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SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NASSAU

ERSTE-SPARINVEST
KAPITALANLAGEGESELLSCHAFT
m.b.H., Derivatively on Behalf of
LLOYDS BANKING GROUP PLC AND
LLOYDS TSB BANK PLC,

Plaintiff,

v.

VICTOR BLANK, WOLFGANG C.G.
BERNDT, EWAN BROWN, JAN P. DU
PLESSIS, ~~Philip~~ N. GREEN, JULIAN
HORN-SMITH, LORD LEITCH,
DAVID MANNING, CAROLYN J.
MCCALL, MARTIN A. SCICLUNA, J.
ERIC DANIELS, ARCHIE G. KANE, G.
TRUETT TATE, ~~Jim~~ J.W. TOOKEY,
HELEN A. WEIR, MICHAEL E.
FAIREY, TERRI A. DIAL, GAVIN J.N.
GEMMELL, DEANNE S. JULIUS,
MAARTEN A. VAN DEN BERGH,
ANGELA A. KNIGHT, DAVID P.
PRITCHARD, CHRISTOPHER S.
GIBSON-SMITH, THOMAS F.W.
~~MCKILIP~~ JOHN ROUNDELL
PALMER, STEVE C. TARGETT,
PETER G. AYLIFFE, M. KENT
ATKINSON, SHEILA M. FORBES,
ALAN E. MOORE, A. CLIVE BUTLER,
PETER B. ELLWOOD, MICHAEL D.
ROSS, PHILIP R. HAMPTON,
LAWRENCE M. URQHART, BRIAN
PITMAN, DENNIS HOLT, L.E.
(PADDY) LINAKER,

Defendants

-and-

LLOYDS BANKING GROUP PLC and
LLOYDS TSB BANK PLC,

Nominal Defendants.

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Index No. 09/3560

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FINAL JUDGMENT

Whereas, on June 27, 2011, the Parties entered into a Stipulation of Settlement ("Settlement Agreement") of the above-captioned action (the "Action"), which (together with all of its exhibits) is fully and entirely incorporated herein by reference; and

Whereas, the Court entered on August 19, 2011 an Order Preliminarily Approving Settlement, Directing Notice to Stockholders and Setting Hearing to Approve Settlement of June 27, 2011 (the "Hearing Order"), preliminarily finding that the proposed settlement is sufficient to warrant publishing the Notice to Stockholders, ordering publication of the Notice to Stockholders, scheduling a Fairness Hearing and providing those persons identified as Stockholders with an opportunity to object to the proposed settlement; and

Whereas, this Court held a Fairness Hearing on November 14, 2011, pursuant to the Court's Hearing Order; it appearing that due notice of such hearing has been given in accordance with the Hearing Order (the "Notice"); the Court having heard and considered submissions in support of the proposed Settlement Agreement; the respective parties to the Settlement Agreement having appeared and been heard through their attorneys of record at the hearing; an opportunity to be heard having been given to all other persons or entities requesting to be heard in accordance with the Hearing Order; the Court having determined that notice of the Settlement Agreement provided pursuant to the Hearing Order was adequate and sufficient; the Court having made an express determination that there is no just reason for delay in entering Final Judgment as to the

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Nominal Defendants and the Individual Defendants in accordance with the terms of the Settlement Agreement and the entire matter of the proposed Settlement Agreement having been heard and considered by the Court;

IT IS HEREBY ORDERED, ADJUDGED AND DECREED this 14th day of NOVEMBER, 2011 as follows:

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1. Unless otherwise defined in this Final Judgment, the capitalized terms in the Final Judgment have the same meaning as they have in the Settlement Agreement.

a. As used in this Order, "Claims" means any and all claims, rights, demands, suits, matters, issues or causes of action that were asserted in the Action, or that have arisen, could have arisen, arise now or relate in any manner to the subject matter of the claims that were asserted in the Action, and expressly includes (i) any claims based upon, arising out of, or relating to Lloyds' compliance with economic sanctions requirements, including (1) any and all claims related to breach of fiduciary duty or waste of corporate assets arising out of or related to Lloyds' compliance with economic sanctions requirements, including any of the events set forth or referenced in the DPAs, the Complaint, the Amended Complaint or this Agreement; and (2) any and all of the acts, omissions, nondisclosures, facts, matters, transactions, occurrences or oral or written statements or representations that have been, may be or could be directly or indirectly alleged, asserted, described, set forth or referred to in this Action, including any of the events set forth or referenced in the DPAs, the Complaint, the Amended Complaint or this Agreement; (ii) any claims based upon, arising out of or relating to the acts, facts or

events described in or underlying the settlement agreement into which Lloyds entered with OFAC on December 22, 2009; or (iii) any claims arising out of or relating to the defense or resolution of the Action; provided however, that the definition of Claims shall not include any claims by any of the parties to enforce the terms of the Settlement or Settlement Agreement.

b. As used in this Order, "Released Claims" means any claims covered or released by the Release as set forth in Section VI(A) of the Stipulation, provided, however, that Released Claims shall not include claims to enforce the Settlement Agreement.

