

LLOYDS
BANKING
GROUP



HELPING BRITAIN PROSPER

Lloyds Banking Group
Notice of Annual General Meeting

2017

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If you would like a paper copy of this notice, or a version in large print, Braille or on audio CD, please contact the Company's registrar, Equiniti Limited, on 0371 384 2990* or textphone 0371 384 2255 (from inside the UK) or +44 121 415 7066 (from outside the UK).

*Lines are open 8.30 am to 5.30 pm (UK time) excluding English and Welsh public holidays.

Requests may also be made in writing to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA.

Calls to 03 numbers will cost no more than a national rate call to an 01 or 02 number.

Calls to +44 121 415 7066 from outside the UK are charged at applicable international rates.

**LLOYDS
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GROUP**



This document is important and requires your immediate attention.

If you have any doubt about the action you should take, it is recommended that you consult your stockbroker, solicitor, accountant or other independent professional adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred all of your ordinary shares in Lloyds Banking Group plc, please give this and the accompanying documents to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was made.

LETTER FROM THE CHAIRMAN OF LLOYDS BANKING GROUP PLC



21 March 2017

Dear Shareholder

I am pleased to invite you to the annual general meeting (the 'AGM') of Lloyds Banking Group plc (the 'Company') which will be held at the Edinburgh International Conference Centre, The Exchange, Edinburgh EH3 8EE on Thursday 11 May 2017 at 11.00 am.

The notice of AGM is set out on pages 4 to 6 of this document.

A copy of the Annual Report and Accounts or Annual Review for the year ended 31 December 2016 is enclosed together with a proxy form to enable you to exercise your voting rights.

The AGM is an opportunity for shareholders to express their views directly with the Board and I hope you will take the opportunity to do so.

Your Vote

If you cannot attend, I strongly encourage you to exercise your right to vote by appointing a proxy to vote at the AGM on your behalf. You can appoint a proxy online, which is a quick and easy way of doing this. Simply go to www.sharevote.co.uk and follow the instructions. Alternatively you can appoint a proxy using the enclosed proxy form. A completed form should be sent to the Company's registrar, Equiniti Limited ('Equiniti'), in the envelope provided.

For more information on appointing a proxy, please refer to the proxy form.

Proxy appointments must be received by Equiniti no later than 11.00 am on Tuesday 9 May 2017.

Your Dividend - Your Choice

The Board is recommending for approval at the AGM a final ordinary dividend payment of 1.7 pence per ordinary share in respect of the financial year ended 31 December 2016, taking the total ordinary dividend for the financial year ended 31 December 2016 to 2.55 pence per ordinary share.

In addition, the Board is also recommending a capital distribution in the form of a special dividend of 0.5 pence per ordinary share, representing the distribution of surplus capital over and above the Board's view of the current level of capital required to grow the business, meet regulatory requirements and cover uncertainties, and allows for the estimated capital impact of the MBNA acquisition. If approved, the recommended special dividend will be paid at the same time and have the same record date as the recommended ordinary dividend in respect of the financial year ended 31 December 2016.

The Company will again be offering shareholders a choice of a share alternative to a cash dividend through its Dividend Reinvestment Plan ('DRIP'). This option will also be available for cash paid from the special dividend. Shareholders can find out more about the DRIP on page 7 of this document.

Your Board of Directors

There have been no changes to your Board of Directors since the last AGM.

Anthony Watson and Nick Luff, both Independent Non-Executive Directors, have notified the Board that they do not intend to seek re-election at the AGM.

We would like to extend our thanks and appreciation to Anthony and Nick for their valuable support and contributions to the Board. Anthony and Nick leave with our best wishes for the future.

Subject to being re-elected as a Director of the Company, Anita Frew will succeed Anthony as Senior Independent Director. Anita will combine this role with her role as Deputy Chairman. Simon Henry will be appointed as Chairman of the Audit Committee with effect from 1 May 2017.

Biographical details of each Director seeking re-election are set out in Appendix One on pages 14 and 15 of this document.

Recommendation

The Board considers that all of the resolutions in the notice of AGM are in the best interests of the Company and its shareholders as a whole and recommends unanimously that you vote in favour of them. Your Directors intend to vote in favour of all of the resolutions in respect of their own holdings.

Yours faithfully

Lord Blackwell
Chairman

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The annual general meeting of Lloyds Banking Group plc (the ‘Company’ and unless set out to the contrary, the ‘Group’) will be held at the Edinburgh International Conference Centre, The Exchange, Edinburgh EH3 8EE on Thursday 11 May 2017 at 11.00 am to conduct the business set out in the resolutions below.

Resolutions 1 to 23 (inclusive) are proposed as ordinary resolutions. For each of these to be passed, more than half of the votes cast must be in favour of the resolution.

Resolutions 24 to 30 (inclusive) are proposed as special resolutions. For each of these to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

The Board recommends that you vote in favour of all resolutions.

Resolution 1. Report and accounts

To receive the Company's accounts and the reports of the Directors and of the auditor for the year ended 31 December 2016.

Resolution 2. To re-elect Lord Blackwell as a Director of the Company.

Resolution 3. To re-elect Mr J Colombás as a Director of the Company.

Resolution 4. To re-elect Mr M G Culmer as a Director of the Company.

Resolution 5. To re-elect Mr A P Dickinson as a Director of the Company.

Resolution 6. To re-elect Ms A M Frew as a Director of the Company.

Resolution 7. To re-elect Mr S P Henry as a Director of the Company.

Resolution 8. To re-elect Mr A Horta-Osório as a Director of the Company.

Resolution 9. To re-elect Ms D D McWhinney as a Director of the Company.

Resolution 10. To re-elect Mr N E T Pettejohn as a Director of the Company.

Resolution 11. To re-elect Mr S W Sinclair as a Director of the Company.

Resolution 12. To re-elect Ms S V Weller as a Director of the Company.

Resolution 13. Remuneration policy section of the Directors' remuneration report

To approve the remuneration policy section of the Directors' remuneration report set out on pages 90 to 98 of the Annual Report and Accounts for the year ended 31 December 2016.

Resolution 14. Annual report on remuneration section of the Directors' remuneration report

To approve the annual report on remuneration section of the Directors' remuneration report set out on pages 84 and 85, and 99 to 114 of the Annual Report and Accounts for the year ended 31 December 2016.

Resolution 15. Dividend

To declare and pay a final ordinary dividend of 1.7 pence per ordinary share in respect of the financial year ended 31 December 2016, payable on 16 May 2017 to ordinary shareholders whose names appear in the register of members at the close of business on 7 April 2017.

Resolution 16. Special dividend

To declare and pay a special dividend of 0.5 pence per ordinary share, payable on 16 May 2017 to ordinary shareholders whose names appear in the register of members at the close of business on 7 April 2017.

Resolution 17. Re-appointment of the auditor

To re-appoint PricewaterhouseCoopers LLP as auditor of the Company, to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.

Resolution 18. Auditor's remuneration

To authorise the Audit Committee to set the remuneration of the Company's auditor.

Resolution 19. Renewal of Sharesave Scheme

To renew the Lloyds Banking Group Sharesave Scheme 2007 (the ‘Sharesave Scheme’) until 8 May 2027 and for the Directors to be authorised to establish further plans for the benefit of employees outside the UK based on the Sharesave Scheme subject to such modifications as may be necessary or desirable to take account of securities laws, exchange control and tax legislation provided that any ordinary shares of the Company made available under such further plans are treated as counting against any limits on individual participation or overall participation in the main plan.

The Sharesave Scheme is summarised in Appendix Two and produced in draft to this AGM and (for the purposes of identification) initialled by the Chairman.

Resolution 20. Authority for the Company and its subsidiaries to make political donations or incur political expenditure

(a) That the Company and those companies which are subsidiaries of the Company at any time during the period for which this resolution has effect be authorised for the purposes of Part 14 of the Companies Act 2006:

- (i) to make political donations to political parties, and/or independent election candidates not exceeding £100,000 in total;
- (ii) to make political donations to political organisations other than political parties not exceeding £100,000 in total; and
- (iii) to incur political expenditure not exceeding £100,000 in total,

in each case during the period from the date of the passing of this resolution and ending on the date of the next annual general meeting or at the close of business on 30 June 2018, whichever is the earlier;

(b) that all existing authorisations and approvals relating to political donations or expenditure under Part 14 of the Companies Act 2006 are hereby revoked without prejudice to any donation made or expenditure incurred prior to the date hereof pursuant to such authorisation or approval; and

(c) that words and expressions defined for the purpose of the Companies Act 2006 shall have the same meaning in this resolution.

Resolution 21. Re-designation of limited voting shares

That, with effect from 1 July 2017 (or such other date as the Directors of the Company may determine), each limited voting share of 10 pence in the capital of the Company, having the rights and being subject to the restrictions set out in the articles of association of the Company, be re-designated as an ordinary share of 10 pence each in the capital of the Company, such ordinary share of 10 pence in the capital of the Company having the same rights and being subject to the same restrictions as the ordinary shares in the capital of the Company as set out in the Company's articles of association.

