

BT GROUP plc (the “company”)

THE INVESTIGATORY POWERS GOVERNANCE COMMITTEE

TERMS OF REFERENCE

Approved by the BT Group plc Board on: 3 April 2019

The Investigatory Powers Governance Committee is a committee of the Board of Directors of BT Group plc (the Board), from which it derives its authority.

1. Membership

- 1.1. The committee shall be made up of at least six members, who shall include (subject to them holding appropriate security clearances) the Chair of the Board; the Chief Executive; the Managing Director of BT Security; the Director, Global Secure Solutions (GSS), a BT in-house lawyer with specialist knowledge of investigatory powers and human rights; and at least one independent non-executive director.
- 1.2. Only members of the committee have the right to attend committee meetings. Other individuals may be invited to attend all or part of any meeting as and when appropriate, subject to them holding the necessary security clearances.
- 1.3. Members of the committee shall be appointed by the Board.
- 1.4. The Board shall appoint the committee chair, subject to appropriate security clearance. In the absence of the committee chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.
- 1.5. Members must hold appropriate security clearances. Other invitees must hold a level of security clearance appropriate to the matters that are discussed in the committee meeting or the part of the meeting that they attend. The committee secretary is responsible for compliance with this.
- 1.6. In the event that an individual in one of the specified membership roles is unable to obtain the appropriate level of security clearance, the Board shall appoint an alternative senior BT manager to the committee who has the appropriate level of security clearance.

2. Secretary

- 2.1. The committee shall appoint an individual to act as secretary of the committee. The secretary must have the appropriate level of security clearance.

3. Quorum

- 3.1. Subject to paragraph 3.2, the quorum necessary for the exercise of the committee's duties shall be three, and shall include (as a minimum) the committee chair, the Managing Director of BT Security, and the Director of Group Engineering Services.
- 3.2. If a decision is required urgently, an emergency meeting may be convened. In such cases, the quorum for the transaction of business shall be as described in paragraph 3.1, save that alternates may attend for the committee chair and

for the Managing Director of BT Security (under authority from the respective members).

- 3.3 In very exceptional circumstances (the scope of which are to be determined as far as practicable by the committee) where a decision is required immediately, the Director of Group Engineering Services may make an immediate decision on behalf of the committee and shall, as soon as is practical, call an emergency meeting to report on the issue.

4. Frequency of meetings

- 4.1 The committee shall meet at least three times a year, and otherwise as required.

5. Notice of meetings

- 5.1 Meetings of the committee shall be called by the secretary of the committee, at the request of the committee chair or any of its members.
- 5.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date shall be sent to each member of the committee and any other person required to attend before the date of the meeting. The agenda of items to be discussed and supporting papers shall be made available to committee members and to other attendees as appropriate subject to the appropriate security restrictions for distribution of documents.

6. Minutes of meetings

- 6.1 The secretary shall minute the proceedings and resolutions of all committee meetings, including the names of those present and in attendance.

7. Duties

- 7.1. The committee is accountable for:
- (a) responses to all requests for assistance in relation to Investigatory Powers¹ made to the BT group, by or on behalf of public authorities in the United Kingdom and overseas;
 - (b) all operational activities undertaken by BT in relation to Investigatory Powers; and
 - (c) any other matters arising on requests from, or provision of assistance to, public authorities for purposes relating to national security, law enforcement or critical national infrastructure.
- 7.2. In order to help discharge its duties the committee may:
- (a) adopt policies and/or guidelines addressing those matters that should be taken into account in determining BT's response to a request for assistance;
 - (b) adopt policies and/or guidelines addressing the circumstances in which a request should be referred to the committee for decision; and

¹ Investigatory Powers means those capabilities and obligations described in the Intelligence Services Act 1994, the Regulation of Investigatory Powers Act 2000, the Investigatory Powers Act 2016, any subordinate legislation, codes of practice, and any related or successor legislation, together with any similar capabilities and obligations described in the legislation of other countries.

- (c) subject to paragraph 7.3, delegate responsibility (as it sees fit) for dealing with requests, in accordance with relevant policies and/ or guidelines issued.
- 7.3. The committee may not delegate responsibility for decisions to make formal representations to a regulatory authority or government, or to commence legal proceedings.
- 7.4. The committee is responsible for overseeing Group Engineering Services (GES) commercials, budget planning and opportunities.

8. Reporting responsibilities

- 8.1 The committee chair shall report annually to the Board on the committee's proceedings and how it has discharged its responsibilities, to the extent that it is legally permitted to do so.
- 8.2 The committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

9. Other matters

The committee shall:

- 9.1. have access to sufficient resources in order to carry out its duties, including access to the company secretarial team for assistance as required;
- 9.2. be provided with appropriate and timely training, including an induction programme for new members and on an ongoing basis for all members;
- 9.3. give due consideration to relevant laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of the Listing Rules, Prospectus Rules and Disclosure Guidance and Transparency Rules and any other applicable rules, as appropriate; and
- 9.4. arrange for periodic reviews of its own performance and terms of reference, and recommend any changes it considers necessary to the Board for approval.

10. Authority

The committee is authorised by the Board:

- 10.1 to seek information it requires from any employee of the BT group in order to perform its duties; and
- 10.2 in consultation with the Company Secretary, where necessary to fulfil its duties, to obtain any external legal or other professional advice.