relevant elements of all transactions that we execute with or for you in Financial Instruments.

¹The full definition can be found at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32014L0065> and <https://www.handbook.fca.org.uk/handbook/glossary/G1519.html>

Best Execution Policy: Client Summary

2.2.2 Professional Clients

If we have classified you as a Professional Client, how we determine whether or not Best Execution applies will depend on the type of transaction you are seeking to execute with us:

- Where we execute a transaction in a Financial Instrument by dealing as agent, or in an intermediated market access/ riskless principal capacity and you have not given us specific instructions in relation to all relevant aspects of the execution of the transaction, we will assume that you will place legitimate reliance on us to protect your interests in relation to those elements of a transaction where we have discretion
- Where we are dealing with you in a principal capacity, for example, including, but not limited to, where we provide quotes to you, accept a discretionary order from you or negotiate a price with you, we will determine whether you are placing legitimate reliance on us in relation to a transaction by considering the factors outlined below.

In order to determine whether there is legitimate reliance, we will consider all relevant circumstances of the transaction, including the following non-exhaustive list of factors (referred to as the 'Four-Fold Test'):

i. Which party initiates the transaction?

Where we approach you about a transaction, this may be a consideration in determining whether you are more likely to be placing reliance on us. This does not include the provision of trade ideas or information about products which can be independently assessed by you;

ii. Questions of market practice and the existence of a convention to 'shop around'

Where there is a practice in a particular market that suggests that you would shop around for a quote then it is less likely that you will be placing reliance on us;

iii. The relative levels of price transparency within a market

If you have ready access to prices in a particular market then it is less likely that you will be placing reliance on us;

iv. The information provided by Barclays and any agreement reached.

Where any agreement we have with you is clear that we will not provide a service that includes executing on your behalf and there is no other reason to suggest that you are relying on us to protect your interests in relation to the pricing and other elements of the transaction, it is less likely that you will be placing reliance on us.

Following consideration of all relevant factors, including the Four-Fold Test, we will take a view as to whether they, when looked at together, indicate legitimate reliance. Where, following consideration of the above factors, we conclude that you are not legitimately relying on Barclays then Best Execution will not apply.

3. Delivery of Best Execution

Where we have determined that we owe you a duty of Best Execution in relation to a transaction we will, in accordance with the Policy, take all sufficient steps to obtain the best possible result for you in relation to that transaction.

In the absence of any specific instructions from you, we will take into account, if relevant, the following factors ('Execution Factors') when executing a transaction on your behalf:

- Price (excluding External Costs and Barclays' Fees and Charges (as defined below));
- Any 'External Costs' relevant to the execution (i.e. any external costs charged by third parties which are related to the execution of the transaction and which are directly passed on to you, such as, execution venue fees, clearing and settlement fees and any other fees paid to third parties);
- Speed of execution;
- Likelihood of execution and settlement;
- Size and nature of the order;
- Likely market impact;
- Nature of the market for the financial instrument; and
- Any other consideration deemed relevant to the execution of your transaction.

The applicability of, and importance attached to, each Execution Factor will vary according to the type of transaction that is being executed and the instructions that you give us. In determining the relative importance of these factors, we will use reasonable judgment together with our understanding of the appropriate execution criteria for the specific transaction. For example, when transacting a large order, minimising market impact might be more important than price or, when trading an illiquid product, certainty of execution might be more important than price.

Best Execution Policy: Client Summary

In determining whether or not we have provided Best Execution to you on a transaction we will not consider any fees or charges which are charged by Barclays for executing the transaction (e.g. commission, credit, funding, capital charges and mark up) ('Barclays' Fees and Charges'). Those fees and charges will not be considered to form part of the price for Best Execution purposes. Please refer to the Asset Specific Appendices for further details on what constitutes Barclays' Fees and Charges.

4. Execution Criteria

In determining the level of importance that we attach to the Execution Factors, we will take into account any specific instructions that you give us and the following criteria:

- Client (including your client categorisation as either a Retail Client or a Professional Client).
- The characteristics of the transaction that you have submitted to us including any specific instructions that you have given us.
- Relevant financial instrument (the instrument or instruments that you have asked us to deal in).
- Execution Venues (the options available to us to execute your order).