Resolution 22. Directors' authority to allot shares

That the Directors be generally and unconditionally authorised pursuant to and in accordance with Section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company:

- (i) up to an aggregate nominal amount of £2,384,696,212; and
- (ii) comprising equity securities (as defined in Section 560(1) of the Companies Act 2006) up to a further nominal amount of £4,769,392,424 (such amount to be reduced by the aggregate nominal amount of shares allotted or rights to subscribe for or to convert any security into shares in the Company granted under paragraph (i) above) in connection with an offer by way of a rights issue,

such authorities to apply in substitution for all previous authorities pursuant to Section 551 of the Companies Act 2006 and to expire at the conclusion of the next annual general meeting or at the close of business on 30 June 2018, whichever is the earlier, but, in each case, so that the Company may, before such expiry, 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 convert other securities into shares to be granted after the authority given by this resolution has expired.

Resolution 23. Directors' authority to allot shares in relation to the issue of Regulatory Capital Convertible Instruments

That the Directors be generally and unconditionally authorised pursuant to and in accordance with Section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company or grant rights to subscribe for or convert any security into ordinary shares in the Company:

- (i) up to an aggregate nominal amount of £1,250,000,000 in relation to the issue of Regulatory Capital Convertible Instruments; and
- (ii) subject to applicable law and regulation, at such conversion prices (or such maximum or minimum conversion prices or conversion price methodologies) as may be determined by the Directors of the Company from time to time,

such authority to apply in addition to all other authorities pursuant to Section 551 of the Companies Act 2006 and to expire at the conclusion of the next annual general meeting or at the close of business on 30 June 2018, whichever is the earlier, but, in each case, so that the Company may, before such expiry, 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 ordinary shares to be granted after the authority given by this resolution has expired.

Resolution 24. Limited disapplication of pre-emption rights

That, subject to the passing of Resolution 22, the Directors be authorised to allot equity securities (as defined in Section 560(1) of the Companies Act 2006) wholly for cash:

- (i) pursuant to the authority given by paragraph (i) of Resolution 22 or where the allotment constitutes an allotment of equity securities by virtue of Section 560(3) of the Companies Act 2006 in each case:
 - (a) in connection with a pre-emptive offer; and
 - (b) otherwise than in connection with a pre-emptive offer, up to an aggregate nominal amount of £357,704,431; and
- (ii) pursuant to the authority given by paragraph (ii) of Resolution 22 in connection with a pre-emptive rights issue,

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

such authority to expire at the conclusion of the next annual general meeting of the Company or at the close of business on 30 June 2018, whichever is the earlier, but so that the Company may, before such expiry, make offers and enter into agreements which would, or might, require equity securities to be allotted and treasury shares to be sold after the authority given by this resolution has expired and the Directors may allot equity securities and sell treasury shares under any such offer or agreement as if the authority had not expired.

Resolution 25. Limited disapplication of pre-emption rights in the event of financing an acquisition transaction or other capital investment

That, subject to the passing of Resolution 22 and in addition to any authority granted under Resolution 24, the Directors be authorised to allot equity securities (as defined in Section 560(1) of the Companies Act 2006) wholly for cash pursuant to the authority given by Resolution 22 or where the allotment constitutes an allotment of equity securities by virtue of Section 560(3) of the Companies Act 2006 as if Section 561(1) of the Companies Act 2006 did not apply to any such allotment, such authority to be:

- (i) limited to the allotment of equity securities or sale of treasury shares up to an aggregate nominal amount of £357,704,431; and
- (ii) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Board of Directors of the Company determines to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice of meeting,

such authority to expire at the conclusion of the next annual general meeting of the Company or at the close of business on 30 June 2018, whichever is the earlier, but so that the Company may, before such expiry, make offers and enter into agreements which would, or might, require equity securities to be allotted and treasury shares to be sold after the authority given by this resolution has expired and the Directors may allot equity securities and sell treasury shares under any such offer or agreement as if the authority had not expired.

Resolution 26. Limited disapplication of pre-emption rights in relation to the issue of Regulatory Capital Convertible Instruments

That, subject to the passing of Resolution 23, and without prejudice to any existing authority, the Directors be empowered to allot equity securities (as defined in Section 560(1) of the Companies Act 2006) wholly for cash:

- (i) pursuant to the authority given by Resolution 23 up to an aggregate nominal amount of £1,250,000,000; and
- (ii) in relation to the issue of such Regulatory Capital Convertible Instruments, as if Section 561(1) of the Companies Act 2006 did not apply to any such allotment,

such power to expire at the conclusion of the next annual general meeting or at the close of business on 30 June 2018, whichever is the earlier, 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 given by this resolution has expired.

Resolution 27. Authority to purchase ordinary shares

That the Company be and is hereby generally and unconditionally authorised for the purposes of Section 701 of the Companies Act 2006 to make market purchases (within the meaning of Section 693 of the Companies Act 2006) of ordinary shares of 10 pence each in the capital of the Company and where such shares are held in treasury, the Company may use them for the purposes of its employees' share plans, provided that:

- (a) the maximum aggregate number of ordinary shares authorised to be purchased shall be 7,154,088,636;
- (b) the minimum price which may be paid for each ordinary share shall be 10 pence;
- (c) the maximum price, exclusive of expenses, which may be paid for each ordinary share shall be an amount equal to the higher of (i) 105 per cent. of the average of the closing price of the Company's ordinary shares as derived from the London Stock Exchange Daily Official List for the five London business days immediately preceding the day on which such share is contracted to be purchased or (ii) the higher of the price of the last independent trade and the highest current bid as stipulated by the Regulatory Technical Standards adopted by the European Commission pursuant to article 5(6) of the Market Abuse Regulation;

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- (d) this authority shall expire at the conclusion of the next annual general meeting or at the close of business on 30 June 2018, whichever is the earlier, unless such authority is renewed before then; and
- (e) the Company may make a contract to purchase its ordinary shares under this authority before its expiry which would or might be executed wholly or partly after such expiry, and may make a purchase of its ordinary shares under that contract.

Resolution 28. Authority to purchase preference shares

That the Company be and is hereby generally and unconditionally authorised for the purpose of Section 701 of the Companies Act 2006 to make market purchases (within the meaning of Section 693 of the Companies Act 2006) 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) £334,951,000 6.3673 per cent. non-cumulative fixed to floating rate preference shares;
- (e) US\$750,000,000 6.413 per cent. non-cumulative fixed to floating rate preference shares; and
- (f) US\$750,000,000 6.657 per cent. non-cumulative fixed to floating rate preference shares,

(together, the 'Preference Shares'), 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 each Preference Share is an amount equal to 140 per cent. of the liquidation preference of the relevant Preference Share;
- (iv) this authority shall expire at the conclusion of the next annual general meeting or at the close of business on 30 June 2018, whichever is the earlier, unless such authority is 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.

Resolution 29. Adoption of new articles of association

That, subject to the passing of Resolution 21, the draft articles of association of the Company, produced to the meeting and signed by the Chairman for the purposes of identification, be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the Company's existing articles of association.

Resolution 30. Notice period for general meetings

That a general meeting of the Company, other than an annual general meeting, may be called on not less than 14 clear days' notice, such authority to expire at the conclusion of the next annual general meeting unless such authority is renewed at a general meeting of the Company before then.

A member entitled to attend and vote at the annual general meeting can 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 annual general 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.

Further information relating to voting and proxy appointments can be found on pages 11 and 12 of this document.

By order of the Board



Malcolm Wood
Company Secretary

21 March 2017

Registered office:

The Mound
Edinburgh
EH1 1YZ

Registered in Scotland, No. 95000

Explanatory notes on resolutions

Resolution 1. Report and accounts

The Directors are required to present the Company's accounts and the reports of the Directors and of the auditor for the year ended 31 December 2016 at the annual general meeting.

Resolutions 2 to 12. Re-election of Directors

In accordance with the provisions of the UK Corporate Governance Code (the 'Code'), all of the Directors will retire and those willing to serve again will submit themselves for re-election at the annual general meeting.

Anthony Watson and Nick Luff have notified the Board that they do not intend to seek re-election at the 2017 AGM. Anthony joined the Board in April 2009 and was appointed as Senior Independent Director in May 2012. Nick joined the Board in March 2013 and is Chairman of the Audit Committee. Both Anthony and Nick leave with our thanks and best wishes for the future.

Subject to being re-elected as a Director of the Company, Anita Frew will succeed Anthony as Senior Independent Director. Anita will combine this role with her role as Deputy Chairman. Simon Henry will be appointed Chairman of the Audit Committee with effect from 1 May 2017.

The Chairman of the Board leads the annual review of the Board's effectiveness, and that of its Committees and individual Directors, with the support of the Nomination and Governance Committee, which he also chairs. The annual evaluation of the Board is facilitated externally at least once every three years.

The annual review of the Board's performance in 2015 was facilitated externally and the Nomination and Governance Committee recommended that the 2016 annual review should be facilitated internally by the Company Secretary.

The review of the Chairman's performance was led by the Senior Independent Director, Anthony Watson. The evaluation of the Chairman's performance was carried out using a questionnaire and through individual meetings with Directors other than the Chairman.

The annual review for 2016 concluded that the performance of the Board, its Committees, the Chairman and each of the Directors continues to be effective. All Directors demonstrated commitment to their roles.

Further information on the Board, the evaluation findings, including the roles and performance effectiveness of the Directors, can be found in the corporate governance report on pages 65 and 66 of the Annual Report and Accounts for the year ended 31 December 2016.

All Non-Executive Directors are independent in accordance with the criteria set out in the Code. The Chairman was independent on appointment.

A summary of the skills and experience of each Director proposed for re-election can be found on pages 54 to 57 of the Annual Report and Accounts for the year ended 31 December 2016, and in Appendix One on pages 14 and 15 of this document.

