

UK Financial Investments Ltd

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Press Release

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UKFI statement re: Lloyds Banking Group Annual General Meeting voting

UK Financial Investments Limited (UKFI), which manages the Government's stake in Lloyds Banking Group plc (Lloyds) has lodged votes in favour of all resolutions at the bank's Annual General Meeting on 18 May 2011.

Board appointments

In line with the UK Corporate Governance Code, all of the current directors of Lloyds are submitting themselves for annual re-election and there are two new directors being elected, including António Horta-Osório as the new Chief Executive Officer.

UKFI has monitored the performance of the Lloyds Board and its members over the last year and supports the election of the two new Directors. UKFI has voted in favour of the resolutions proposing the election or re-election of the Lloyds Board of Directors.

Remuneration

UKFI sees reforms to remuneration practices as vital to Lloyds' continued recovery and to UKFI's objective of protecting and creating value for the taxpayer as shareholder in the bank.

Lloyds has awarded deferred share-based bonuses to its Executive Directors and used stringent deferral and clawback conditions throughout the bank. Accordingly, UKFI has voted in favour 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.