5. How we provide Best Execution

5.1 Retail Clients

Unless you have instructed us otherwise, if you are a Retail Client we will determine the best possible result for you in terms of the 'Total Consideration' of the transaction. Total Consideration represents the price the transaction is executed at and, if relevant, any External Costs but excludes Barclays' Fees and Charges. Unless instructed otherwise, we will only consider and prioritise the other Execution Factors where in doing so this would result in the best possible result for you in terms of the Total Consideration of the transaction.

5.2 Professional Clients

If you are a Professional Client, in general we would expect price to be the most significant factor in the execution of your transactions unless you have instructed us otherwise. However there may be circumstances where, depending on the nature of the transaction, other Execution Factors should be prioritised over price.

5.3 Specific instructions

Where we owe you a duty of Best Execution and you provide us with specific instructions in relation to the entire transaction, or any particular aspect of the transaction, which we accept, then we will execute the transaction in accordance with those instructions and in doing so we will have satisfied our Best Execution obligations with respect to the relevant aspects of the transaction. Where your instructions relate to only part of the transaction, the remaining element of the transaction not covered by your specific instructions will remain subject to Best Execution requirements.

Please note that if you provide us with specific instructions this may change the way in which we execute your transactions and may prevent us from taking the steps that we have designed and implemented in the Policy to obtain the best possible result for the execution of in scope transactions.

6. Execution Venues²

Where a transaction is subject to Best Execution, the selection of an execution venue will be relevant where the execution of the transaction is dependent on our ability to access liquidity (e.g. in the case of an order or where we execute transactions as agent, or in an intermediated market access/riskless principal capacity).

Where the selection of an execution venue is relevant, we will choose the execution venue (or venues) that we consider to be the most appropriate to meet our obligation to obtain the best possible results for our clients on a consistent basis and will take in to account Barclays in that assessment.

Barclays may execute the transaction internally if in doing so it is acting in the best interests of its clients. In such circumstances Barclays will be the execution venue. Following the execution of a transaction at an execution venue on behalf of a client, Barclays must inform the client where the order was executed.

² As defined by MiFID, an 'execution venue' is a regulated market, a Multilateral Trading Facility, Organised Trading Facility, a Systematic Internaliser or a market maker or other liquidity provider that performs a similar function in a third country to the functions performed by any of the foregoing.

Best Execution Policy: Client Summary

A list of the execution venues which Barclays considers enables it to obtain Best Execution on a consistent basis can be found in Appendix B. We will assess on a regular basis whether the execution venues set out in the list provide for the best possible results for our clients on a consistent basis. We may use other execution venues and add or remove any execution venue from this list where we determine it is appropriate to do so.

7. Use of Affiliates and Third Party Brokers

Where we owe you Best Execution on a transaction we may use affiliates and third party brokers to provide access to markets where we otherwise may not be able to execute or where we believe it to be in your best interests to do so e.g. to source liquidity. Where we owe Best Execution on a transaction and that transaction is passed to an affiliate or third party broker that has discretion over the execution of any aspect of such transaction (either in whole or in part), we will be relying on that affiliate or third party broker to execute the transaction in a way which enables us to meet our Best Execution obligation. We will carry out due diligence on such affiliate or third party to ensure that we are satisfied that they are enabling us to comply with our Best Execution obligations.

8. Monitoring and Review

We have a governance framework in place which includes a Best Execution Oversight Forum which is responsible for reviewing the business on an on-going basis to ensure that that our Best Execution obligations are complied with. We will monitor the effectiveness of the Policy and its implementation in order to identify and correct any deficiencies. At least annually we will review the Policy and notify you of any material changes.

If you wish to discuss the application of Best Execution to your transactions, please contact your usual Barclays contact.

9. Other

9.1 Execution of transactions outside of a RM, MTF, or OTF

In the event you request Barclays to execute a transaction in a financial instrument which is traded on a regulated market ('RM'), Multilateral Trading Facility ('MTF'), or Organized Trading Facility ('OTF') Barclays may execute those transactions outside of such venues if we have obtained express consent from the client to do so. It is important to note that there may be certain consequences of execution outside of a RM, MTF, or OTF, such as increased counterparty risk.

Please note that providing that consent does not impact whether or not we owe you Best Execution obligations and our obligation to execute any transaction where Best Execution applies in accordance with the Policy.