Resolutions 13 and 14. Remuneration

These Resolutions deal with the remuneration of the Directors and seek approval of the Directors' remuneration policy and of the remuneration paid to the Directors during the year under review respectively.

The Company is required under the Companies Act 2006 to seek:

- at no more than three year intervals, a binding shareholder vote on the remuneration policy section of the Directors' remuneration report; and
- an annual advisory shareholder vote on the implementation of the Directors' remuneration report.

The Company last sought approval of the remuneration policy section of the Directors' remuneration report at the AGM in 2014.

The Remuneration Committee is committed to regular dialogue with stakeholders. During 2016, the Committee consulted extensively with a number of shareholders and key stakeholders, such as the Group's main regulators, the Prudential Regulation Authority ('PRA') and the Financial Conduct Authority ('FCA').

Resolution 13. Remuneration policy section of the Directors' remuneration report

The remuneration policy section of the Directors' remuneration report is set out on pages 90 to 98 of the Annual Report and Accounts for the year ended 31 December 2016. In accordance with the Companies Act 2006, the resolution to approve the remuneration policy section is a binding vote.

This means that the Company must act according to the voting result. If the resolution is not approved, the remuneration policy previously approved at the Company's 2014 AGM would apply and if the Company wished to change this policy, it would need to present a revised remuneration policy to shareholders for approval at a General Meeting of the Company.

The remuneration policy presented for approval at this AGM is fully compliant with relevant regulation and codes of best practices. It is based on principles which are applicable to all colleagues within the Group and in particular the principle that the reward package should support the delivery of the strategic aim of becoming the best bank for customers whilst delivering superior and sustainable returns to shareholders. It fosters a performance-driven and meritocratic culture and encourages effective risk disciplines.

Resolution 14. Annual report on remuneration section of the Directors' remuneration report

The Company is required to ask shareholders to approve by ordinary resolution the implementation of the Directors' remuneration report. The annual report on remuneration is set out in the Directors' remuneration report and can be found on pages 84 and 85, and 99 to 114 of the Annual Report and Accounts for the year ended 31 December 2016.

In accordance with remuneration reporting rules, the vote on the annual report on remuneration is an advisory vote. This means that the Company can still act according to the annual report on remuneration as proposed if the resolution is not approved. However, if the resolution were not to be approved, the Company would take this into account when considering future annual reports on remuneration.

Resolution 15. Dividend

Shareholders are being asked to approve a final ordinary dividend of 1.7 pence per ordinary share in respect of the financial year ended 31 December 2016.

An interim ordinary dividend for 2016 of 0.85 pence per ordinary share was paid on 28 September 2016, making a total ordinary dividend of 2.55 pence per ordinary share in respect of the financial year ended 31 December 2016 excluding the special dividend referred to in Resolution 16. If the recommended final ordinary dividend is approved, it will be paid on 16 May 2017 to all ordinary shareholders whose names appear in the register of members at the close of business on 7 April 2017.

The Company will continue to offer a share alternative to a cash dividend through its Dividend Reinvestment Plan ('DRIP'). Shareholders who wish to join or cancel their participation in the DRIP before payment of the recommended final ordinary dividend must provide their instruction to Equiniti for receipt no later than 5.00 pm on 25 April 2017. Shareholders can find further information about the DRIP on the Company's website at the following address: www.lloydsbankinggroup.com/investors

Subject to shareholder approval of the recommended final dividend, an entitlement notice in respect of the dividend paid and used to purchase shares under the DRIP will be dispatched by Equiniti to shareholders participating in the DRIP by 19 May 2017.

Resolution 16. Special dividend

The Board has recommended a special dividend of 0.5 pence per ordinary share, representing the distribution of surplus capital over and above the Board's view of the current level of capital required to grow the business, meet regulatory requirements and cover uncertainties, and allows for the estimated capital impact of the MBNA acquisition.

If the recommended special dividend is approved, it will be paid on 16 May 2017 to ordinary shareholders whose names appear in the register of members at the close of business on 7 April 2017.

The recommended special dividend is separate to, and (if approved) will be paid in addition to, the recommended final ordinary dividend in respect of the financial year also ended 31 December 2016. The DRIP is also available for cash paid under the special dividend.

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Resolutions 17 and 18. Auditor

Resolution 17 proposes the re-appointment of PricewaterhouseCoopers LLP ('PwC') as auditor of the Company, to hold office until the conclusion of the next general meeting at which accounts are laid before the Company. The Company's Audit Committee recommends the re-appointment of PwC.

Resolution 18 follows best corporate governance practice in authorising the Audit Committee to set the auditor's remuneration.

The Audit Committee oversees the relationship with the external auditor. During the year, the Audit Committee considered the auditor's terms of engagement (including remuneration), as well as their independence and objectivity. The Audit Committee also considered the effectiveness and performance of the auditor and the audit process, and concluded that it was satisfied with the auditor's performance.

Further details of the work carried out by the Audit Committee are set out on pages 72 to 75 of the Annual Report and Accounts for the year ended 31 December 2016.

Resolution 19. Renewal of Sharesave Scheme

The Sharesave Scheme is an all-employee share option plan which was approved by shareholders in 2007. It expires in May 2017 and so shareholder approval is being sought to renew it for a further 10 years from the date it was originally approved.

The key terms of the Sharesave Scheme are set out in Appendix Two. The rules are only being changed to take account of legislative developments, and are otherwise the same as those approved by shareholders in 2007.

Resolution 20. Authority for the Company and its subsidiaries to make political donations or incur political expenditure

This resolution will renew the authority to incur expenditure which would otherwise be prohibited under Part 14 of the Companies Act 2006.

In accordance with Group policy, the Company does not make any political donations or incur political expenditure in the UK or the rest of the EU within the ordinary meaning of those words.

However, the definitions of political donations, political organisations and political expenditure used in the Companies Act 2006 are very wide and the penalties for breaching the legislation, even if inadvertent, are severe. As a result, such definitions may cover activities that form part of relationships that are an accepted part of engaging with our stakeholders.

The activities referred to above are not designed to support any political party nor to influence public support for any political party. The authority the Company is requesting is a precautionary measure to ensure that the Company can continue to support the community and put forward its views without inadvertently breaching the Companies Act 2006.

While shareholders are permitted to grant authority for up to four years, the Directors will seek shareholder authority each year in accordance with best practice.

Resolution 21. Re-designation of limited voting shares

This resolution proposes that the limited voting shares of 10 pence each in the capital of the Company (the '**limited voting shares**') be re-designated as ordinary shares of 10 pence each (the '**ordinary shares**') in the capital of the Company (the '**Re-Designation**').

80,921,051 limited voting shares are in issue and are held by four independent charitable foundations across the United Kingdom. These shares have different rights to the ordinary shares and do not entitle the holders to vote at general meetings of the Company except in certain limited circumstances. These limited voting shares are already part of the Company's overall capital structure.

The Directors consider that it is appropriate to re-designate the limited voting shares into ordinary shares in order to simplify the capital structure of the Company. Upon the Re-Designation, these ordinary shares will be held by the four independent charitable foundations and provide them with further resources to support those most in need across the United Kingdom.

Each of the foundations has been notified of the proposal to re-designate the limited voting shares as ordinary shares and the requisite consents to the Re-Designation have been obtained in accordance with the articles of association of the Company and

deeds of covenant and foundation agreements between the Company and each of the foundations.

It is proposed that the Re-Designation will take effect on 1 July 2017 (or such other date as the Directors of the Company may determine). Should Resolution 21 be approved by shareholders, on 1 July 2017 (or such other date as the Directors of the Company may determine) each limited voting share will be re-designated as an ordinary share and these shares will be listed on the London Stock Exchange as for the Company's existing ordinary shares already in issue. Following completion of the Re-Designation, there will be no limited voting shares in issue.

For more information on the support provided to the foundations by the Company and how this has enabled them to make grants to local, regional and national charities, most of which focus on providing support to disadvantaged people during key transitions in their lives, please go to www.lloydsbankinggroup.com/our-group/responsible-business

Resolution 22. Directors' authority to allot shares

This resolution (as in previous years) renews the Directors' authority to allot shares.

It gives Directors the maximum flexibility permitted by corporate governance guidelines to respond to market developments and to enable allotments to take place to finance business opportunities as they arise.

The Directors consider it desirable to have this flexibility.

Paragraph (i) gives the Directors the authority to issue new shares and grant rights to subscribe for, or convert other securities into, shares up to one third of the whole of the issued ordinary share capital of the Company (including the limited voting shares), exclusive of treasury shares, as at the close of business on 20 March 2017, being the latest practicable date prior to publication of this notice of AGM.

Paragraph (ii) authorises the Directors to allot shares and grant rights to subscribe for, or convert other securities into, shares in connection with a rights issue up to a further one-third. The aggregate of the amounts in paragraphs (i) and (ii) of Resolution 22 represents a total of approximately two-thirds of the whole of the issued ordinary share capital of the Company (including the limited voting shares), exclusive of treasury shares, as at the close of business on 20 March 2017, being the latest practicable date prior to publication of this notice of AGM. Information on the issued share capital can be found on page 11 of this document.

No shares are held in treasury at this time.

This is in line with the Investment Association's Share Capital Management Guidelines issued in July 2016.

This authority will expire at the conclusion of the next annual general meeting or at the close of business on 30 June 2018, whichever is the earlier. There are no present plans to undertake a rights issue or to allot new shares save that the Directors may, as part of capital management planning, authorise new issuances of ordinary shares in an amount that is not material in relation to the Company's capital.

