LLOYDS TSB GROUP plc

ROLE OF THE BOARD

(INCLUDING MATTERS RESERVED TO THE BOARD FOR DECISION)

Within the framework of its duties and responsibilities generally, including those prescribed by statute, regulations and the articles of association, the board has delegated to committees or individuals, including the Chairman and Group Chief Executive as indicated in the notes on their roles, but should deal with the following:

1. decisions on the long-term objectives of the group and the review of these;

2. approval of the strategies necessary to achieve these objectives, bearing in mind the activities of competitors and potential competitors and the risks inherent in these strategies;

3. approval of the group’s budget (and specific approval of capital expenditure, investments and disposals involving amounts exceeding £50 million);

4. approval of the basis of allocation of capital within the group;

5. decisions on the organisation structure of the group;

6. ensuring that the group manages risk effectively by:

   (a) approving the group’s risk appetite (the extent and categories of risk which the board regards as acceptable for the company to bear);

   (b) approving the group’s risk management framework (embracing principles, policies, methodologies, systems, internal controls, processes, procedures and people); and

   (c) monitoring the group’s aggregate risk exposures and risk/return;

7. ensuring that the executive management of the group:

   (a) establishes and maintains appropriate systems to plan and control group operations and risks and to comply with relevant legislation and regulations; and

   (b) provides regular and sufficient information to the board to enable it to discharge its monitoring duties in relation to these matters;
8. approval of the financial results announcements and reports and accounts;
9. approval of dividend payments;
10. approval of the adoption of any significant change in accounting policies or practice;
11. reviewing and monitoring perceptions of the company by the investing community and the media;
12. approval of the policy relating to pensions and significant pension scheme issues;
13. approval of the policy relating to charitable and political donations;
14. approval of the company’s main professional advisers and their fees, where significant;
15. ensuring that the board has the appropriate number and quality of directors to fulfil its responsibilities;
16. appointment of committees of the board with terms of reference as necessary;
17. ensuring the forward planning of the main executive appointments within the organisation and, in conjunction with the nomination committee, reviewing the plans for the orderly succession for appointments to the board;
18. approval of the appointment of the directors of Lloyds TSB Group plc and of executives one level below;
19. approval of the terms of service, including remuneration, of the directors holding executive or other office or employment with the company, delegating as appropriate to the remuneration committee;
20. approval of the appointment and removal of the Company Secretary; and
21. reviewing the company’s corporate governance arrangements.

Secretary’s Department
March 2008