9.2 Aggregation of client orders

From time to time Barclays Investment Bank may aggregate a client order with an order or orders from other clients and/or with a transaction on its own account. Aggregation will only be performed if it is unlikely that the aggregation will work to the disadvantage of any of the clients whose order is aggregated but in certain circumstances the aggregation may work to a client's disadvantage in relation to a particular order.

Best Execution Policy: Client Summary

Appendix A

Asset Specific Appendices

1. Equities

Equities Products

The EMEA Equities business enters into cash equities, derivatives with an equity underlying (i.e. options, forwards, swaps) and convertible bonds.

The EMEA EFS Solutions business through which we offer structured notes and OTC derivatives sits within the EMEA Equities business. These products are primarily equity focused but they can be linked to multiple asset classes.

Clients

The EMEA Equities business only expects to deal with sophisticated Professional Clients and Eligible Counterparties. It does not generally deal directly with any Retail Clients. Any exceptions will be escalated and dealt with on a case by case basis.

Methods of Execution

The EMEA Equities business can transact with you either on an agency/riskless principal basis (e.g. where we are executing an order) or on a principal basis (e.g. where we execute derivative transactions, risk fills and client crosses). We can execute trades with you through a combination of the following methods:

- **High touch:** when you execute through our high touch desks.
- **Low touch:** when you choose to execute using our electronic infrastructure, either directing transactions through a Barclays algorithm or the Barclays Dynamic Router ('SOR').
- **Direct Electronic Access ('DEA')**: where you choose to have full control over your transactions and use Barclays infrastructure to facilitate the execution of those transactions. In this case Barclays has no discretion over any element of the order.

Determining the Applicability of Best Execution to Equities Transactions

In Scope

- When we execute orders for you on an agency or riskless principal basis other than via DEA and you have not given us any specific instructions, the transaction will always be treated as In Scope for Best Execution.
- When we execute equity derivative transactions with you where the hedge is executed after entering into the transaction and the price at which the hedge is executed affects the price or value of the derivative.
- When we execute transactions through our Quantitative Investment Strategies business and a market observable price may not be easily available.
- Where we determine that we are dealing with a less sophisticated client which we only expect to occur on an exceptional basis in relation to certain corporate derivative clients. In this case we will assess the delivery of Best Execution on a case by case basis.

Out of Scope

- If we have classified you as an Eligible Counterparty then our Best Execution obligations will not apply to your trades unless we have agreed otherwise.
- Where we offer you pure DEA, Barclays will not have discretion over how to execute the transaction and therefore you will not be relying on us for the purposes of Best Execution. We will still be required to ensure compliance with our order handling obligations and ensure that we execute the transaction in accordance with your instructions.
- In relation to all other equity transactions, we do not expect our clients to be legitimately relying on us and therefore expect them to be Out of Scope for Best Execution for the following reasons:
 - Our clients are sophisticated.
 - There is a great deal of price transparency.
 - Our clients generally have the ability to shop around and even where a client does not shop around on a transaction, the sophistication of clients, their pricing knowledge and the amount of market data available means that they are not reliant on Barclays.

Any exceptions will be escalated and dealt with on a case by case basis.

Best Execution Policy: Client Summary

Delivery of Best Execution

We have adopted the following approach in order to provide consistent delivery of Best Execution on In Scope transactions which we execute either as agent/riskless principal or as the hedge to an equity derivative transaction:

- We take each type of In Scope transaction and document what client intentions/instructions are reflected in a request to execute that type of transaction and identify the relevant Execution Factors.
- We identify the types of liquidity sources that should be utilised to execute each type of In Scope transaction based on client intentions/Execution Factors.
- We identify appropriate benchmarks for each type of In Scope transaction which are then utilised in the monitoring process. The execution venues we access are subject to regular review at the periodic Equities Best Execution Forum meetings where market structure related developments are considered and all available European venues assessed to ensure that the accessible venues remain appropriate.
- Any commissions or fees which you pay to us are excluded for the purposes of considering whether or not we have complied with our Best Execution obligations as these are disclosed to you separately.

Examples of how this is applied in relation to different types of transactions are set out below.

