

## IMPORTANT INFORMATION

You will now receive four statements a year which will now be made available online via Shareview Portfolio starting from your next statement. You will be sent an email to the address supplied to let you know when each statement is available and how to access it. The dates are provided on the front of this statement and details of how to log on/activate your Shareview Portfolio are enclosed with this statement.

If you do not log on/activate your Shareview Portfolio, each year one of the four statements will be issued to you in paper form. If you would prefer to receive all four of your statements in the post, please call the automated service on **0333 207 6389\*** (+44 1274 706525 if calling from outside the UK). You will need your Shareholder Reference to hand.

You can also ask to receive more frequent paper statements, please contact Equiniti Financial Services Limited below for details and how much this would cost.

## CHANGES TO THE SHAREHOLDER ACCOUNT TERMS AND CONDITIONS

With effect from **23 March 2018**, Equiniti Financial Services Limited ("Equiniti FS") will be amending their Shareholder Account Terms and Conditions. The changes to the Terms and Conditions principally relate to the following:

### Clause 3.1, 3.2 and 14.2 - IMPORTANT INFORMATION ON DIVIDEND PAYMENTS

From September 2018 you must provide a valid bank mandate in order to receive dividend payments due on Ordinary Shares held in the Shareholder Account. If you do not provide a valid bank mandate, dividend payments due on these shares will be reinvested in the Lloyds Banking Group Dividend Reinvestment Plan ('the Plan') to purchase additional shares in Lloyds Banking Group. Any additional shares purchased will be added to your holding in the Shareholder Account.

If you subsequently cancel your participation in the Plan and do not provide a valid bank mandate by the next dividend record date, your participation in the Shareholder Account will be cancelled and your Ordinary Shares transferred out into your own name (and a share certificate issued to you) in accordance with Clause 14.2.

A copy of the latest Plan Terms and Conditions can now be found at the back of the Shareholder Account Terms and Conditions available from [www.shareview.co.uk/info/csn](http://www.shareview.co.uk/info/csn), and further information on the Plan is available from [www.shareview.co.uk/info/drip](http://www.shareview.co.uk/info/drip) including details of how to apply should you wish to join in the meantime.

**NB: Dividend payments on Preference Shares remain unaffected by this change and the option to reinvest dividend payments into the Plan on Preference Shares is not available.**

### Clause 3.3 - Holding Client Money in Longer Term Bank Accounts

To ensure your investment in the Shareholder Account is protected Equiniti FS holds any client money in accordance with the rules set out by the Financial Conduct Authority (FCA). Your money is held in specially arranged client money bank accounts. Equiniti FS assesses the banks it uses against a number of factors including their level of capital, credit rating, the results of their regulatory stress tests and other similar factors.

Your money is spread across a number of different banks to ensure any risk to client money held is diversified, to avoid reliance on only one or two banks. This is in addition to the protection you receive under the Financial Services Compensation Scheme (please see **Your Savings Are Protected** - [protected.fscs.org.uk](http://protected.fscs.org.uk)).

The FCA has now authorised Equiniti FS to hold your client money in accounts with longer access notice periods. This change will have no effect on your ability to claim money due to you but in the unlikely event that Equiniti FS or the banks which hold your client money experience difficulties and the Shareholder Account needs to be terminated it may take longer to return money to you.

The FCA has granted Equiniti FS permission to hold up to 60% of all the money held for clients in accounts with a maximum of 95 days' notice to access those funds. Equiniti FS will therefore hold a minimum of 40% or more in instant access accounts enabling you to claim money due to you at any time.

### Clause 5 - Keeping you informed about your holding

New regulations mean four statements will be issued each year, which will now be made available online via a Shareview Portfolio. Details of how to register for a Shareview Portfolio if you do not already have one will be provided if Equiniti FS need to send you another statement in the future, and an email issued to the address associated with your Shareview Portfolio to let you know when each new statement is available and how to access it. The dates Equiniti FS will notify you about the availability of your statements throughout the rest of the year will be provided on the new paper statement if one needs to be sent to you.

If you do not log on/activate your Shareview Portfolio, and Equiniti FS need to continue sending statements to you, each year one of the four statements will be issued to you in paper form. If you would prefer to receive all four of your statements in the post, please call the automated service on **0333 207 6389\*** (+44 1274 706525 if calling from outside the UK). You will need your Shareholder Reference.

You can also ask to receive more frequent paper statements (subject to fees), please see your statement on how to request further information including how much this would cost.

### Clause 11.3 - Sending notifications to your Shareview Portfolio

In addition to sending future statements to your Shareview Portfolio, Equiniti FS will now make available other notices and documents relating to the Shareholder Account through your Portfolio, such as changes to the Terms and Conditions (except where a change is deemed material and Equiniti FS is required to contact you directly).

### Clause 15 - Notification of Death

Due to new regulations, Equiniti FS is obligated to report on changes of beneficial ownership on shares held in the Shareholder Account including where we are notified of the death of a joint holder. Equiniti FS may need to ask for additional information before the shares can be transferred into the name(s) of the other shareholder(s).

### Clause 17 & List of Charges - Annual Management Fee for Unclaimed Payments Only (for former shareholders who no longer hold shares within the Shareholder Account)

The fee only applies if you have sold or transferred all your shares, but where Equiniti FS continues to hold unclaimed payments for you which it has previously notified you of. Unclaimed payments are payments over 12 months old which have been issued to you but not been cashed and any unclaimed payments are shown on your statements. An Annual Management Fee is being introduced on unclaimed payments being held for you - to a maximum of £5 (incl VAT) per annum. You will be notified in advance of any fee being applied and given the opportunity to claim these funds (less any applicable reissue fee) before the management fee is applied. **This change becomes effective from 31 July 2018.**

If you would like a copy of the Shareholder Account Terms and Conditions, you can see them at [www.shareview.co.uk/info/csn](http://www.shareview.co.uk/info/csn) or call Equiniti on **0333 207 5918\*** (+44 121 415 0936 if calling from outside the UK) to request a paper copy. Lines open 8.30 am to 5.30 pm (UK time), Monday to Friday (excluding public holidays in England and Wales).

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