

Press Release

12 May 2016

UKFI statement re: Lloyds Banking Group Annual General Meeting (AGM)

AGM resolutions

UK Financial Investments Limited (UKFI), which manages the government's stake in Lloyds Banking Group (Lloyds), has lodged votes in favour of all resolutions at the bank's Annual General Meeting on 12 May 2016.

Board appointments

In line with the UK Corporate Governance Code, current directors of Lloyds submitted themselves for annual re-election and there were two new non-executive directors being elected.

UKFI has monitored the performance and effectiveness of the Lloyds Board and supports the re-election of the current directors and believes the election of the two new directors will strengthen the Lloyds Board.

UKFI has therefore voted in favour of the resolutions proposing the election and re-election of the Lloyds Board of Directors.

Remuneration

Following a process of thorough engagement with the Lloyds Remuneration Committee, UKFI believes the Committee has exercised reasonable judgement in relation to their approach to directors' remuneration.

Lloyds continues to make use of share-based variable awards and applies stringent deferral conditions, which are consistent with the need to protect the interests of shareholders.

Accordingly, UKFI has voted in favour of the implementation report section of the Directors' remuneration report.

Other resolutions

UKFI has also voted in favour of the other resolutions presented at the Annual General Meeting as being in line with UKFI's remit to protect and create value in the taxpayer's investment in Lloyds.