Example of In Scope transaction and Client Intention	Predominant Execution Factors	Liquidity	Benchmark monitoring
Period Benchmark (High Touch) Client requests Barclays work a large in size order over a specified period (interval or day). Client is looking to source liquidity off exchange either due to shortage of liquidity or concerns around market impact and information leakage	Price, Size, Impact	Facilitation and Dynamic Router	OTC trades monitored against period benchmark (Average Price vs. Interval VWAP Price). On Exchange trades – monitored against % Target Price or better, Fill Rates, Hit Rates
Volume-Weighted Average Price (VWAP) (Algorithm) By choosing the algorithm the client is indicating an instruction to minimise slippage relative to the market volume-weighted average price (VWAP) over a client-specified time horizon to trade proportionately with expected market volume over the time horizon	Price, Size, Impact	Routed via Dynamic Router	Monitored against period benchmark (Average Price vs. Interval VWAP Price)
Immediate or Cancel (Smart Order Router) The client is instructing Barclays to use the Dynamic Router to take displayed liquidity from the venue it has access to	Price, Speed	Routed via Dynamic Router	Monitored against % Target Price or better, Fill Rates, Hit Rates

- A detailed explanation of how our smart order router (the 'Dynamic Router'), algorithms and dark pool, LX Europe, execute transactions in EMEA Equities is contained in Barclays Equities Electronic Order Handling (EMEA) FAQs: investmentbank.barclays.com/markets/equities-liquid-markets.html#order
- We may also route In Scope Transactions to third party brokers or our affiliates and in those circumstances we carry out due diligence on the affiliate or third party to ensure that we are satisfied that they are enabling us to comply with our Best Execution obligations
- Details about how our affiliates in the US and Asia Pacific will handle any orders that are passed to them are contained in Barclays US and Asia Pacific FAQs which can be found by following the link above.

Delivery of Best Execution differs for the Quantitative Investment Strategies business where a market observable price may not be easily available. In those circumstances, Barclays considers price to be the only relevant execution factor and Barclays has put in place a dealer poll procedure to govern the process of gathering quotes from counterparties to ensure Best Execution. For the avoidance of doubt Barclays does not provide Best Execution on any element of the pricing which reflects Barclays Fees and Charges.

Best Execution Policy: Client Summary

2. Agency Derivatives Services ('ADS')

ADS Products

The ADS Futures business facilitates transactions in equity and fixed income, commodity and currency futures and options.

Clients

The ADS business only expects to deal with sophisticated Professional Clients and Eligible Counterparties. It does not generally deal with any Retail Clients. Any exceptions will be escalated and dealt with on a case by case basis.

Methods of Execution

The ADS business can transact with you either on an agency or riskless principal basis (e.g. where we are executing an order).

We can execute trades with you through a combination of the following methods:

- **High touch:** when you execute through our high touch desks.
- **Low touch:** when you choose to execute using our electronic infrastructure, such as directing transactions through a Barclays algorithm.
- **Direct Electronic Access (DEA):** where you choose to have full control over your transactions with Barclays IB infrastructure simply facilitating the execution of those transactions. In this case Barclays has no discretion over any element of the order.

Determining the Applicability of Best Execution to ADS Transactions

In Scope

- When we execute transactions for you on an agency or riskless principal basis other than via DEA and you have not given us any specific instructions then the transaction will always be treated as In Scope for Best Execution. This includes situations where you select a Barclays IB algorithm to execute trades on a riskless principal basis.

Out of Scope

- Where we offer you pure DEA, Barclays will not have discretion over how to execute the transaction and therefore you will not be relying on us for the purposes of Best Execution. We will still be required to ensure compliance with our order handling obligations and ensure that we execute the transaction in accordance with your instructions.

Delivery of Best Execution

Evaluation of the Relevant Factors

We have adopted the following approach in order to provide consistent delivery of Best Execution on In Scope transactions:

- We have taken each type of In Scope transaction and documented what client intentions/instructions are reflected in a request to execute that type of transaction and identified the relevant Execution Factors.
- We have identified the liquidity sources that should be utilised to execute each type of In Scope transaction based on client intentions/Execution Factors.
- Where applicable, appropriate market data will be utilised for In Scope transactions for monitoring of execution process.
- Note that any commissions or fees which you pay to us are excluded for the purposes of considering whether or not we have complied with our Best Execution obligations as these are pre-disclosed to you separately.

Best Execution Policy: Client Summary

Examples of how this is applied in relation to different types of transactions are set out below.

