

LLOYDS BANKING GROUP PLC SENIOR INDEPENDENT DIRECTOR

(Definition of term used in this document – the ‘Banks’ refers to Lloyds Bank plc and Bank of Scotland plc).

1. PURPOSE OF THE ROLE

The Board will appoint one of the independent Non-Executive Directors to be the Senior Independent Director, to provide a sounding board for the Chair and to serve as an intermediary for the other directors when necessary. The duties of the Senior Independent Director set out below are in addition to the responsibilities of an independent Non-Executive Director.

2. KEY ACCOUNTABILITIES

2.1 DUTIES RELATING TO SHAREHOLDERS

- 2.1.1 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; and
- 2.1.2 attend enough meetings with major shareholders and financial analysts to obtain a balanced understanding of the issues and concerns of such shareholders.

2.2 DUTIES RELATING TO THE CHAIR

- 2.2.1 together with the Deputy Chair, act as a sounding board for the Chair and Group Chief Executive on Board and shareholder matters;
- 2.2.2 chair the Nomination & Governance Committee (or such other Committee established for the purpose) when it is considering succession to the role of Chair of the Board;
- 2.2.3 be a conduit, as needed, for views by Non-Executive Directors on the performance of the Chair, and chair a formal annual session of the Nomination & Governance Committee members (excluding the Chair), to agree the Chair's objectives and review his performance;
- 2.2.4 chair an annual meeting of the directors without the Chair present for the purpose of obtaining feedback on the Chair's performance and conduct;
- 2.2.5 conduct the Chair's annual performance appraisal;
- 2.2.6 be the focal point for Board members for any concerns regarding the Chair, or the relationship between the Chair and the Group Chief Executive.

2.3 DUTIES RELATING TO THE BOARD

- 2.3.1 act as a trusted intermediary for Non-Executive Directors where this is needed to help them to challenge and contribute effectively; and
- 2.3.2 take the initiative in discussion with the Chair or other board members if it should seem that the Board is not functioning effectively.

2.4 DUTIES RELATING TO THE GROUP

- 2.4.1 liaise and collaborate with the Banks' Senior Independent Director wherever appropriate; and
- 2.4.2 ensure that the Banks' affairs comply with the ring-fencing requirements.