

# Role of the Senior Independent Director of Lloyds Banking Group plc and HBOS plc

## 1. Purpose

The Senior Independent Director provides a sounding board for the Chair, providing them with support in the delivery of their objectives, and serves as an intermediary for the other directors when necessary.

The Board of Lloyds Banking Group plc (and, to the extent relevant HBOS plc) will appoint one of the independent Non-Executive Directors to be the Senior Independent Director.

## 2. Entities to which this role description applies

The role of Senior Independent Director applies to Lloyds Banking Group plc and, to the extent relevant, HBOS plc. The "Banks" means Lloyds Bank plc and Bank of Scotland plc. The Banks have a separate senior independent director.

(The following defined terms, as set out in the Corporate Governance Framework Board Authorities document, are also applicable: the "Company" means each of Lloyds Banking Group plc, or where the context requires, Lloyds Bank plc, Bank of Scotland plc and HBOS plc as appropriate; and the "Group" means Lloyds Banking Group plc and its subsidiaries and associates from time to time.)

## 3. Key responsibilities

The Senior Independent Director should (in addition to the responsibilities of a Non-Executive Director, and the general responsibilities of a Director, both set out in the Corporate Governance Framework Board Authorities document):

### A. Shareholders

- 1 Be available to shareholders if they have concerns which contact through the normal channels of Chair, Group Chief Executive or Chief Financial Officer has failed to resolve or for which such contact is inappropriate.
- 2 Attend meetings with major shareholders and financial analysts to obtain an understanding of shareholders' views on governance and performance against strategy and support the Chair in ensuring the Board is aware of the views of stakeholders.

### B. Chair

- 1 Together with the Deputy Chair, act as a sounding board for the Chair and Group Chief Executive on Board and shareholder matters.
- 2 Chair the Nomination and Governance Committee (or such other Committee established for the purpose) when it is considering succession to the role of Chair of the Board.
- 3 Lead an annual session of the Non-Executive Directors (excluding the Chair), to agree the Chair's objectives and appraise the Chair's performance and conduct the Chair's annual performance appraisal.

### C. Board/Directors

- 1 Act as a trusted intermediary for Non-Executive Directors where this is needed to help them to challenge and contribute effectively.
- 2 Take the initiative in discussion with the Chair or other Board members if it seems that the Board is not functioning effectively.
- 3 Be the focal point for Board members for any concerns and intervene where appropriate to maintain Board and Company stability.

### D. Group

- 1 Liaise and collaborate with the Bank-Only Senior Independent Director wherever appropriate.

## 4. Additional requirements

### A. Conflicts of interest

- 1 In the event of any conflict of interest on the part of the Senior Independent Director in relation to any particular aspect of their role, another Independent Director will be required to perform that aspect of the Senior Independent Director's role.

### B. Time commitment

- 1 The Senior Independent Director will be expected to commit sufficient time as required to the role, which will include committing significantly more time to the role in exceptional circumstances.

**C. Tenure**

- 1 The Senior Independent Director should stand for election at the first AGM following their appointment and, absent any objection from the Board or the Senior Independent Director's desire to retire, should stand for re-election on an annual basis.

**D. Independence**

- 1 The Senior Independent Director should be independent on appointment and throughout their tenure.

# Role of the Bank-Only Senior Independent Director of Lloyds Bank plc and Bank of Scotland plc

## 1. Purpose

Together with the Senior Independent Director and the Deputy Chair, the Bank-Only Senior Independent Director provides a sounding board for the Chair, providing them with support in the delivery of their objectives, and serves as an intermediary for the other directors when necessary.

The Boards of the Banks will each appoint one of the RFB-Only NEDs to be the Bank-Only Senior Independent Director.

## 2. Entities to which this role description applies

The role of Bank-Only Senior Independent Director applies to each of the Banks. The "Banks" means Lloyds Bank plc and Bank of Scotland plc. Lloyds Banking Group plc (and, to the extent relevant, HBOS plc) has a separate senior independent director.

## 3. Key responsibilities

The Bank-Only Senior Independent Director should (in addition to the responsibilities of a Non-Executive Director, and the general responsibilities of a Director, both set out in the Corporate Governance Framework Board Authorities document):

### A. Chair

- 1 Together with the Senior Independent Director and Deputy Chair, act as a sounding board for the Chair (or the Deputy Chair, as appropriate) and Group Chief Executive on Board matters.
- 2 Lead an annual session of the Non-Executive Directors (excluding the Chair), to agree the Chair's objectives and appraise the Chair's performance, and conduct the Chair's annual performance appraisal.
- 3 Where the Chair has a personal conflict, chair the relevant Bank Board (or both of the Banks' Boards as necessary) in whole or in part - if there is a disagreement as to whether the Chair has a personal conflict, the view of the majority (being two) of the RFB-Only NEDs would prevail.
- 4 Where a matter has been identified as an RFB Conflict Matter, chair the meeting for the duration of the item involving an RFB Conflict Matter if requested by the majority (being two) of the RFB-Only NEDs.

### B. Boards/directors

- 1 Together with the Senior Independent Director, act as a trusted intermediary for Non-Executive Directors where this is needed to help them to challenge and contribute effectively.
- 2 Together with the Senior Independent Director, take the initiative in discussion with the Chair or other Board members if it should seem that either Board is not functioning effectively.
- 3 Together with the Senior Independent Director, be the focal point for Board members for any concerns and intervene where appropriate to maintain Board and Company stability.

### C. Group

- 1 Liaise and collaborate with the Senior Independent Director.
- 2 Hold a secondary reporting line from the Banks' Risk Officer (the primary reporting line from the Banks' Risk Officer will be held by the Chief Risk Officer).
- 3 Undertake, jointly with the Chief Risk Officer, the performance evaluation of the Banks' Risk Officer.

## 4. Additional requirements

### A. Conflicts of interest

- 1 In the event of any conflict of interest on the part of the Bank-Only Senior Independent Director in relation to any particular aspect of their role, another RFB-Only NED will be required to perform that aspect of the Bank-Only Senior Independent Director's role.

### B. Time commitment

- 1 The Bank-Only Senior Independent Director will be expected to commit sufficient time as required to the role, which will include committing significantly more time to the role in exceptional circumstances.

**C. Tenure**

- 1 The Bank-Only Senior Independent Director should stand for election at the first AGM following their appointment.

**D. Independence**

- 1 The Bank-Only Senior Independent Director should be independent on appointment and throughout their tenure.

**E. SMCR**

- 1 In relation to discharging the role of Bank-Only Senior Independent Director, the Bank-Only Senior Independent Director is a Senior Manager for the purposes of the SMCR. This needs prior approval of the individual by the PRA/FCA. Reference should be made to the relevant statement of responsibilities for further details, including details of any regulatory accountabilities held.