Example of In Scope transaction and Client Intention	Predominant Execution Factors	Venue	Benchmark Monitoring
Limit Order (High Touch) A client order to invest in a specific instrument, achieving a price that is, from the client's perspective, at worst at the notified limit	Price, Speed, Size	Always driven by instrument. In doubt, traders will seek further instructions from client	Price achieved is within the limit provided by the client
Market Order (High Touch) A client order to invest in a specific future as soon as possible at price level traded on the exchange at that moment	Speed, Size	Always driven by instrument. In doubt, traders will seek further instructions from client	Monitored against speed of execution and average liquidity
Volume-Weighted Average Price (VWAP) (Algorithm/High Touch) By choosing the algorithm the client is indicating an instruction to minimise slippage relative to the market volume-weighted average price (VWAP) over a client-specified time horizon to trade proportionately with expected market volume over the time horizon	Price, Size	Always driven by instrument. In doubt, traders will seek further instructions from client	Monitored against period benchmark (Average Price vs. Period VWAP Price)

Best Execution Policy: Client Summary

3. Macro

Macro Products

The Macro businesses comprise of Foreign Exchange and Rates.

The products traded by the Macro businesses vary in liquidity and market transparency. Some products, such as government bonds, are highly liquid and traded in volume electronically where there is a relatively high level of price transparency. Other products, such as structured notes are less liquid and do not trade electronically.

Best Execution may apply to transactions in products that are 'Financial Instruments' as defined under MiFID and the rules of the FCA. In the case of the Macro businesses this includes, but is not limited to, bonds and derivatives but does not include FX spot.

Clients

The Macro businesses mainly deal with Professional Clients and Eligible Counterparties but also have a small number of Retail Clients.

Methods of Execution

The Macro businesses transact on a principal basis, meaning that we are your legal counterparty when providing liquidity to you. We can execute trades with you by voice or electronically, primarily via:

- **Streaming:** where you trade on a live price streamed by us via an electronic venue.
- **Request for Quote (RFQ):** where you seek a quote and decide whether to trade with us at that quote, which may be done by voice or electronic message or on an electronic venue.
- **Orders:** where you give us discretion over one or more elements of execution.

Determining the Applicability of Best Execution to Macro Transactions

In Scope

If you are classified as a MiFID retail client, we consider that you will place legitimate reliance upon us and will be In Scope for Best Execution.

If you are a Professional Client, when we execute orders for you and you give us discretion over one or more elements of the execution, then we expect the transaction will be In Scope for Best Execution.

Out of Scope

If you are classified as an Eligible Counterparty then our Best Execution obligations will not apply to your transactions unless we have agreed otherwise with you.

If you are a Professional Client, when we transact with you on the basis of a live price stream or an RFQ from you, or enter into an unwind or restructuring with you, we expect that the majority of transactions will be Out of Scope for Best Execution as a result of the following practices in the OTC markets where the Macro businesses operate:

- There is a market convention of 'shopping around' and generally a high level of price transparency.
- Our clients are generally sophisticated and able to assess the pricing offered by us.
- Our clients generally initiate transactions with us.

However, other factors may also inform our assessment of whether or not those clients place legitimate reliance on us in the context of an RFQ, unwind or restructuring and whether the transaction is therefore In Scope for Best Execution.

Best Execution Policy: Client Summary

Delivery of Best Execution

We have adopted the following approach in order to provide consistent delivery of Best Execution on In Scope transactions:

- We have taken each type of In Scope transaction and identified the relevant Execution Factors based on the features of that transaction. We expect that for the majority of In Scope transactions the most relevant Execution Factor will be price. However, there may be some In Scope transactions where speed, likelihood of execution or market impact are relevant as well
- We have established a framework of guidance, procedures and other related governance intended to deliver Best Execution in respect of the relevant Execution Factors addressing, among other things, the price formation process and order handling practices.

In considering the delivery of Best Execution, it is important to note that price formation in the Macro businesses generally takes the following approach:

- Firstly, formation of an instrument price which takes into account factors including the following: observable market prices, executed transactions, volatility data, other market data, internal models and observable trade flows
- Followed by adjustment to form the final price which takes into account our Barclays Fees and Charges which reflect, among other things, the risk profile of the relevant business, client behaviour, credit and funding charges, hedging costs, capital usage and, where applicable sales mark-up.