For the purposes of this resolution '**rights issue**' means an offer to:

- ordinary shareholders in proportion (as near as may be practicable) to their existing holdings; and
- people who are holders of other equity 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 for 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, legal, regulatory or practical problems in, or under the laws of, any territory or jurisdiction.

Resolution 23. Directors' authority to allot shares in relation to the issue of Regulatory Capital Convertible Instruments

This resolution, as in previous years, renews the Directors' authority to allot shares or grant rights to subscribe for or convert any security into ordinary shares, in accordance with Section 551 of the Companies Act 2006 up to an aggregate nominal amount of

£1,250,000,000 in connection with the issue of Regulatory Capital Convertible Instruments.

The Board believes it is in the best interests of the Company to have the flexibility to issue Regulatory Capital Convertible Instruments at any time and from time to time. The authority sought in this resolution will be utilised as considered desirable to comply with or maintain compliance with such regulatory capital requirements or targets applicable to the Group.

The Company intends to seek to renew authority for the issuance of such Regulatory Capital Convertible Instruments on an annual basis. The amount of this authority is, in aggregate, equivalent to approximately 17.47 per cent. of the issued ordinary share capital of the Company (including the limited voting shares) as at the close of business on 20 March 2017, being the last practicable date before the publication of this notice of AGM.

No ordinary shares are held in treasury.

Resolutions 23 and 26 are intended to provide the Directors with the flexibility to authorise the issue of Regulatory Capital Convertible Instruments which contain contractual debt to equity conversion features. The resolutions are not intended to provide authority for any bail-in or conversion of capital or senior debt obligations pursuant to the Banking Act 2009, as amended, or otherwise.

This is separate and distinct from the authority sought in Resolution 22 which is the usual authority sought on an annual basis in line with the Share Capital Management Guidelines issued by The Investment Association.

Conditional upon the passing of Resolutions 23 and 26, the Directors would not expect to make use of Resolutions 22, 24 or 25 to issue Regulatory Capital Convertible Instruments, although these resolutions may be used for other purposes and, if so used, would have the effect of diluting the interests of ordinary shareholders.

Regulatory Capital Convertible Instruments include additional tier 1 ('AT1') instruments which convert into ordinary shares of the Company should the Company's common equity tier 1 ratio fall below a contractually defined trigger point.

For the purpose of this resolution:

'Regulatory Capital Convertible Instruments' means any securities to be issued by the Company or any member of the Group, or by a company outside of the Group with the consent of the Company or a member of the Group and which are intended on issue to form all or part of a type or class of securities the terms of which are eligible to meet any Regulatory Capital Requirements and which are:

- (i) convertible into or exchangeable for ordinary shares of the Company; or
- (ii) issued together with share warrants relating to ordinary shares of the Company,

and in each case, which grant to, or require, the holder of such security and/or its nominee a right or obligation (as applicable) to subscribe for such ordinary shares following a specified event relating to an actual or prospective adverse change in the capital position or viability of the Company, any member of the Group or the Group as a whole or any other event specified in the Regulatory Capital Requirements as defined below and otherwise on such terms as may be determined by the Directors of the Company or a committee thereof upon issue;

'Regulatory Capital Requirements' means any applicable requirements specified by the Prudential Regulation Authority or other such authority having primary supervisory authority with respect to the Company from time to time in relation to the margin of solvency, capital resources, capital, contingent capital or buffer capital of the Company, a member of the Group or the Group taken as a whole; and

'Group' means the Company, its subsidiaries and its subsidiary undertakings from time to time.

Resolutions 24 and 25. Limited disapplication of pre-emption rights

If the Directors wish to allot new shares and other equity securities, or sell treasury shares, for cash (other than in connection with an employee share scheme), company law requires that these shares are offered first to shareholders in proportion to their existing holdings (known as pre-emption rights).

It is usual practice for the Company to seek a renewal of this authority on an annual basis however this year there are two separate resolutions permitting the disapplication of pre-emption rights in limited circumstances.

Sections (i)(a) and (ii) of Resolution 24 seek shareholder approval to allot a limited number of ordinary shares or other equity securities, or sell treasury shares, for cash on a pre-emptive basis but subject to such exclusions or arrangements as the Directors may deem appropriate to deal with certain legal, regulatory or practical difficulties. For example, in a pre-emptive rights issue, there may be difficulties in relation to fractional entitlements or the issue of new shares to certain shareholders, particularly those resident in certain overseas jurisdictions. The Board has no current intention of exercising such authority but considers the authority to be appropriate in order to allow the Company to have the flexibility to finance business opportunities or to conduct a pre-emptive offer or pre-emptive rights issue having made appropriate exclusions or arrangements to address such difficulties.

In addition, there may be circumstances when the Directors consider it in the best interests of the Company to allot a limited number of ordinary shares or other equity securities, or sell treasury shares for cash on a non pre-emptive basis. The Pre-Emption Group's Statement of Principles, as updated in March 2015, supports the annual disapplication of pre-emption rights in respect of allotments of shares and other equity securities and sales of treasury shares for cash representing no more than five per cent. of issued ordinary share capital (exclusive of treasury shares), without restriction as to the use of proceeds of those allotments.

Accordingly, the purpose of section (i)(b) of Resolution 24 is to authorise the Directors to allot new shares and other equity securities pursuant to the allotment authority given by Resolution 22, or sell treasury shares, for cash up to a nominal value of £357,704,431, equivalent to five per cent. of the total issued ordinary share capital of the Company excluding treasury shares, as at the close of business on 20 March 2017, without the shares first being offered to existing shareholders in proportion to their existing holdings. As at the close of business on 20 March 2017, the Company did not hold any shares in treasury.

The Pre-Emption Group's Statement of Principles also supports the annual disapplication of pre-emption rights in respect of allotments of shares and other equity securities and sales of treasury shares for cash representing no more than an additional five per cent. of issued ordinary share capital (exclusive of treasury shares), to be used only in connection with an acquisition or specified capital investment. The Pre-Emption Group's Statement of Principles defines "specified capital investment" as meaning one or more specific capital investment related uses for the proceeds of an issue of equity securities, in respect of which sufficient information regarding the effect of the transaction on the Company, the assets the subject of the transaction and (where appropriate) the profits attributable to them is made available to shareholders to enable them to reach an assessment of the potential return.

Accordingly, and in line with the template resolutions published by the Pre-Emption Group in May 2016, the purpose of Resolution 25 is to authorise the Directors to allot new shares and other equity securities pursuant to the allotment authority given by Resolution 22, or sell treasury shares, for cash up to a further nominal amount of £357,704,431, equivalent to five per cent. of the total issued ordinary share capital of the Company as at the close of business on 20 March 2017, exclusive of treasury shares, only in connection with an acquisition or specified capital investment which is announced contemporaneously with the allotment, or which has taken place in the preceding six-month period and is disclosed in the announcement of the issue. If the authority given in Resolution 25 is used, the Company will publish details of the placing in its next annual report.

The Board intends to adhere to the provisions in the Pre-Emption Group's Statement of Principles and not allot shares or other equity securities or sell treasury shares for cash on a non pre-emptive basis pursuant to the authority in Resolution 24 in excess of an amount equal to 7.5 per cent. of the total issued ordinary share capital of the Company, excluding treasury shares, within a rolling three-year period, other than:

- (i) with prior consultation with shareholders; or

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- (ii) in connection with an acquisition or specified capital investment which is announced contemporaneously with the allotment or which has taken place in the preceding six-month period and is disclosed in the announcement of the allotment.

The Board considers the authorities in Resolutions 24 and 25 to be appropriate in order to allow the Company flexibility to finance business opportunities or to conduct a pre-emptive offer or rights issue without the need to comply with the strict requirements of the statutory pre-emption provisions.

If the resolutions are passed, the authority will expire on the earlier of the conclusion of the next annual general meeting of the Company or at the close of business on 30 June 2018.

For the purposes of this resolution:

- (a) 'rights issue' has the same meaning as in the Explanatory note to Resolution 22;
- (b) 'pre-emptive offer' means an offer of equity securities open for acceptance for a period fixed by the Directors to: (i) 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 (ii) other persons so entitled by virtue of the rights attaching to any other equity 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 or jurisdiction;
- (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.

Resolution 26. Limited disapplication of pre-emption rights in relation to the issue of Regulatory Capital Convertible Instruments

This resolution proposes that, without prejudice to any existing power including that contained in Resolutions 24 and 25, the Directors be empowered to allot equity securities (as defined in Section 560(1) of the Companies Act 2006) up to an aggregate nominal amount of £1,250,000,000 in relation to the issue of Regulatory Capital Convertible Instruments wholly for cash or otherwise as if Section 561 of the Companies Act 2006, to the extent applicable, did not apply to any such allotment. This is equivalent to approximately 17.47 per cent. of the issued ordinary share capital of the Company (including the limited voting shares) as at the close of business on 20 March 2017, being the last practicable date before the publication of this notice of AGM.

Renewing this resolution will permit the Company the flexibility necessary to allot equity securities pursuant to any proposal to issue Regulatory Capital Convertible Instruments and, by virtue of such disapplication, without the need to comply with the pre-emption requirements of the UK statutory regime.

For the purposes of this resolution, Regulatory Capital Convertible Instruments has the same meanings as in the Explanatory notes to Resolution 23.

