


## GROUP CHANGE THIRD PARTY SUPPLIER POLICY

 <p>LLOYDS BANKING GROUP</p>	<p><b>GROUP CHANGE POLICY</b></p> <p><b>SUMMARY FOR THIRD PARTY SUPPLIERS</b></p>
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**RATIONALE****Group Policy Rationale**

The purpose of this Policy is to support in managing the risk that the Group fails to deliver change safely which could result in consequences such as negative customer and colleague experience, operational losses, regulatory non-compliance or reputational damage.

The following outcomes are used to manage the Group's risk exposure (including operational failure, system outages, reputational damage and regulatory censorship):

1. Clear definition and validation of scope and budget of the change.
2. Safe and appropriate development and deployment of the change.

These outcomes are underpinned by 9 governance principles outlined in this Policy.

The Policy also supports managing any impacts to customers and provides assurance to investors through:

- Ensuring the impacts of change on the Group's customers are fully considered and effectively managed.
- Supporting the delivery of desired business outcomes aligned to our strategy.
- Tracking impacts on the Group's customer experiences post implementation.

**SCOPE**

The requirements of this third party summary of the Group Policy apply to all suppliers who provide goods and services to the Group's customers and deliver changes on behalf of/impacting the Bank to their own IT systems and/or processes.

(This policy sets out clear requirements for delivering and embedding change into business operations and is in addition to any specific contract agreements in place).

**REQUIREMENTS****Governance**

- Ensure that all changes delivered supporting Group services, including downstream supplier relationships, comply with contractual agreements and schedules of work.
- Ensure that changes delivered are compliant with local, international, statutory, legislative, contractual and regulatory requirements.

The following delivery principles should be applied to all changes managed by the supplier:

1. Evidence adherence to the principles of this Policy by use of an appropriate change methodology.
2. Identify resource needs at the outset. Establish an effective team organisation

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with the appropriate skills and experience requisite to the relative complexity/risk profile of the change.

3. Ensure the business requirements are understood and traceable to ensure the business objectives are met.
4. Identify and manage the risks relating to change delivery and to ongoing business operations, ensuring any operational risks are understood, accepted and managed as appropriate and in line with the Group's risk appetite and any material risks are escalated within 48 hours.
5. Identify and manage the dependencies relating to change delivery and escalating (where appropriate), to ensure change is delivered safely.
6. Review the impacts on the Group's customers, processes and systems incorporating appropriate metrics to track expected post implementation outcomes.
7. Ensure business/implementation readiness (including testing and post implementation support) is undertaken with the approval of appropriate Group governance applied throughout the lifecycle of the change.
8. Ensure progress is reported in line with the Group's governance.
9. Handover and close the change in line with the appropriate governance and a process for post change problem management is documented.
10. Ensure that any impacts arising from Climate Risk are considered and managed appropriately to deliver change in a sustainable manner where possible.

<b>KEY CONTROLS</b>		
<b>Control Title</b>	<b>Control Description</b>	<b>Frequency</b>
Change methodology in place	Change methodology in place that evidences adherence to key principles of this Policy.	Annually
Risk and Dependency Management	Risk and dependency identification and management in place, evidenced through appropriate logs or equivalent including business acceptance of risks.	Ad hoc
LBG customers, processes and systems impacts	Evidence of impact assessment of changes on LBG customers, processes and systems is in place.	Ad hoc
Implementation Readiness	Sign off from the Group is obtained ahead of each implementation.	Ad hoc

**GROUP CHANGE THIRD PARTY SUPPLIER POLICY****REQUIREMENTS – NON-COMPLIANCE**

Any control failures or material differences between the requirements set out above and the supplier's own controls should be raised by the supplier with the Group's Supplier Manager or relevant Business contact.

The Supplier Manager or relevant Business contact will then discuss the control failure or material difference with the appropriate Group representative for the relationship and local Risk team to agree way forward.

<b>Version Number</b>	<b>Effective Date</b>
1.0	29 May 2019
2.0	15 May 2020
3.0	13 Apr 2021
4.0	29 Apr 2022
5.0	30 June 2023