The Macro businesses aim to deliver Best Execution in respect of the instrument price, as the factors reflected in the adjustment to form the final price constitute internal costs that are not In Scope for Best Execution.

Examples of how Best Execution is delivered in relation to different types of transactions are set out below.

Example Transaction	Client		Predominant Execution Factors	Delivery of Best Execution
	Retail	Professional		
Orders with Discretion Example: A client places an order where one or more aspects of the order have not been specified by the client	Not Applicable	In Scope	Price is likely to be the predominant Execution Factor	Implementation of desk procedures for pricing and order handling For more liquid products: recording of instrument price and monitoring against appropriate market price For less liquid products: recording of pricing inputs and monitoring against pricing procedures
Orders without Discretion Example: A client leaves specific instructions in relation to every aspect of an order	Not Applicable	Out of Scope	As per instructions	In this scenario we will execute the order in accordance with such instructions and by doing so will satisfy our obligation to provide Best Execution
RFQ, Unwinds, Restructuring Example: A client seeks a quote in an illiquid and non-transparent market	In Scope	Legitimate reliance assessment required (application of Four-Fold Test)	Price and likelihood of execution are likely to be the predominant Execution Factors	Implementation of desk procedures for pricing and order handling

Best Execution Policy: Client Summary

Specific Price Orders

The Rates business may accept Specific Price Orders from clients. A Specific Price Order is an order in a specific instrument where you specify the price and size of the transaction. We will fill a Specific Price Order at the price and in the size you specify and you should not expect a price improvement.

We will execute a Specific Price Order in line with our internal Order Handling and Best Execution procedures using, where needed, a panel of execution venues and brokers selected in accordance with our internal selection and review process that is intended to optimise our consistent access to liquidity in the market.

In many cases when we accept a Specific Price Order we will need to hedge the Specific Price Order in related instruments, as there is generally limited liquidity available on external venues in the relevant instrument. When we hedge a Specific Price Order, whether using direct instruments or related instruments, we will look to access available liquidity on our selected execution venues and brokers in order to optimise the likelihood that a Specific Price Order will be filled.

We may charge a spread on your Specific Price Order. This spread takes into account our internal costs that may include (but are not limited to) hedging, funding, credit and capital charges. For Specific Price Orders accepted by the Rates business, any spread will be within the range of our prevailing bid-offer for the given instrument at the requested size at the time you leave the Specific Price Order. Your Barclays contact will be able to provide you with more information about the spread upon request when you leave a Specific Price Order.

The speed and likelihood of execution will be dependent on the method that we use to fill the Specific Price Order. When you leave us a Specific Price Order, we will agree with you the time frame for which the order is open. We will be entitled to fill the order at any time during the time frame we have agreed with you. If you do not specify a particular timeframe we will assume the order is good until the end of the day only, unless the order is to be filled next day in another region. If you instruct us that you will accept a partial fill of your Specific Price Order, we will always aim to provide you with a partial fill (in line with your minimum fill instructions) where possible. If you instruct us that you will only accept a fill in the full size of your Specific Price Order, we will aim to execute in such a way that likelihood of full execution is optimised.

Best Execution Policy: Client Summary

4. Credit

Credit Products

The Credit business ('Credit') enters into transactions relating to bonds, loans and claims, reorganisation equity, and credit default swaps, all of which are financial instruments regulated by the Markets in Financial Instruments Directive ('MiFID') with the exception of loans and claims.

The products traded by Credit vary in liquidity and market transparency. Some products, such as high grade corporate bonds, are usually liquid and traded in volume electronically where there is a relatively high level of price transparency. Other products, such as high yield corporate bonds and credit default swaps, are potentially less liquid and may not trade electronically.

Clients

The Credit business only expects to deal with sophisticated Professional Clients and Eligible Counterparties.

Methods of Execution

There are two different methods by which transactions are executed and you may transact through a combination of these methods:

- **Request for Quote (RFQ):** when you request a quote and decide to trade with us on that quote.
- **Specific Order (SO):** when you place an order with specific instructions in relation to all the final terms of the transaction, in particular the price.

Transactions with the client, both as RFQ and SO, are on a principal-principal basis (i.e. the client is Barclays' counterparty) and conducted via voice or electronically via a platform.