Resolutions 27 and 28. Authority to purchase ordinary shares and preference shares

These resolutions renew the authority of the Company to purchase its own ordinary shares and certain of its preference shares (as specified in the resolution wording) in the market.

The authority for the Company to purchase its ordinary shares in the market is limited to 7,154,088,636 ordinary shares, equivalent to 10 per cent. of the issued ordinary share capital of the Company (including the limited voting shares) as at the close of business on 20 March 2017, being the last practicable date before the publication of this notice of AGM.

Any ordinary shares purchased in this way may be cancelled or held in treasury for eventual sale for cash, transfer in connection with an employees' share plan or cancellation. The resolution explicitly authorises the Company to use any shares purchased and held in treasury for the purposes of its employees' share plans.

If any shares were used in this way, the Company would take them into account when calculating the share issuing limits in the share plans, to the extent required under the Share Capital Management Guidelines issued by The Investment Association in July 2016. There is no limit on the number or value of preference shares that can be purchased.

1,096,618,681 ordinary shares, equivalent to 1.53 per cent. of the issued ordinary share capital as at the close of business on 20 March 2017, may be issued on the exercise of outstanding awards and options. If the Company were to purchase and cancel shares up to the maximum permitted by this resolution, that percentage would increase to 1.703 per cent.

The Directors would exercise the authority only if they felt that to do so would be in the best interests of the Company and would result in an increase in earnings per ordinary share.

To the extent that any such shares were held in treasury, earnings per share would only be increased on a temporary basis, until the shares were sold or transferred out of treasury. Also, if the Directors were to decide to use the authority, they would, at that time, determine whether it would be in the best interests of shareholders as a whole for the shares purchased to be cancelled or held in treasury.

Resolution 29. Adoption of new articles of association

Resolution 29 proposes the adoption of new articles of association in substitution for the existing articles of association.

Article 3.1.1 of the proposed new articles of association establishes the date on which the limited voting shares shall be converted into ordinary shares in the capital of the Company, in accordance with Resolution 21 and as described in the Explanatory note to Resolution 21. Relevant definitions have also been amended.

The articles of association, including the amended form of articles of association that are proposed to be adopted by Resolution 29, are available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the head office of the Company at 25 Gresham Street, London EC2V 7HN and at the registered office of the Company at The Mound, Edinburgh EH1 1YZ, up to and including the date of the AGM. These documents will also be made available for inspection at the Edinburgh International Conference Centre, The Exchange, Edinburgh EH3 8EE from 10.00am on Thursday 11 May 2017 until the end of the AGM.

Resolution 30. Notice period for general meetings

Under the Companies Act 2006, the notice period required for all general meetings of the Company is 21 clear days. However, shareholders can approve a shorter notice period of not less than 14 clear days for general meetings other than annual general meetings. Guidance under the UK Corporate Governance Code provides that at least 14 working days notice should be given for general meetings other than annual general meetings. Guidance published by The Institute of Chartered Secretaries and Administrators recommends that, whilst companies should aspire to give the longer notice periods, the 14 clear days notice period is the statutory notice period in respect of which companies are required to comply.

Accordingly, this resolution seeks to obtain shareholder approval for a notice period for general meetings (other than annual general meetings) of 14 clear days as required by the Companies Act 2006 and in accordance with guidance issued by The Institute of Chartered Secretaries and Administrators.

It is the Company's intention only to use this authority in circumstances when it would disadvantage the Company to delay shareholder approval for an urgent matter concerning, for instance, the issue or alteration of share capital. It is not intended to use this authority for routine Company business. The Company would aspire to provide shareholders with as much notice as possible and will, should it be necessary to use this authority, provide shareholders with a clear explanation as to why a shorter notice period is necessary.

The resolution shall be valid until the conclusion of the next annual general meeting (unless the authority granted by the resolution is renewed at a general meeting of the Company before then) and it is the Company's intention to renew the authority at each annual general meeting.

Annual general meetings will continue to be held on at least 21 clear days' notice.

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Issued capital and voting rights

As at the close of business on 20 March 2017 (being the last practicable date prior to the publication of this document) the total number of shares, including shares represented by American Depositary Receipts, issued by Lloyds Banking Group plc was 71,540,886,364 ordinary shares of 10 pence each. At this date, no shares were held in treasury.

80,921,051 limited voting shares of 10 pence each are in issue and held by the Lloyds Bank Foundations. These shares do not entitle the holders to vote at general meetings except in certain limited circumstances.

Each ordinary share of 10 pence carries one vote. Therefore the total number of voting rights is 71,459,965,313.

Directors

A summary of the skills and experience of each Director proposed for re-election can be found on pages 14 and 15 of this document. Additional details relating to the Directors and the work of the Board and its Committees can be found on pages 54 to 114 of the Annual Report and Accounts.

Attendance requirements

To be entitled to attend, speak and vote at the meeting, a shareholder's details must be entered in the register of members by 6.30 pm on Tuesday 9 May 2017.

Only shareholders, appointed proxies or corporate representatives are entitled to attend, speak and vote at the meeting.

If the meeting is adjourned, shareholders who wish to attend and vote must have their names entered in the Company's register of members by 6.30 pm on the day falling two working days prior to the date fixed for the adjourned meeting.

Voting in advance by proxy

By post: Complete the proxy/voting form and return it to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA.

The enclosed envelope is postage paid if mailed in the UK and also if it is mailed from overseas. You should not need to pay any additional local postal charges.

Online: Register your instruction at www.sharevote.co.uk using the Voting ID, Task ID and Shareholder reference number noted on the enclosed proxy/voting form.

CREST: Participants can provide instructions using the CREST electronic proxy appointment service through Equiniti Limited (ID RA19) following the procedures described in the CREST manual available at www.euroclear.com

Voting deadline

Instructions, together with any supporting authority, e.g. a certified copy of a power of attorney, must be received by Equiniti no later than 11.00 am on Tuesday 9 May 2017.

For instructions submitted in CREST, the time of receipt by Equiniti 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 is able to retrieve the message by enquiry of Euroclear in the manner prescribed by Euroclear. Equiniti may treat as invalid a CREST instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Appointing a proxy

You can appoint one or more people to attend the meeting on your behalf (your proxy). To appoint a proxy, please add the name of the person in the relevant box provided on the proxy card or as displayed on screen if you are appointing a proxy through the online service.

A proxy need not be a shareholder of the Company but must attend the meeting to represent a shareholder.

Appoint more than one proxy

If you wish to appoint more than one proxy, you can obtain additional proxy cards by contacting Equiniti on 0371 384 2990 or +44 121 415 7066 from outside the UK. You should indicate the number of shares for which each proxy is entitled to vote next to their name.

Revoking a proxy

Proxy appointments may be revoked or amended by written notice to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA; CREST participants may also give these instructions by CREST message. To be valid, such instructions must be received by 10.00 am on Thursday 11 May 2017.

Joint shareholders

The signature of any one holder will suffice when completing the proxy/voting form. If multiple instructions are received, the instructions of the most senior joint holder will be accepted in priority to other instructions. Seniority will be determined by the order in which the names stand in the register of members for the joint holding.

Webcast

The AGM will be available to view online by webcast at www.lloydsbankinggroupagm.com. Shareholders attending the AGM may be broadcast and will be deemed to have consented to this. Shareholders choosing to view the AGM using the webcast will not be able to participate in proceedings at the AGM. It is recommended that shareholders choosing to use this service allow good time in advance of the meeting to visit the website to check system connectivity.

Indirect investors

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(2) of the Companies Act 2006 ('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.

Attending the meeting

Information relating to the arrangements and facilities for the meeting can be found on page 17 of this document.

Shareholders who intend to come to the AGM are asked to bring the attendance card with them. This can be located adjacent to the proxy card, and can be detached. This helps to speed up registration on arrival and reduces the length of time that shareholders may have to spend queuing.

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Questions at the AGM

Shareholders, their appointed proxies and authorised corporate representatives have the right to ask questions at the AGM relating to the business of the meeting. 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 you intend to come to the AGM and would like to ask a question about the business of the meeting, you may register it in advance by sending it by email to AGMquestions@lloydsbanking.com. This should not be used to raise personal enquiries. If your question is not a matter for the AGM it may be referred to an appropriate team to respond. If you choose not to attend the meeting your question will not be raised at the AGM on your behalf. Shareholders are asked to be concise to ensure others who wish to ask a question are able to do so.

You may not use any electronic address provided either in this notice of AGM or any related documents to communicate with the Company for any purpose other than those expressly stated. Any electronic communication sent by a shareholder to the Company or Equiniti that is found to contain a computer virus will not be accepted.

Electronic communication facilities are available to all shareholders and those who use them will not be disadvantaged. Shareholders who decide to use them will receive an electronic mail message sent to the electronic address registered. This will give details of the location on the Company's website www.lloydsbankinggroup.com where this notice, together with other relevant documents and information, may be viewed. The Company will not regard itself as responsible for any failure in transmission beyond its control. There is no particular software needed, other than that which is described and is available on the Company's website.

Right to include a resolution at the AGM

Under Sections 338 and 338A of the Companies Act 2006, members who satisfy the threshold requirements in those sections have the right to require the Company:

- (i) to give, to members of the Company entitled to receive notice of the meeting, notice of a resolution which may properly be moved and is intended to be moved at the meeting; and/or
- (ii) to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may be properly included in the business.

