

## NOTICE OF GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a **GENERAL MEETING** of Lloyds Banking Group plc (the “Company”) will be held on 26 November 2009 at Hall 12, The Atrium, National Exhibition Centre, Birmingham B40 1NT at 11.00 a.m. for the purposes of considering and, if thought fit, passing the following resolutions:

### To resolve as an ordinary resolution

- 1 That, conditional on the passing of Resolutions 2, 4, 6, 7, 8 and 9 and 11:
- (a) each of the ordinary shares of 25 pence each in the capital of the Company in issue at the close of business on the date of this meeting (or such other time and date as the Directors (or a duly authorised committee of the Directors) may determine) be sub-divided into one ordinary share of 10 pence in the capital of the Company, having the same rights, being subject to the restrictions and ranking *pari passu* in all respects with the existing ordinary shares of 25 pence each in the capital of the Company (save as to nominal value), and one deferred share, having the rights and being subject to the restrictions set out in Resolution 6 below; and
  - (b) each of the limited voting shares of 25 pence each in the capital of the Company in issue at the close of business on the date of this meeting (or such other time and date as the Directors (or a duly authorised committee of the Directors) may determine) be sub-divided into one limited voting share of 10 pence in the capital of the Company, having the same rights, being subject to the restrictions and ranking *pari passu* in all respects with the existing limited voting shares of 25 pence each in the capital of the Company (save as to nominal value), and one deferred share, having the rights and being subject to the restrictions set out in Resolution 6 below.

### To resolve as an ordinary resolution:

- 2 That, conditional on the passing of Resolutions 1, 4, 6, 7, 8, 9 and 11, the Directors be generally and unconditionally authorised pursuant to and in accordance with section 551 of the Companies Act 2006 (the “2006 Act”) to exercise all the powers of the Company to allot shares or grant rights to subscribe for shares:
- (a) up to a nominal amount of £9 billion in connection with the issue of new ordinary shares to Qualifying Shareholders pursuant to the Rights Issue; and
  - (b) up to a nominal amount of £10 billion in relation to the issue of Enhanced Capital Notes in connection with the Exchange Offers, the related underwriting agreements and otherwise, and up to a nominal amount of £1.5 billion in relation to the issue of new ordinary shares in connection with the Exchange Offers,
- (each as defined in the circular issued by the Company dated 3 November 2009 (the “Circular”)),
- such authority to apply in addition to all previous authorities pursuant to section 80 of the Companies Act 1985 and to expire on 25 November 2010 but so that the Company may make offers and enter into agreements during the relevant period which would, or might, require shares to be allotted or rights to subscribe for or to convert any security into shares to be granted after the authority ends.

### To resolve as an ordinary resolution:

- 3 That in addition to and without prejudice to the authority conferred on the Directors pursuant to Resolution 2 above, and conditional on the completion of the Rights Issue, the Directors be generally and unconditionally authorised pursuant to and in accordance with section 551 of the 2006 Act to exercise all the powers of the Company to allot shares or grant rights to subscribe for or to convert any security into shares:
- (a) up to a nominal amount of (I) £3,908,086,780.50 in ordinary shares and (II) £100,000,000, US\$40,000,000, €40,000,000 and ¥1,250,000,000 in preference shares;
  - (b) comprising equity securities (as defined in section 560(1) of the 2006 Act) up to a further nominal amount of £3,908,086,780.50 in connection with an offer by way of a rights issue;

provided that such authority shall be limited to apply to shares up to a nominal amount of up to:

- (i) one third of the issued ordinary share capital (including limited voting shares) of the Company immediately following the completion of the Rights Issue (the “Actual Enlarged Share Capital”); and
- (ii) a further one third of the Actual Enlarged Share Capital in connection with an offer by way of a rights issue,

such authorities to apply in substitution for all previous authorities pursuant to section 80 of the Companies Act 1985 and to expire at the end of the next annual general meeting of the Company in 2010 but, in each case, so that the Company may make offers and enter into agreements during the relevant period which would, or might, require shares to be allotted or rights to subscribe for or to convert any security into shares to be granted after the authority ends.

