



Group Code of Business Conduct

We aim to set an example in the conduct of our business. We demand honesty and integrity in everything we do, and will not do business if our standards are endangered. We greatly value our good reputation.

High ethical standards are of crucial importance to us, and in the following statements we set out our core values which apply equally to all members of the Group.

Relations with our customers

Honesty and integrity in our dealings with customers are of paramount importance and make good business sense - they are prerequisites for a successful and sustained relationship.

We aim, wherever possible, to maintain long-term relations with our customers.

We will provide and promote a range of products and services which is responsive to customer needs and offers value for money. We will seek never to give inadequate or misleading descriptions of products or services. We endeavour to ensure that our products and services are readily understandable by our customers.

We will maintain the confidentiality of customer information, save where the law requires or permits disclosure, or the customer has given prior written consent.

In the UK we are authorised and regulated by the Financial Services Authority and our customers have recourse to the Financial Ombudsman Service where applicable. We are signatories to the Banking Code, Business Banking Code and the Finance and Leasing Association's Code of Practice. Outside of the UK, we comply with the rules of the relevant competent authority.



Relations with employees

We will treat others as we would like to be treated.

We respect the individual and seek to provide job satisfaction.

We will create an environment in which all existing and prospective employees can access all appropriate employment opportunities. Harassment and victimisation on any grounds are not tolerated.

We encourage and help people throughout the Group, at all levels, to develop relevant skills, knowledge, and effectiveness to enhance their contribution to our performance and share responsibility for their own career path.

We seek to provide a clean, healthy and safe work environment. Each of us will take every reasonable precaution to avoid injury to ourselves, our colleagues and members of the public.

The illegal use of drugs is prohibited and any member of the Group with an alcohol or drug dependency is encouraged to seek help.

We will maintain a framework of competitive remuneration and benefits. Reward packages seek to recognise the contribution of individuals in the context of the pay market, and the performance of the business in which they work.

We seek, where practicable, to communicate our policies to each employee.

We have a clear procedure for disputes and ensure that appropriate structures are in place to facilitate constructive dialogue, involving recognised trade unions where appropriate.

We have taken such steps as are necessary to ensure independent operation of the UK staff pension schemes, and our compliance with all relevant legislation.

We expect members of the Group to avoid situations that present a potential or actual conflict between their interests and the policies of this Code. Members of the Group should handle any potential or actual conflict in an ethical manner in accordance with the Code.

We do not allow solicitation, acceptance or provision of any benefit or gift for services provided by or to the company. The only exceptions to this are normal business entertainment where this can be reciprocated at the same level, or reasonable gifts and tokens that cannot be construed as influencing the business relationship.

We ensure that information received in the course of our business dealings will not be used for personal gain or any purpose except that for which it is given. We ensure that our personal or financial interests do not contravene company policy on conflicts of interest.

We expect any member of the Group to speak out where there is suspicion of fraud or undesirable practice which comes to their attention and promptly report any suspected violation of this Code. We provide mechanisms to facilitate disclosure if an employee is unable or unwilling to inform their direct line management and will thoroughly investigate any reports made in good faith.

Relations with the community

We take into account the concerns of the wider community including both national and local interests wherever we operate.

We support communities in which we operate through the involvement of our staff, sponsorship, and charitable giving. Full details of these activities, including the work of the independent Lloyds TSB Foundations, are published in a separate briefing.

We are concerned with the conservation of the environment in its broadest sense. We have a detailed environmental policy that is available to the public. We also provide our staff with environmental guidelines for lending.

We respect the traditions and cultures, and commit ourselves to obey the laws, rules and regulations, of every country in which we operate. We take into account the economic well-being and social development of communities where we conduct business.

We do not make donations to political parties.

Relations with our shareholders

Our governing objective is to maximise shareholder value over time, through dividends and share price appreciation.

We will keep shareholders informed of the broad strategy and financial performance of the Group.

We will ensure that our public communications will include full, fair, accurate, timely and understandable disclosure.

We comply with the provisions of the Stock Exchange listing rules, including those relating to corporate governance best practice.

We will prepare financial statements for each accounting period which give a true and fair view of the state of affairs of the Group.

We will keep accounting records which accurately disclose the financial position of the Group.

We will maintain balance sheet and financial ratios compatible with the long-term stability and continuity of the business, operating at all times within prudent limits of exposure to credit risk, interest rate movements, foreign exchange fluctuations, and liquidity, operational and insurance risks.

We buy and sell currencies to meet the legitimate needs of customers. We trade for our own account within strictly defined limits approved by the Group Board and regulatory authorities under whom we operate around the world.



Relations with our suppliers

We aim to develop relationships with suppliers based on mutual trust.

We aim to pay suppliers on time and according to agreed terms of trade, provided the supplier performs according to the terms of the contract.

All confidential information relating to our relationship with suppliers will be respected as such.

We respect copyright and intellectual property rights. Unauthorised reproduction, distribution or alteration of material covered by such rights is prohibited.

When choosing suppliers of goods and services, we prefer them to have broadly similar policies in respect of their stakeholders.

Relations with our competitors

We will compete vigorously, but honestly.

We will not seek to gain unfair advantage over our competitors, directly or indirectly, and we will never attempt to acquire information regarding a competitor's business by disreputable means.

Compliance with the Code of Business Conduct

Our policy is published and available, on request, to the public.

The policy is incorporated within procedures for each area of the business and has been communicated to all employees.

We monitor adherence to the policy as part of the overall audit process of the Group.