A resolution may properly be moved or a matter may properly be included in the business unless:

- (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise);
- (b) it is defamatory of any person; or
- (c) it is frivolous or vexatious.

Such a request may be in hard copy form or in electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it, must be received by the Company not later than 29 March 2017, being the date six clear weeks before the meeting, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

Right to publish a statement about the auditor

Under Section 527 of the Companies Act 2006, members who satisfy the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to:

- (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the annual general meeting for the financial year ended 31 December 2016; or
- (ii) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which an Annual Report and Accounts were laid.

The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with Sections 527 or 528 (requirements as to website availability) of the Companies Act 2006.

Where the Company is required to place a statement on a website under Section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor no later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM for the relevant financial year includes any statement that the Company has been required under Section 527 of the Companies Act 2006 to publish on a website.

Documents available for inspection

The following documents, which are available for inspection during usual business hours on any weekday (Saturdays, Sundays and public holidays excluded) at the head office of the Company at 25 Gresham Street, London EC2V 7HN and at the Company's registered office at The Mound, Edinburgh EH1 1YZ, will also be available for inspection at the Edinburgh International Conference Centre from 10.00 am on Thursday 11 May 2017 until the end of the meeting:

- (i) the Company's Annual Report and Accounts for the year ended 31 December 2016;
- (ii) copies of the Executive Directors' service contracts;
- (iii) copies of the Non-Executive Directors' letters of Appointment;
- (iv) a copy of the articles of association of the Company together with a copy of the amended form of articles of association of the Company that are proposed to be adopted by Resolution 29; and
- (v) a copy of the rules of the Sharesave Scheme.

Glossary of terms

The following is a brief explanation of some of the terms used within this notice of AGM and the Annual Report and Accounts or which may commonly also be used during the course of the AGM.

This glossary of terms is not intended to provide legal guidance or advice. Shareholders are advised to seek independent legal or financial advice with regards to any matters contained in this notice of AGM.

Additional Tier 1 Capital ('AT1') Instruments

This relates to capital instruments other than ordinary shares that meet the regulatory requirements for Tier 1 Capital. They may include instruments that convert into ordinary shares in certain circumstances.

American Depositary Receipts ('ADRs')

An ADR is a negotiable certificate issued by a U.S. bank representing a specified number of shares in non U.S. stock in respect of a non U.S. company that is traded on a U.S. exchange.

Annual General Meeting ('AGM')

A public company is required in law to hold an AGM with its shareholders and to table its accounts within six months of the end of its preceding financial year.

Basel III

This is a global regulatory standard on banking, issued by the Basel Committee on Banking Supervision, designed to strengthen capital requirements through increasing liquidity whilst reducing leverage and increasing prudential soundness of banks.

Capital

In its simplest terms, capital relates to the financial resources available for a company's use. The amount of capital available is usually calculated by deducting a company's total liabilities from its total assets.

Capital buffers

This is the amount of capital a bank holds over and above the minimum regulatory requirements. In general the regulators will set capital requirements that they expect the bank to hold, and management will set additional capital buffers to mitigate against the risk of using the regulatory buffers. During periods of economic growth, regulators will set higher capital buffers to minimise the risk of exposure to financial stress during periods when the economy shrinks (recession).

Capital Requirements Directive IV ('CRD IV')

This is the EU implementation of Basel III which introduces a supervisory framework on capital measurement and capital standards. This also includes rules on remuneration.

Common Equity Tier 1 Capital ('CET1')

This is the highest quality form of regulatory capital under CRD IV and comprises common shares issued and related share premium, together with other reserves and earnings and taking into account specified regulatory adjustments.

Contingent or Regulatory Capital Convertible Instruments

These are securities which are designed to absorb losses of Common Equity Tier 1 Capital ('CET1') in stress. If the capital falls below a contractually agreed level, the security or instrument converts into ordinary shares at an agreed price, thus increasing CET1 capital. These securities must meet a number of requirements to be recognised as regulatory capital instruments.

Leverage ratios

This is the ratio of Tier 1 Capital to total exposure to debtors and other obligations and is expressed in percentage terms. This equates to the number of times the exposure exceeds such Tier 1 Capital.

The leverage ratio can be used to provide insight into a company's ability to absorb losses through capital held. This is not based on the regulatory standards required to be applied to accounting standards and reports and may exclude one off charges or events. Basel III introduced a standard which is expected to require banks to hold a minimum leverage ratio in excess of 3 per cent. by January 2018.

Pre-Emption Group (see The Investment Association)

This group, formed by the Association of British Insurers and the National Association of Pension Funds, now named the Pension and Lifetime Savings Association, together with City and industry representatives, controls and monitors the issue of equity securities by listed public companies.

Profit before tax

Before a company calculates its profits on which tax is payable it is allowed to deduct its expenses including operating expenses and interest payments on debt instruments or loans. The resulting figure is the profit the company has made before it incurs its tax liability.

Prudential Regulation Authority ('PRA')

The PRA was formed as one of the successors to the Financial Services Authority. It is responsible for the prudential regulation and supervision of banks, building societies, credit unions, insurers and major investment firms.

Risk Weighted Assets ('RWA')

This relates to the assets of a company, which will include for example cash, debt owed to the company, property and investments. These are assigned risk weightings between 0 per cent. and 1,250 per cent. according to the level of risk associated with that asset with riskier assets having higher weighting.

As an example, an unsecured loan is generally likely to be considered riskier (in terms of the ability to receive repayment in full) than a loan secured with collateral such as property. The total of risk weighted assets is used to calculate a company's required capital.

The Investment Association

The body formed as a result of a merger between the Investment Affairs division of the Association of British Insurers and the Investment Management Association which represents UK investment managers and has assumed responsibility for all guidance previously issued by the Association of British Insurers.

Tier 1 Capital

Tier 1 Capital is capital of the Group that meets a number of regulatory requirements designed to demonstrate that it is highly permanent and capable of absorbing losses. It contains only common Equity Tier 1 Capital and other capital instruments that meet these requirements (Additional Tier 1 Capital).

UK Listing Authority or UKLA

The FCA acting as the UKLA focuses on companies whose shares are admitted to trading in the UK and its Listing Rules set out obligations on listed companies.

Wholesale funding

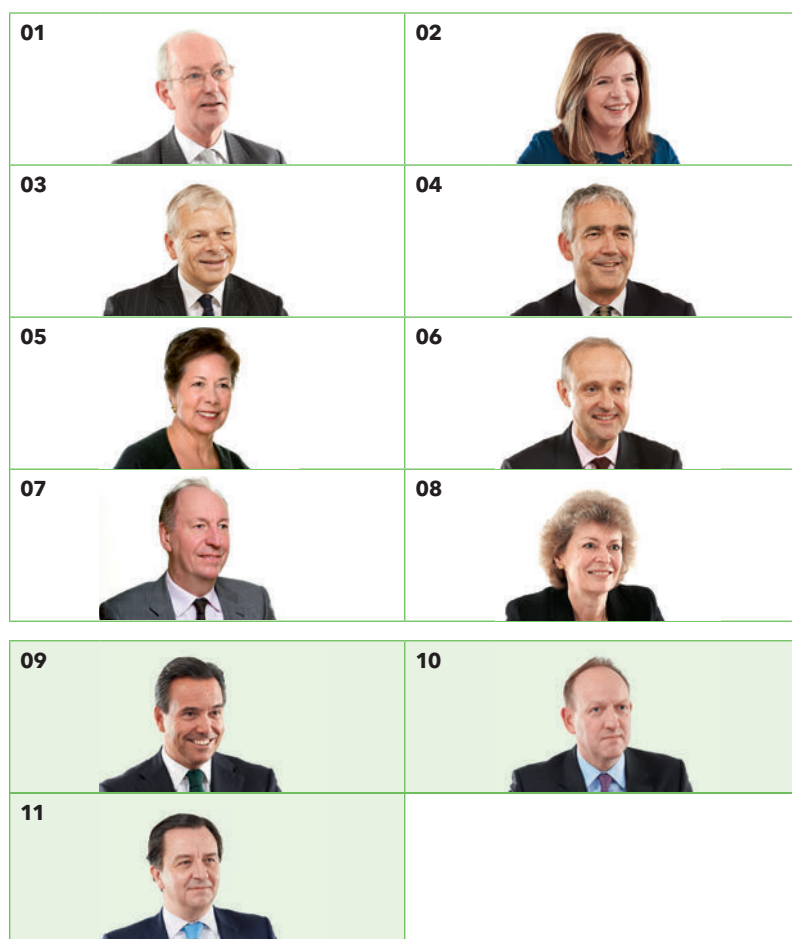
This is a common method of fund raising by companies where large sums of capital are borrowed from other institutions. It is often a quick method of obtaining capital as it takes the form of loans rather than the issuance of bonds or shares.

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KEY

Member of Audit Committee	A
Member of Nomination and Governance Committee	NG
Member of Remuneration Committee	Re
Member of Responsible Business Committee	RB
Member of Risk Committee	Ri
Committee Chairman	●

NON-EXECUTIVE DIRECTORS

01 Lord Blackwell Chairman

NG Re RB Ri

Appointed: June 2012 (Board), April 2014 (Chairman)

Skills and experience: Lord Blackwell has deep financial services knowledge including in insurance and banking, as well as regulatory and public policy experience gained from senior positions in a wide range of industries. His breadth of experience, credibility with key stakeholders and strong leadership qualities make him an effective Chairman. Lord Blackwell was previously the Chairman of Scottish Widows Group, and Interserve plc, Director of Group Development at NatWest Group, a Senior Independent Director of Standard Life and also chaired their UK Life and Pensions Board. His past Non-Executive Directorships have included Halma plc, Dixons Group, SEGRO and Ofcom. He was Head of the Prime Minister's Policy Unit from 1995 to 1997 and was appointed a Life Peer in 1997. He has an MA in Natural Sciences from the University of Cambridge, a Ph.D in Finance and Economics and an MBA from the University of Pennsylvania.