Determining the Applicability of Best Execution to Credit Transactions

In Scope

For the reasons outlined below, in most cases Credit does not believe that you will place legitimate reliance on us to execute your orders.

The only circumstances in which there may be legitimate reliance is in relation to any elements of a transaction that have not been agreed with you and which we retain discretion over (which we expect to only be likelihood of execution). Where we determine that a client is legitimately relying on us in relation to such elements then we will consider the order to be In Scope for the purposes of Best Execution but only in relation to those residual elements.

Out of Scope

If you are classified as an Eligible Counterparty then our Best Execution obligations will not apply to your trades unless we have agreed otherwise with you.

If you are a Professional Client, we do not generally expect our clients to be legitimately relying on us and therefore expect most transactions to be Out of Scope for Best Execution for the following reasons

- There is a market convention of shopping around and generally a high level of price transparency.
- Our clients are generally sophisticated and able to assess the pricing offered by us.
- Our clients generally initiate transactions with us.

Any exceptions will be escalated and dealt with on a case by case basis.

Delivery of Best Execution

Where you give us specific instructions in relation to any aspect of a transaction (for example, where you instruct us to execute the order within a particular timeframe or at a particular price), we must execute the transaction in accordance with such instructions and, by doing so, will satisfy our obligation to provide Best Execution in relation to that aspect of the order.

In any cases where Credit owes a duty of Best Execution over any element of a transaction, we will deliver Best Execution in accordance with our internal policies and procedures relating to order handling and pricing.

Best Execution Policy: Client Summary

Further Information about Specific Orders (SO)

Before accepting a SO we will agree the price at which we will transact if the SO is filled. You should not expect any improvement on this price. The price we agree will be an all in price that includes a spread charged by Credit which takes into account our internal costs that may include but are not limited to hedging, credit, funding, capital and mark-up. Credit may hedge an order using direct instruments, related instruments or we may choose to partially hedge the order or may choose not to hedge the SO at all.

When we hedge a SO, whether using direct instruments or related instruments, we will look to access available liquidity in the market (which may include execution venues, brokers, dealers or other clients) in order to optimise the likelihood that a SO will be filled. By leaving us a SO you acknowledge that the order may not be filled.

When you leave us a SO we will agree the timeframe for which the order is open, and we will be entitled to fill the SO at any point that we determine within this timeframe. If you do not specify a particular timeframe we will assume the order is good until the end of the day only, unless the order is to be filled next day in another region. The exact timing of execution will depend on current market conditions, including the availability of liquidity. Where filling the SO over a short period of time may have an adverse impact on the market (for example, if the SO is large in size relative to the market in the relevant instrument) we may fill it over a longer period of time in order to minimise market footprint.

If you instruct us that you will accept a partial fill of your SO, we will always aim to provide you with a partial fill (in line with your minimum fill instructions) where possible. If you instruct us that you will only accept a fill in the full size of your SO, we will aim to execute in such a way that likelihood of full execution is optimised.

If we are unable to fill your SO for any reason (for example, because there is insufficient liquidity in the market at the time of the SO or because we were unable to source liquidity at a level that would allow us to fill the SO at the price you specified, taking into account our spread) we will inform you of this as soon as possible.

Best Execution Policy: Client Summary

5. Other

Securities Financing Transactions

With the exception of our Agency Lending business we do not expect our clients to legitimately rely on us when entering into securities financing transactions with us and therefore expect them to be out of scope for Best Execution for the following reasons:

- We do not act in an 'agency-like' capacity or accept discretionary orders from clients
- Our clients are sophisticated
- Our clients have price transparency
- Our clients generally have the ability to shop around and even where they do not shop around, the sophistication of clients, their pricing knowledge and the amount of market data available means they are not reliant on Barclays.

Agency Lending

We have determined that our clients are legitimately relying on Barclays to protect their interests when carrying out Agency Lending Activities and that these activities are therefore in scope for Best Execution. We will disclose in our Client Agreement with you, how Barclays determines the importance of the relevant Execution Factors. We have also developed a reporting tool to provide data granularity to lenders and which retains evidence of quotes and market data.

Banking

We have identified that that there may be limited scenarios in which Best Execution obligations may apply to us in the event we execute certain types of transactions for Banking Clients, including in Debt Capital Markets and Equity Capital Markets. Where a Best Execution obligation does arise, we will place reliance on the Equity, Macro or Credit infrastructure to satisfy these obligations, please refer to the relevant Asset Specific Appendix for further details.