2. Plaintiff has held equity securities of Lloyds Group continuously since the commencement of this Action and has adequately prosecuted this Action on behalf of Lloyds and the Stockholders. During the course of this Action, Plaintiff and its Counsel have adequately prosecuted the Released Claims in good faith.

3. The requirements undertaken by Lloyds pursuant to Sections III.B.1-III.B.5 of the Settlement Agreement shall become effective on the Approval Date and shall continue in full force and effect for three years thereafter, at the conclusion of which they shall expire and Lloyds shall have no further obligations under such Sections.

4. The Settlement Agreement and the proposed settlement are approved as fair, reasonable and adequate, consistent and in compliance with all applicable requirements of New York and United States law, including the due process clauses of the New York and United States Constitutions, the New York Civil Practice Law and

Rules, New York Business Corporation Law, the Rules of this Court and any other applicable law and are in the best interests of Lloyds and the Stockholders.

5. The Parties and their counsel are directed to implement and consummate the Settlement Agreement according to its terms and provisions.

6. The Settlement Agreement is binding on and, as to all Released Claims, has *res judicata* and other preclusive effect in all pending and future lawsuits or other proceedings in any jurisdiction maintained by or on behalf of the Parties and the Stockholders, as well as their past, present and future officers, directors, partners, principals, employees, agents, representatives, attorneys, heirs, administrators, executors, insurers, trustees, parents, subsidiaries, predecessors, successors, assigns and affiliates, including any person or entity controlled by, controlling or under common control with, any of them.

7. Lloyds has filed with the Court proof of publishing the Notice consistent with the directive in the Hearing Order. The Court finds that the Notice provided to the Stockholders pursuant to and in the manner directed by the Hearing Order (i) was reasonably calculated, under the circumstances, fully and accurately to inform the Stockholders of all material elements of the Action, the proposed Settlement Agreement, their right to object to the proposed Settlement Agreement and their right to appear and be heard in connection with the Court's consideration of the fairness, reasonableness and adequacy of the Settlement Agreement; and (ii) constituted valid, due and sufficient notice to all of the Stockholders in this Action and satisfied the requirements of the N.Y.

Bus. Corp. Law Section 626(d), the New York Civil Practice Laws and Rules, the due process clauses of the New York and United States Constitutions and any other applicable law.

8. The text of the Release is expressly incorporated in all respects and in its entirety and forever discharges the Releasees from any claims or liabilities arising from or relating to the matters covered by the Release as follows:

a. Plaintiff, the Stockholders and Lloyds (collectively, "Releasors") hereby release and discharge the Releasees from and shall not now or hereafter institute, participate in, maintain, maintain a right to or assert, or assert against the Releasees, either directly or indirectly, derivatively, on their own behalf or on behalf of any other person or entity, any and all causes of action, claims, damages, awards, equitable, legal and administrative relief, interest, demands or rights, including, without limitation, claims for rescission, restitution, unjust enrichment or any form of damages of any kind, including those in excess of actual damages, whether based on federal, state, local or foreign law, statute, ordinance, regulation, contract, common law or any other source, that have been, could have been or might hereafter be alleged or asserted by Plaintiff or Lloyds or any Stockholder against the Releasees in this Action or in any other court action or before any administrative body, tribunal, arbitration panel or other adjudicative body that relate in any way, directly or indirectly, to the allegations contained in the Amended Complaint including, without limitation:

(1) Any and all Claims, as defined by Paragraph 1(a);

(2) Any and all claims relating to salaries, bonuses and termination or other payments to the present and former executives or directors of Lloyds or any affiliate of Lloyds (i) made at any time before the date on which the Release becomes effective; or (ii) paid pursuant to an obligation entered into by Lloyds or any affiliate of Lloyds before the date on which the Release becomes effective;

(3) Any and all claims relating in any way, directly or indirectly, to any or all acts, omissions, nondisclosures, facts, matters, transactions, occurrences or oral or written statements or representations in connection with the Settlement Agreement or the settlement of this Action (including, without limitation, all claims respecting the negotiation and execution of the Agreement), excluding, however, any claims to enforce the Settlement Agreement as set forth herein; and

(4) Except as provided in the Settlement Agreement, any and all claims for attorneys' fees, expert witness fees or other costs, disbursements or expenses incurred by Plaintiff's Counsel or any other counsel representing Plaintiff in this Action or by Plaintiff in this Action in connection with or in any way related to this Action.

b. Notwithstanding any other provision of this Section, nothing in the Release shall be deemed to release claims unrelated to the subject matter of this Action, if any, that Lloyds or any affiliate of Lloyds may have against any Releasee who files, commences, prosecutes, intervenes in or otherwise participates as an adversary in any action or proceeding against Lloyds or any affiliate of Lloyds or who asserts any claims

(including for contribution or indemnity) against Lloyds or any affiliate of Lloyds in any action or proceeding.