External appointments: Governor of the Yehudi Menuhin School.

02 Anita Frew Deputy Chairman and Independent Director

A NG Re RB Ri

Appointed: December 2010 (Board), May 2014 (Deputy Chairman)

Skills and experience: Anita has significant board, financial and general management experience across a range of sectors, including banking, asset and investment management, manufacturing and utilities. She was previously Chairman of Victrex plc, the Senior Independent Director of Aberdeen Asset Management and IMI plc, an Executive Director of Abbott Mead Vickers, a Non-Executive Director of Northumbrian Water and has held various investment and marketing roles at Scottish Provident and the Royal Bank of Scotland. Her extensive board level, asset and investment management experience makes her a strong Deputy Chairman and Chairman of the Remuneration Committee. She has a BA (Hons) in International Business from the University of Strathclyde, a MRes in Humanities and Philosophy from the University of London and an Honorary DSc for contribution to industry and finance from the University of Cranfield.

External appointments: Chairman of Croda International Plc and a Non-Executive Director of BHP Billiton.

03 Alan Dickinson Independent Director

A NG Re Ri

Appointed: September 2014

Skills and experience: Alan is a highly regarded retail and commercial banker having spent 37 years with the Royal Bank of Scotland, most notably as Chief Executive of RBS UK. More recently, he was a Non-Executive Director of Willis Limited and Chairman of its Risk Committee. He was formerly Chairman of Brown, Shipley & Co. Limited and a Non-Executive Director of Nationwide Building Society where he was Chairman of its Risk Committee. Alan's strategic focus and core banking experience complements the balance of skills on our Board and makes him ideal for the role of Chairman of the Board Risk Committee. He is a Fellow of the Chartered Institute of Bankers and the Royal Statistical Society and has an MBA from the Manchester Business School and a Bachelor of Science from the University of Birmingham.

External appointments: Chairman of Urban & Civic plc and a Governor of Motability.

04 Simon Henry Independent Director

Appointed: June 2014

A Ri

Skills and experience: Simon has deep international experience in board level strategy and execution. His extensive knowledge of financial markets, treasury and risk management and his qualification as an Audit Committee Financial Expert is of particular value in our Board Risk and Audit Committees. Simon has a BA in Mathematics, an MA from the University of Cambridge and is a fellow of the Chartered Institute of Management Accountants. Until 9 March 2017, Simon was the Chief Financial Officer and an Executive Director of Royal Dutch Shell plc with responsibility for Shell's Finance, IT, Strategy and Planning functions.

External appointments: Non-Executive Director of Rio Tinto plc and Rio Tinto Limited (from 1 July 2017). Chair of the European Round Table CFO Taskforce, Member of the Main Committee of the 100 Group of UK FTSE CFOs, the Advisory Panel of CIMA and of the Advisory Board of the Centre for European Reform.

05 Deborah McWhinney Independent Director

Appointed: December 2015

A Ri

Skills and experience: Deborah has an extensive executive background in managing technology, operations and new digital innovations across banking, payments and institutional investment. She broadens the Board's diversity from a global market perspective. Deborah is a former Chief Executive Officer, Global Enterprise Payments and President, Personal Banking and Wealth Management at Citibank. She was previously President of Institutional Services at Charles Schwab Corporation and held executive roles at Engage Media Services Group, Visa International and Bank of America, where she held senior roles in Consumer Banking. She holds a BSc in Communications from the University of Montana.

External appointments: Member of the Supervisory Board of Fresenius Medical Care AG & Co. KGaA, Independent Director of Fluor Corporation and IHS Markit Ltd, a Trustee of the California Institute of Technology and of the Institute for Defense Analyses.

06 Nick Prettejohn Independent Director and Chairman of Scottish Widows Group

Appointed: June 2014

A Ri

Skills and experience: Nick has significant financial services experience, particularly in insurance where he has served as Chief Executive of Lloyd's of London and Prudential UK and Europe as well as Chairman of Brit Insurance. He is a former Non-Executive Director of the Prudential Regulation Authority and of Legal & General Group Plc, as well as Chairman of the Financial Services Practitioner Panel. He has the knowledge and experience to provide valuable insight and contribute effectively as a Non-Executive Director and Member of the Audit Committee and Risk Committee as well as the governance experience and leadership qualities to chair Scottish Widows Group. Nick has a First Class Degree in Philosophy, Politics and Economics from Balliol College, University of Oxford.

External appointments: Member of the BBC Trust (until 31 March 2017), Chairman of the Britten-Pears Foundation, the Royal Northern College of Music and the Financial Conduct Authority's Financial Advice Working Group.

07 Stuart Sinclair Independent Director

Appointed: January 2016

Ri Re

Skills and experience: Stuart has extensive experience in retail banking, insurance and consumer finance. He is a former Non-Executive Director of TSB Banking Group plc, TSB Bank plc, LV Group and Virgin Direct. In his executive career, he was President and Chief Operating Officer of Aspen Insurance after spending nine years with General Electric, as Chief Executive Officer of the UK Consumer Finance business then President of GE Capital China. Before that he was Chief Executive Officer of Tesco Personal Finance and Director of UK Retail Banking at the Royal Bank of Scotland. He was a Council member of The Royal Institute for International Affairs (Chatham House). He has an MA in Economics from the University of Aberdeen and an MBA from the University of California.

External appointments: Non-Executive Director and Chair of the Risk Committee at Provident Financial plc, Senior Independent Director and Chair of Risk at QBE Insurance (Europe) Limited and Senior Independent Director and Chair of Risk at Swinton Group Limited.

08 Sara Weller CBE Independent Director

Appointed: February 2012

Re RB Ri

Skills and experience: With a background in retail and associated sectors, including financial services, Sara brings a broad perspective to the Board. She is a passionate advocate of customers, the community, financial inclusion and the development of digital skills which directly support Lloyds Banking Group's strategy and her role as Chairman of the Responsible Business Committee. Sara has considerable experience of boards at both executive and non-executive level. Her previous appointments include Managing Director of Argos, various senior positions at J Sainsbury including Deputy Managing Director, Lead Non-Executive Director at the Department of Communities and Local Government, a Non-Executive Director of Mitchells & Butlers as well as a number of senior management roles for Abbey National and Mars Confectionery. She has an MA in Chemistry from Oxford University.

External appointments: Non-Executive Director of United Utilities Group and Chair of their Remuneration Committee, a Governing Council Member of Cambridge University, Chairman of the Planning Inspectorate and Board member at the Higher Education Funding Council.

EXECUTIVE DIRECTORS

09 António Horta-Osório Executive Director and Group Chief Executive

Appointed: January 2011 (Board),
March 2011 (Group Chief Executive)

Skills and experience: António brings extensive experience in, and understanding of, both retail and commercial banking. This has been built over a period of more than 30 years, working both internationally as well as in the UK. António's drive, enthusiasm and commitment to customers, along with his proven ability to build and lead strong management teams, brings significant value to all stakeholders of Lloyds Banking Group. Previously he worked for Goldman Sachs, Citibank and held various senior management positions at Grupo Santander before becoming its Executive Vice President. He was a Non-Executive Director of Santander UK and subsequently its Chief Executive. He is also a former Non-Executive Director of the Court of the Bank of England and Governor of the London Business School. António has a Degree in Management & Business Administration from the Universidade Católica Portuguesa, an MBA from INSEAD and has completed the Advanced Management Program at Harvard Business School. **External appointments:** Non-Executive Director of EXOR N.V., Fundação Champalimaud and Sociedade Francisco Manuel dos Santos in Portugal, a member of the Board of Stichting INPAR and Chairman of the Wallace Collection.

10 George Culmer Executive Director and Chief Financial Officer

Appointed: May 2012 (Board)

Skills and experience: George has extensive operational and financial expertise including strategic and financial planning and control. He has worked in financial services in the UK and overseas for over 25 years. George was an Executive Director and Chief Financial Officer of RSA Insurance Group, the former Head of Capital Management of Zurich Financial Services and Chief Financial Officer of its UK operations as well as holding various senior management positions at Prudential. He is a Non-Executive Director of Scottish Widows. George is a Chartered Accountant and has a history degree from the University of Cambridge.

External appointments: None.

11 Juan Colombás Executive Director and Chief Risk Officer

Appointed: January 2011 (Chief Risk Officer),
November 2013 (Board)

Skills and experience: Juan has significant banking and risk management experience, having spent 31 years working in these fields both internationally and in the UK. Juan is responsible for developing the Group's risk framework, recommending its risk appetite and ensuring that all risks generated by the business are measured, reviewed and monitored on an ongoing basis. He was previously the Chief Risk Officer and an Executive Director of Santander's UK business. Prior to this position, he held a number of senior risk, control and business management roles across the Corporate, Investment, Retail and Risk Divisions of the Santander Group. He has served as the Group's Chief Risk Officer and as a member of the Group Executive Committee since January 2011. Juan has a BSc in Industrial Chemical Engineering from the Universidad Politécnica de Madrid, a Financial Management degree from ICADE School of Business and Economics and an MBA from the Instituto de Empresa Business School. **External appointments:** Vice Chairman of the International Financial Risk Institute.

