PURPOSE OF THE ROLE

The Chairman is responsible for leadership of the Board and ensuring its overall effectiveness on all aspects of its role including directing the Company. The Chairman is pivotal in creating the conditions for overall Board and individual director effectiveness, both inside and outside the boardroom.

KEY ACCOUNTABILITIES

Specifically, it is the responsibility of the Chairman to:-

2.1 allocate certain responsibilities to Board directors and executives in accordance with regulatory requirements;

2.2 maintain the independence, autonomy and effectiveness of the Company’s policies and procedures on whistleblowing, including the procedures for protection of staff who raise concerns from detrimental treatment;

2.3 demonstrate effective leadership of the Board and seek proactively to remain apprised of matters relating to the Board and its Committees;

2.4 promote the highest standards of corporate governance within the Board and across the Group;

2.5 lead the development, promotion and monitoring of the Company’s culture by the Board as a whole. The Chairman must support and champion the building and maintenance of a customer focused, open and transparent culture;

2.6 ensure the Board meets with sufficient frequency and to run the Board and set its agenda to ensure that the Board devotes its time and attention to the right matters (in particular, strategic issues). This includes ensuring the Board receives accurate, timely and clear information both during and before formal meetings, in particular about the Company’s performance and material risks, to enable the Board to take well informed decisions, monitor the Company performance and material risks effectively and promote the success of the Company. The nature, specific content and frequency of the management information provided to the Board and its committees should be actively managed by the Chairman and non-executives, taking into account their particular needs. The Chairman should actively guard against the risk that members of the Board are provided with data, that is so extensive and unwieldy as to render it unworkable in a practical sense;

2.7 ensure effective communication and engagement with shareholders (chairing meetings as appropriate) and to ensure that the members of the Board develop an understanding of the views of major investors (including their views of governance and performance against strategy) and build investor confidence in the Company and its leadership. The Chairman should ensure that the Chairmen of the relevant Board Committees maintain contact with the Company’s principal shareholders about the business of their committees

2.8 lead the development of and monitor the effective implementation of policies and procedures for the induction, training and professional development of all members of the Board. This includes taking the lead (with the assistance of the Company Secretary) in providing a properly structured induction programme for new directors that is comprehensive, formal and tailored. Such induction should include, where appropriate, the opportunity to meet major shareholders. On an ongoing basis, it involves taking the
lead in identifying and meeting the development needs of individual directors and the Board as a whole with a view to supporting and developing understanding of all matters concerning the strategy, risk appetite and conduct of the Group;

2.9 ensure that the performance and contribution of individual directors is evaluated and acted upon as appropriate, at least once a year, including recognition of particular strengths and weaknesses;

2.10 set the style and tone of the Board and its discussions to promote a culture of openness, genuine open dialogue, effective decision-making and constructive debate, ensuring that all views (especially those that are dissenting) are heard and that the executives are not able to control the Board discussion;

2.11 facilitate, encourage and expect the informed and critical contribution of each of the directors in particular in discussion and decision-taking on matters of risk and strategy ensuring that sufficient time is allowed for discussion of complex or contentious issues, where appropriate arranging for informal meetings beforehand to enable thorough preparation for the Board discussion. It is particularly important that directors have sufficient time to consider critical issues and are not faced with unrealistic deadlines for decision-making;

2.12 promote effective, constructive relationships and open communication, both inside and outside the boardroom, between non-executive directors and the executive team, meeting regularly with the non-executive directors in the absence of the executive directors in private sessions;

2.13 take reasonable steps to ensure that directors (particularly non-executive directors), have access to appropriate management and independent professional advice at the Company’s expense where it is deemed necessary to discharge their responsibilities as directors;

2.14 build an effective and complementary Board and, in conjunction with the Nomination and Governance Committee, where appropriate, plan succession in Board appointments, subject to Board and shareholder approval;

2.15 uphold the highest standards of integrity and probity and be independent and, on appointment, meet the independence criteria set out in the Corporate Governance Code issued by the Financial Reporting Council;

2.16 oversee, where appropriate, the Group’s relationships with the PRA and the FCA and other government and regulatory bodies maintaining regular dialogue with these bodies ensuring that the interactions complement those of the Group Chief Executive;

2.17 work with the Group Chief Executive (and through the Group Chief Executive, the executive generally) to ensure that the Board is presented with a clear strategy and high level business plan for approval, with sufficient opportunity for challenge and debate, and subsequent oversight by the Board of its execution;

2.18 oversee effective implementation of Board decisions;

2.19 establish a close relationship of trust with the Group Chief Executive, providing support and advice while respecting executive responsibility;

2.20 be available to the auditors and the heads of internal audit and compliance and arrange, wherever possible, for the Chairmen of the Audit Committee, Remuneration Committee and Nomination and Governance Committee to be available to answer questions at the annual general meeting and for all directors to attend;

2.21 represent the Board internally and externally and, in conjunction with the Group Chief Executive, develop the Group’s public relations and corporate communications policy; and
2.22 be proposed for election on an annual basis.

CONFLICT

3.1 Where the Chairman is considered to have a personal conflict that would adversely affect his ability to chair the meeting, the Deputy Chairman will chair the meeting.

TIME COMMITMENT

4.1 The chairmanship of Lloyds Banking Group plc should be the Chairman’s primary activity. In the event of need, the chairmanship role will have priority over any other business time commitment.

4.2 The Chairman will be expected to commit a substantial proportion of his time, i.e. around two-thirds, to the business of the Group, to:-

   4.2.1 have relevant involvement with the Group Chief Executive and the rest of the executive team, without detracting from the required degree of detachment from them;
   4.2.2 represent the special interests of the Group as a major financial services organisation in the City of London; and
   4.2.3 be available as required for consultation/representational purposes.

QUALITIES

5.1 The Chairman should have a high reputation and a good track record as a shrewd, respected strategic thinker and business person. The Chairman should demonstrate objective judgement.

DELEGATION

6.1 The Chairman (or in his absence another non-executive director nominated by him) may exercise such powers of the Board as are necessary to fulfil his duties as set out above.

TENURE

7.1 The Chairman should not remain in post beyond nine years from the date of his first appointment to the Board. To facilitate effective succession planning and the development of a diverse board, this period can be extended for a limited time, particularly in those cases where the Chairman was an existing non-executive director on appointment.