Commodities

We have determined that clients may place legitimate reliance on Barclays in scenarios where we execute transactions such as Unwinds. Price and likelihood of executions are likely to be the predominant Execution Factors. We have policies and procedures reasonable designed to deliver Best Execution in respect of the Execution Factors addressing, among other things, the price formation process and order handling practices for these scenarios.

Best Execution Policy: Client Summary

Appendix B

Execution Venues

A list of the execution venues which Barclays considers enables it to obtain Best Execution on a consistent basis as at the date of this document is set out below. We may use other execution venues and add or remove any execution venue from this list where we determine it is appropriate to do so.

1. Equities

EMEA	Americas	APAC
Athens Stock Exchange	Aequitas	Australia Stock Exchange
Bolsa de Madrid	Bats BYX	Bursa Malaysia
Borsa Istanbul	Bats BZX	CHI-X Australia
Borsa Italiana	Bats BZX Options	Chi-X Japan
Budapest Stock Exchange	Bats EDGA	Hong Kong Stock Exchange
Cboe BXE	Bats EDGX	Indonesian Stock Exchange
Cboe CXE	Bats EDGX Options	SBI JapanNext
Euronext Amsterdam	BOX Options	Korea Exchange
Euronext Brussels	C2	New Zealand Exchange
Euronext Lisbon	CBOE	Shanghai-Hong Kong Stock Connect
Euronext Paris	Chicago Stock Exchange	Shenzen-Hong Kong Stock Connect
Irish Stock Exchange	Chi-X (ATS)	Singapore Exchange
ITG Posit	IEX	Taiwan Stock Exchange
Jo'burg Stock Exchange	Lynx (ATS)	Thailand Stock Exchange
London Stock Exchange	MIAX	Tokyo Stock Exchange
LX Europe	MIAX Pearl	
NASDAQ OMX Copenhagen	Nasdaq	
NASDAQ OMX Helsinki	Nasdaq BX	
NASDAQ OMX Stockholm	Nasdaq BX Options	
Oslo Bors	Nasdaq GEMX	
Prague Stock Exchange	Nasdaq ISE	
Sigma X MTF	Nasdaq MRX	
SIX Swiss Exchange	Nasdaq Options Market (NOM)	
Tel-Aviv Stock Exchange	Nasdaq PHLX	
Turquoise	Nasdaq PSX	

Best Execution Policy: Client Summary

EMEA	Americas	APAC
UBS MTF	NYSE	
Warsaw Stock Exchange	NYSE American	
Wiener Borse	NYSE American Options	
Xetra	NYSE Arca	
	NYSE Arca Options	
	NYSE National	
	Omega (ATS)	
	Pure (ATS)	
	Toronto	

2. Agency Derivatives Services ('ADS')

EMEA	Americas	APAC
Athens Derivatives Exchange	American Stock Exchange	ASX24 – Formerly SFE
NYSE EURONEXT Brussels	Boston Options Exchange	Hong Kong Exchange
Bourse Istanbul	BM&F Bovespa S.A.	Korea Exchange
Budapest Stock Exchange	Chicago Board of Options Exchange	Malaysian Derivatives Exchange
Dubai Mercantile Exchange	CBOE Chicago Futures Exchange	Osaka Securities Exchange
NYSE EURONEXT – Paris	Chicago Board of Trade	Singapore Exchange Derivatives Trading
Germany (EUREX)	Chicago Mercantile Exchange	Taiwan Futures and Options Exchange
ICE Futures Europe	Commodities Exchange	Thailand Futures Exchange
Italian Derivatives Market	ICE Futures Canada	Tokyo Commodity Exchange
LSE Derivatives	International Securities Exchange	Tokyo Financial Exchange
NYSE EURONEXT – Amsterdam	Mexican Derivatives Exchange	
NYSE EURONEXT – Lisbon	Mexican Derivatives Exchange	
South African Futures Exchange	Minneapolis Grain Exchange	
Spanish Futures and Options Exchange	Montreal Exchange	
Sweden Stockholm NASDAQ OMX	Nasdaq OMX PHLX	
Warsaw Stock Exchange	New York Mercantile Exchange	
	OneChicago	