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Description of key terms of the Sharesave Scheme

The Sharesave Scheme is an all-employee savings-related share option scheme intended to qualify for favourable UK tax treatment.

Invitations

When the Sharesave Scheme is operated, substantially all UK employees of each participating subsidiary must be invited to participate (subject to any qualifying period of service) on broadly the same terms. Other employees can also be invited.

Any invitations will normally be made within 42 days of the announcement of results for any period or the annual general meeting. No options can be granted after 8 May 2027.

Savings contract

Eligible employees who wish to participate enter into a savings contract for three or five years. Under this, they agree to save a monthly amount from salary for the term of the contract. This is limited to £500 per month or such other sum as may be allowed by legislation.

Grant of options

At the start of the contract, participants are granted an option over shares in the Company which can only be exercised using the proceeds of the savings contract. The number of shares subject to the option is the number which can be bought, at the exercise price, with the expected proceeds of the savings contract, including any interest or bonus.

The exercise price of the option is set by the directors but must not be less than 80% of the market value of a share on the date specified in the invitation.

Exercise of options

Options are normally exercisable within six months after the maturity of the savings contract.

Leaving employment

Options normally lapse if the participant leaves before exercise but an option can be exercised for six months after leaving for reasons such as ill health, retirement, death or redundancy. Options can only be exercised using the proceeds of the savings contract to the date of exercise.

Takeovers, mergers and other reorganisations

Options can generally be exercised early on a takeover, scheme of arrangement, merger or other reorganisation, using only the proceeds of the savings contract to the date of exercise. Alternatively, participants may be allowed or required to exchange their options for options over shares in the acquiring company.

Limit on shares issued under the Sharesave Scheme

In any 10 year period, not more than 10% of the issued ordinary share capital of the Company may be issued or issuable under the Sharesave Scheme and all other employees' share plans operated by the Company. This limit does not include options which lapse but does include treasury shares as if they were newly issued for so long as it is best practice to do so.

Changes

The directors can amend the Sharesave Scheme in any way. However, shareholder approval will be required to amend certain provisions to the advantage of participants. These provisions relate to: eligibility; individual and plan limits; exercise price; rights attaching to options and shares; adjustments on variation in the Company's share capital; and the amendment power. The directors can, without shareholder approval, change the rules to obtain or maintain favourable tax treatment, make certain minor amendments e.g. to benefit the administration of the scheme or establish further plans based on the Sharesave Scheme, but modified to take account of overseas securities laws, exchange controls or tax legislation (but shares made available under such further plans will be treated as counting against any limits on participation in the main plan).

General

Options may be satisfied using newly issued shares, treasury shares or shares purchased in the market.

Any shares issued on exercise of options will rank equally with shares of the same class in issue on the date of allotment except in respect of rights arising by reference to a prior record date.

The option price and/or number or description of shares subject to options may be adjusted following a rights issue or other variation in the share capital of the Company.

The exercise of options and the issue or transfer of shares are subject to obtaining any necessary approvals or consents from the United Kingdom Listing Authority, the Company's share dealing policy and any other applicable laws or regulations.

Options are not pensionable or transferable.

Annual general meeting arrangements and facilities

The day of the AGM

The following times are indicative only and may change:

9.30 am

Doors open for shareholder registration
Refreshments available
Questions can be pre-registered
Shareholder and customer enquiry desks open

From 10.30 am

Shareholders invited to take seats in auditorium

11.00 am

Chairman opens the meeting
Webcast opens

11.05 am

Presentations by the Chairman and the Group Chief Executive

11.30 am

Shareholders invited to ask questions

1.00 pm

Shareholders invited to vote on resolutions
Preliminary results of each resolution are displayed after vote taken

1.30 pm

Chairman closes the meeting
Refreshments available

2.30 pm

Venue closes and shareholders invited to depart

Entrance

Doors will open at 9.30 am. All attendees will be asked to register at the shareholder registration desks on arrival.

Venue accessibility

The Edinburgh International Conference Centre is fully accessible for people with disabilities, including wheelchair access and induction loop fitting. A sign language interpreter will be provided during the AGM.

Security

Attendees may be subjected to bag searches and should leave large bags in the cloakroom provided. No photographic or recording equipment is permitted. Attendees will be asked to ensure that mobile telephones and other communication devices are switched off for the duration of the AGM.

Question registration

A question registration desk will be available for those shareholders who wish to ask a question about the proposed resolutions. Shareholders may also register their question in advance by email to AGMquestions@lloydsbanking.com

AGM duration and question handling

The AGM may last for up to three hours. Shareholders will hear from the Chairman and Group Chief Executive and will be provided with an opportunity to ask questions prior to voting on the proposed resolutions. Shareholders are asked to be concise to ensure that others who wish to ask a question are able to do so.

Voting

Voting at the AGM will be by poll using electronic voting handsets. This is a fair and democratic way to ensure that votes validly lodged by shareholders, regardless of whether they are able to attend the meeting, are included within the voting results.

Webcast

The AGM is available via live webcast, at www.lloydsbankinggroupagm.com. Shareholders attending the AGM may be broadcast and by attending, will be deemed to have consented to being broadcast.

Refreshments

Tea, coffee and biscuits will be served both before and after the AGM.

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Frequently asked questions

What is an AGM?

Details are set out in the Glossary on page 13 of this document.

Why are you holding the AGM in Scotland?

The Company's articles of association require the Company to hold its AGM in Scotland.

How do I get to the Edinburgh International Conference Centre?

The reverse of the attendance card sets out some useful travel information including a QR code which, when scanned, will take you to the website of the Edinburgh International Conference Centre for further information.

Why should I vote?

It is your right as a shareholder to vote on matters put to the AGM and every shareholder is encouraged to vote. Your opinion counts and is very important in informing the Board on shareholder views. We urge you to use this opportunity to vote.

How do I return the proxy or voting form?

Please use the enclosed envelope. Postage for UK residents has already been paid. Likewise the enclosed envelope can be used if you are mailing your proxy or voting form from overseas; you should not need to pay any further local postage costs.

Can I lodge my proxy or voting instructions online?

Yes. Please see the reverse side of the proxy or voting form for details on how to do this.

What is a proxy and who can be one?

A proxy is someone appointed by you to attend the meeting and vote on your behalf. This can be a person of your choosing or the Chairman of the meeting. A proxy does not need to be a shareholder in the Company but must attend the meeting if your votes are to be cast.

I have shares in the Lloyds Banking Group Shareholder Account ('LBGSA'). The voting form does not provide an option to appoint a proxy, why is this?

In accordance with the terms and conditions of the LBGSA, only Equiniti Financial Services Limited can carry out your instructions in relation to these shares.

Can I receive a paper copy of the Annual Report and Accounts?

Yes. Please contact the Company's registrar, Equiniti. Their contact details are provided below.

Is it possible to receive a large print, audio or Braille version of the annual reports or AGM communications?

Yes. Please contact Equiniti for assistance.

How can I contact Equiniti?

By post:
Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA

By telephone:
From UK: 0371 384 2990
Outside UK: +44 121 415 7066
Textphone: 0371 384 2255

Lines are open 8.30 am to 5.30 pm Monday to Friday excluding English and Welsh public holidays.

Please have the enclosed proxy or voting form to hand as you may be asked to quote your Shareholder reference.

Calls to 03 numbers will cost no more than a national rate call to an 01 or 02 number. Calls to +44 121 415 7066 from outside the UK are charged at applicable international rates.

Where can I learn more about the terms used in this notice of meeting?

The Glossary on page 13 of this document, sets out a brief explanation of some of the terms used in this notice of AGM and the Annual Report and Accounts and terms which may commonly be used during the course of the AGM.

A glossary covering the terms and definitions used by Lloyds Banking Group is on the Company's website at www.lloydsbankinggroup.com/investors

About us

We are the leading provider of financial services to individual and business customers in the UK.

Our main business activities are retail and commercial banking, general insurance, and long-term savings, protection and investment. We provide our services under a number of well recognised brands including Lloyds Bank, Halifax, Bank of Scotland and Scottish Widows and through a range of distribution channels including the largest branch network and digital bank in the UK.

We are creating a simpler, more responsive, customer focused business.

Doing the right thing for our customers by meeting their financial needs, helping them succeed, improving our service proposition and creating value for them, is key to the long-term sustainable success of our business.

Right: Sophie Unwin's 'Remade in Edinburgh' which was awarded a grant from the Lloyds Bank Social Entrepreneurs Scale Up Programme, teaches local people, including those who are homeless, unemployed, or refugees, to repair household goods to save money.



OUR PURPOSE

Helping Britain prosper



Read more on page 18 of the Annual Report and Accounts for the year ended 31 December 2016

OUR AIM

To become the best bank for customers whilst delivering superior and sustainable returns for shareholders

OUR BUSINESS MODEL

Simple, low risk, UK focused, retail and commercial bank



Read more on page 12 of the Annual Report and Accounts for the year ended 31 December 2016

OUR STRATEGIC PRIORITIES

- ▶ Creating the best customer experience
- ▶ Becoming simpler and more efficient
- ▶ Delivering sustainable growth

Supported by our colleagues

- ▶ Building the best team



Read more on page 14 of the Annual Report and Accounts for the year ended 31 December 2016

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