For the purposes of this Resolution, “rights issue” means an offer to:

- (I) ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
- (II) people who are holders of other securities if this is required by the rights of those securities or, if the Directors consider it necessary, as permitted by the rights of those securities,

to subscribe further securities by means of the issue of a renounceable letter (or other negotiable document) which may be traded for a period before payment for the securities is due, but subject in both cases to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in, or under the laws of, any territory.

#### **To resolve as an ordinary resolution**

- 4 That, conditional on the passing of Resolutions 1, 2, 6, 7, 8, 9 and 11, the HMT Transactions (as defined in the Circular) being related party transactions for the purposes of the Listing Rules of the United Kingdom Listing Authority, be and are hereby approved.

#### **To resolve as an ordinary resolution**

- 5 That, pursuant to article 122 of the articles of association of the Company (the “Articles”), £493,420.75 out of the sums standing to the credit of any of the Company’s share premium account, capital redemption reserve or other undistributable reserve, be immediately capitalised for the purposes of paying up 1,973,683 new limited voting shares of 25 pence each in the capital of the Company, and that the Board be authorised to apply such amount in paying up the new limited voting shares and to take all such other steps as it may deem necessary, expedient or appropriate to implement such capitalisation and issue such new limited voting shares to the holders of limited voting shares on the register of the Company on 26 November 2009 2009, *pro rata* to their existing holdings of limiting voting shares, in accordance with Article 122.2 of the Articles, such authority to expire on 25 November 2010.

#### **To resolve as a special resolution**

- 6 That, conditional on the passing of Resolutions 1, 2, 4, 7, 8, 9 and 11, the Articles of Association of the Company be amended by:

- (a) inserting the following definitions into Article 2 as follows:

“**deferred shares**” the deferred shares of 15p each of the company described in article 3;’ to be inserted after the definition of “deed of covenant”;

“**limited voting shares**” the limited voting shares of 10p each of the company;’ to be inserted in place of the current definition of limited voting shares, which shall be deleted in its entirety; and

“**ordinary shares**” the ordinary shares of 10p each of the company;’ to be inserted in place of the current definition of ordinary shares, which shall be deleted in its entirety;

(b) deleting the caption '**Limited voting shares and preference shares**' to article 3, and inserting the caption '**Limited voting shares, preference shares and deferred shares**' in its place;

(c) inserting of a new article 3.3 as follows:

**3.3** The deferred shares shall confer upon the holder such rights, and shall be subject to the restrictions, as follows:

**3.3.1** notwithstanding any other provision of these articles, a deferred share:

- (i) does not entitle its holder to receive any dividend or distribution declared, made or paid or any return of capital (save as provided in article 3.3.1(ii)) and does not entitle its holder to any further or other right of participation in the assets of the company;
- (ii) entitles its holder to participate on a return of assets on a winding up of the company, such entitlement to be limited to the repayment of the amount paid up or credited as paid up on such share and shall be paid only after the holders of any and all ordinary shares and limited voting shares then in issue shall have received (a) payment in respect of such amount as is paid up or credited as paid up on those ordinary shares and/or limited voting shares held by them at that time plus (b) the payment in cash or in specie of £10,000,000 on each such ordinary share and/or limited voting share;
- (iii) does not entitle its holder to receive a share certificate in respect of his or her shareholding, save as required by law;
- (iv) does not entitle its holder to receive notice of, nor attend, speak or vote at, any general meeting of the company; and
- (v) shall not be transferable at any time other than with the prior written consent of the directors;

**3.3.2** the company shall have the irrevocable authority to authorise and instruct the secretary (or any other person appointed for the purpose by the board) as agent for the holders of deferred shares to surrender the deferred shares to the company for no consideration and to execute on behalf of such holders such documents as are necessary in connection with such surrender without obtaining the sanction of the holder or holders thereof, and pending such surrender to retain the certificates, to the extent issued, for such deferred shares;

**3.3.3** any request by the company to surrender the deferred shares may be made by the directors depositing at the registered office of the Company a notice addressed to such person as the directors shall have nominated on behalf of the holders of the deferred shares;

**3.3.4** the company shall have the irrevocable authority to appoint a single holder or any other person on behalf of all holders of deferred shares to exercise any vote to which holders of deferred shares may be entitled in any circumstances or for any other matter connected to the deferred shares;

**3.3.5** the rights attached to the deferred shares shall not be deemed to be varied or abrogated by the creation or issue of any new shares ranking in priority to or *pari passu* with or subsequent to such shares, any amendment or variation of the rights of any other class of shares of the company, the company reducing its share capital or the surrender, or purchase of any share, whether a deferred share or otherwise; and

**3.3.6** the company shall have the irrevocable authority to cancel any deferred share without making any payment to the holder and such cancellation shall not be deemed to be a variation or abrogation of the rights attaching to such deferred share.'

#### **To resolve as a special resolution**

**7** That, conditional on the passing of Resolutions 1, 2, 4, 6, 8, 9 and 11 the Company be and is hereby unconditionally and generally authorised for the purpose of section 701 of the 2006 Act to make market purchases (as defined in section 693 of the 2006 Act) of the following issuances of securities:

- (a) £299,987,729 9.25 per cent. Non-Cumulative Irredeemable Preference Shares;

- (b) £99,999,942 9.75 per cent. Non-Cumulative Irredeemable Preference Shares;
- (c) £186,190,532 6.475 per cent. Non-Cumulative Preference Shares;
- (d) £745,431,000 6.0884 per cent. Non-Cumulative Fixed to Floating Rate Preference Shares;
- (e) £334,951,000 6.3673 per cent. Non-Cumulative Fixed to Floating Rate Preference Shares;
- (f) U.S.\$750,000,000 6.413 per cent. Non-Cumulative Fixed to Floating Rate Preference Shares;
- (g) U.S.\$750,000,000 5.92 per cent. Non-Cumulative Fixed to Floating Rate Preference Shares;
- (h) U.S.\$750,000,000 6.657 per cent. Non-Cumulative Fixed to Floating Rate Preference Shares;
- (i) U.S.\$1,000,000,000 6.267 per cent. Fixed to Floating Rate Non-Cumulative Callable Dollar Preference Shares;
- (j) U.S.\$1,250,000,000 7.875 per cent. Non-Cumulative Preference Shares;
- (k) €500,000,000 7.875 per cent. Non-Cumulative Preference Shares; and
- (l) £600,000,000 Non-Cumulative Fixed to Floating Rate Callable Preference Shares,

(together, the "Preference Shares"), in accordance with, amongst other things, the terms of the Exchange Offers provided that:

- (i) the maximum number of Preference Shares which may be purchased is all such Preference Shares in issue;
- (ii) the minimum price which may be paid for each Preference Share is the nominal value of the relevant Preference Share;
- (iii) the maximum price which may be paid for a share is an amount equal to 120 per cent. of the liquidation preference of the relevant Preference Share;
- (iv) this authority shall expire on 25 November 2010, unless this authority be further renewed before then; and
- (v) the Company may make a contract to purchase the Preference Shares under this authority before its expiry which would or might be executed wholly or partly after the expiry, and may make a purchase of the Preference Shares under that contract.

**To resolve as a special resolution**

- 8** That, conditional on the passing of Resolutions 1, 2, 4, 6, 7, 9 and 11, that the terms of a proposed contract between (1) the Company and (2) Equiniti Limited, providing for the purchase by the Company of certain existing Preference Shares held by Equiniti Limited on behalf of holders of such securities be and are hereby approved and authorised for the purposes of section 694 of the Companies Act 2006 and otherwise but so that such approval and authority shall expire on 25 May 2011.

**To resolve as a special resolution**

- 9** That, conditional on the passing of Resolutions 1, 2, 4, 6, 7, 8 and 11, that the terms of a proposed contract between (1) the Company and (2) BNY Corporate Trustee Services Limited, providing for the purchase by the Company of certain existing Preference Shares held by BNY Corporate Trustee Services Limited on behalf of holders of such securities be and are hereby approved and authorised for the purposes of section 694 of the Companies Act 2006 and otherwise but so that such approval and authority shall expire on 25 May 2011.

**To resolve as a special resolution**

- 10** That the terms of a proposed contract between (1) the Company, (2) Allen and Overy Service Company Limited, and (3) Fleetside Legal Representative Services Limited providing for the purchase by the Company of certain 6.3673 per cent. Non-Cumulative Fixed to Floating Rate Preference Shares in the capital of the Company (a draft of which has been produced to this

meeting) be and are hereby approved and authorised for the purposes of section 694 of the Companies Act 2006 and otherwise but so that such approval and authority shall expire on 25 May 2011.

**To resolve as a special resolution**

**11** That, conditional on the passing of Resolutions 1, 2, 4, 6, 7, 8 and 9 above, and without prejudice to any existing authority, the Directors be empowered to allot equity securities (as defined in section 560(1) of the 2006 Act) wholly for cash, pursuant to the authority given by Resolution 2 above:

- (a) up to a nominal amount of £9 billion in connection with the issue of new ordinary shares pursuant to the Rights Issue; and
- (b) up to a nominal amount of £10 billion in connection with the issue of Enhanced Capital Notes pursuant to the Exchange Offers and otherwise, and up to a nominal amount of £1.5 billion in relation to the issue of new ordinary shares in connection with the Exchange Offers,

as if section 561(1) of the 2006 Act did not apply to any such allotment, such power to expire on 25 November 2010 but so that the Company may make offers and enter into agreements during this period which would, or might, require equity securities to be allotted after the power ends.

**To resolve as a special resolution**

**12** That conditional on the completion of the Rights Issue and the passing of Resolution 3, the Directors be empowered to allot equity securities (as defined in sSection 560(1) of the 2006 Act) wholly for cash:

- (a) pursuant to the authority given by paragraph (a) of Resolution 3 above or where the allotment constitutes an allotment of equity securities by virtue of section 560(2)(b) of the 2006 Act in each case:
  - (i) in connection with a pre-emptive offer; and
  - (ii) otherwise than in connection with a pre-emptive offer, up to an aggregate nominal amount of £586,213,017, provided that such authority shall be limited to apply to shares up to an aggregate nominal amount constituting no more than five per cent. of the Actual Enlarged Share Capital; and
- (b) pursuant to the authority given by paragraph (b) of Resolution 3 above in connection with a rights issue,

as if section 561(1) of the 2006 Act did not apply to any such allotment;

such power to expire at the end of the next annual general meeting of the Company in 2010, but so that the Company may make offers and enter into agreements during this period which would, or might, require equity securities to be allotted after the power ends.

For the purposes of this Resolution:

- (a) "rights issue" has the same meaning as in Resolution 3 above;
- (b) "pre-emptive offer" means an offer of equity securities open for acceptance for a period fixed by the Directors to (a) holders (other than the Company) on the register on a record date fixed by the Directors of ordinary shares in proportion to their respective holdings and (b) other persons so entitled by virtue of the rights attaching to any other securities held by them, but subject in both cases to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in, or under the laws of, any territory;
- (c) references to an allotment of equity securities shall include a sale of treasury shares; and
- (d) the nominal amount of any securities shall be taken to be, in the case of rights to subscribe for or convert any securities into shares of the Company, the nominal amount of such shares which may be allotted pursuant to such rights.

A member entitled to attend and vote is entitled to appoint a proxy or proxies to attend, speak and vote instead of that member. A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by the member. A proxy need not be a member of the company.

Registered office:  
Henry Duncan House  
120 George Street  
Edinburgh EH2 4LH

By order of the Board  
Harry Baines  
Company Secretary & General Counsel

3 November 2009

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Notes:

- (1) Only shareholders, proxies and authorised representatives of corporations which are shareholders of the Company are entitled to attend and speak at the General Meeting and shareholders' names must be entered in the register of members at 6.00 p.m. on 24 November 2009, so that such shareholders, proxies and authorised representatives of corporations may have the right to vote at the General Meeting. Should the meeting be adjourned, members who wish to attend and vote must have their names entered in the Company's register of members by 6.00 p.m. two days prior to the date fixed for the adjourned General Meeting.
- (2) Shareholders are invited to complete and return the enclosed form of proxy to the registrar, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6ZL or register their appointment of proxy electronically on our registrar's website; [www.sharevote.co.uk](http://www.sharevote.co.uk). A proxy need not be a shareholder of the Company but must attend the General Meeting to represent a shareholder. A shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. Appointment of a proxy will not prevent shareholders from attending and voting at the General Meeting. The form of proxy and, if relevant, the power of attorney or other authority under which it is signed, or a certified copy of that power or authority, must be received by Equiniti Limited by 11.00 a.m. on 24 November 2009.  
The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with section 146 of the Act ("nominated persons"). **Nominated persons may have a right under an agreement with the registered shareholder who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.**
- (3) CREST participants who wish to appoint and/or give instructions to a proxy or proxies through the CREST electronic proxy appointment service may do so through Equiniti Limited (ID RA19) by 11.00 a.m. on 24 November 2009 by following the procedures described in the CREST manual available at [www.euroclear.com/CREST](http://www.euroclear.com/CREST). The time of receipt by Equiniti Limited will be deemed to be the time (as determined by the time stamp applied to the message by the CREST "applications host") from which Equiniti Limited is able to retrieve the message by enquiry of Euroclear in the manner prescribed by Euroclear. Equiniti Limited may treat as invalid a CREST instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
- (4) Proxy appointments may be revoked by written notice to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6ZL, which must be received by 10.00 a.m. on 26 November 2009. Proxy instructions may be amended by notice received by the Company under article 127 of its Articles of Association served at any time up to the time of the relevant poll. CREST participants may also give instructions to revoke or amend by CREST message but only if the message is received by Equiniti Limited by 11.00 a.m. on 26 November 2009.
- (5) It would be helpful if any shareholder intending to come to the General Meeting would remove the attendance card from the form of proxy and bring it to the General Meeting. The shareholder will then be asked to produce the attendance card to show that he or she has the right to attend, speak and vote. The card is not transferable and may only be used by the shareholder attending in person. If you are using our website for the appointment of a proxy, you may also use the website to register your intention to attend the General Meeting.
- (6) Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or good order of the meeting that the question be answered. If any shareholder intending to come to the General Meeting would like to ask a question, which should relate to the business of the General Meeting, they are asked to register it at the question registration desk which will be located in the reception area at the General Meeting. To assist with these arrangements shareholders may, if they wish, send us advance notice of their question to [gm.questions@lloydsbanking.com](mailto:gm.questions@lloydsbanking.com). If you give us advance notice of your questions, please tell a member of staff at the question registration desk when you arrive at the General Meeting.
- (7) Any electronic communication sent by a shareholder to the Company or the registrar that is found to contain a computer virus will not be accepted.
- (8) As at 30 October 2009 (the last practicable date prior to the date of this notice) the total number of shares issued by the Company with rights to vote which are exercisable in all circumstances at general meetings is 27,161,682,366 ordinary shares of 25 pence each, which includes shares represented by American Depositary Receipts.
- (9) Copies of this notice are available in large print, Braille or on CD-ROM. If you would like a copy in any of these forms, please contact Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, or by calling the shareholder helpline on 0871 384 2990 (from inside the United Kingdom) or +44 20 8495 4630 (from outside the United Kingdom). A copy of this notice and other information required by section 311A of the Companies Act 2006 can be found at

www.lloydsbankinggroup.com. Calls to the 0871 384 2990 number are charged at 8p per minute (including VAT) from a BT landline. Other service providers' costs may vary. Calls to the +44 20 8495 4630 number are charge at applicable international rates.

- (10) Voting on all resolutions will be decided on a poll. This means that shareholders who attend the General Meeting, as well as those who are not able to attend but have sent proxy forms may have their votes taken into account according to the number of shares they hold. Details of the results of the polls will be announced through the stock exchange information service and will appear on our website, [www.lloydsbankinggroup.com](http://www.lloydsbankinggroup.com).