c. In connection with the Parties acknowledge that they may hereafter discover claims or other causes of action presently unknown or unsuspected or facts in addition to or different from those that they now know or believe to be true with respect to the matters released herein. Nevertheless, it is the intention of the Parties in executing the Release fully, finally and forever to settle and release all such matters and all claims and causes of action relating thereto that exist, hereafter may exist or might have existed (whether or not previously or currently asserted in any action or proceeding) with respect to the matters released.

d. Releasors are deemed hereby to waive and relinquish, to the fullest extent permitted by law, the provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law, or international or foreign law, that would limit the scope of the Release provided above, including any provision that is similar, comparable or equivalent to Section 1542 of the California Civil Code, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Releasors hereby settle and release fully, finally, and forever any and all claims against the Releasees based on facts that they or any of them may hereafter discover that are in

addition to or different from those which they now know to be true with respect to the subject matters of the Released Claims, whether known or unknown, suspected or unsuspected, contingent or non-contingent, concealed or hidden, that now exist or heretofore existed upon any theory of law or equity now existing or coming into existence in the future, without regard to the discovery or existence of such different or additional facts.

e. Nothing in the Release shall preclude any action to enforce the terms of the Settlement Agreement.

f. Notwithstanding any other provision of this Section, nothing in the Release shall preclude any action by Lloyds or any affiliate of Lloyds against any of the Individual Defendants or other Releasees to: (i) enforce the provisions of any severance or related compromise agreement between Lloyds or any affiliate of Lloyds and an Individual Defendant that requires the Individual Defendant to cooperate with Lloyds and relevant governmental authorities; or (ii) recover attorneys' fees and other expenses advanced to an Individual Defendant if that Individual Defendant is ultimately determined not to have met the applicable standards for indemnification under relevant law.

9. Upon the Effective Date, each of the Releasees shall be deemed to have been released, relinquished and discharged and by operation of the Final Judgment shall fully, finally and forever release, relinquish and discharge Plaintiff and Plaintiff's Counsel from all Claims (including unknown claims) arising out of, relating to or in

connection with the institution, prosecution, assertion, settlement or resolution of the Action and the Release set forth in Paragraph 8 above.

10. The Court hereby permanently bars and enjoins Plaintiff, the Stockholders and Lloyds (whether acting on Lloyds' or any affiliate of Lloyds' own behalf or by and through the Stockholders) or any of their respective past, present and future officers, directors, partners, principals, employees, agents, representatives, attorneys, heirs, administrators, executors, insurers, trustees, parents, subsidiaries, predecessors, successors, assigns and affiliates, including any person or entity controlled by, controlling or under common control with, any of them from filing, commencing, prosecuting, intervening in, participating in (as a nominal defendant or otherwise) or receiving any benefits or other relief from, any other lawsuit, arbitration or administrative, regulatory or other proceeding or order against the Releasees in any jurisdiction based on or relating to the Released Claims, or the facts and circumstances relating to such Released Claims

11. The terms and provisions of the Settlement Agreement and all exhibits attached to the Settlement Agreement may be amended, modified or expanded by agreement of the Parties and approval of the Court in accordance with the terms of the Settlement Agreement; *provided, however*, that the Parties are authorized, without further approval from the Court, to agree to and adopt such amendments, modifications and expansions of the Settlement Agreement and all exhibits attached to the Settlement Agreement as (i) are consistent with this Final Judgment; and (ii) do not limit the rights of Plaintiff, Lloyds, the Stockholders or the Individual Defendants under the Settlement

Agreement. Without further order of the Court, the Parties may agree to reasonable extensions of time to carry out any of the provisions of the Settlement Agreement.

12. The Claims in this Action are dismissed on the merits and with prejudice according to the terms (including the releases) set forth in the Settlement Agreement, without costs to any party except as provided therein.

13. The Settlement Agreement, the Settlement, the Hearing Order, this Final Judgment, the Notice, any of the Settlement Agreement's provisions or any negotiations, statements or court proceedings relating to its provisions in any way:

a. Are not nor shall in any way be construed or deemed to be evidence or an admission or a concession of (i) any fault, liability, fact or amount of damages for the Claims alleged in the Action, or as to the merit or lack of merit of any Claim or defense that has been or could have been asserted in the Action, including any defense based on lack of jurisdiction, by any Party; or (ii) any basis for the assertion of jurisdiction over any Defendant except to the extent specifically provided in this Agreement; and no evidence as to the fact or terms of the Settlement shall be admissible in any proceeding or for any purpose other than in connection with any attempt by any party to the Settlement to enforce the terms of the Settlement;

b. Shall not be offered or received against any of the Nominal Defendants or Individual Defendants as evidence of a presumption, concession or admission of fault, misrepresentation or omission with respect to any statement or written document approved or made by any Nominal Defendant or Individual Defendant; and

c. Shall not be construed as, offered as, received as, used as or deemed to be evidence of any kind in this Action, any other action or any judicial, administrative, regulatory or other proceeding, except (i) in a proceeding to enforce this Agreement; or (ii) in any subsequent action brought against any of the Releasees or Lloyds or any affiliate of Lloyds in order to support a defense or counterclaim of the Releasees or Lloyds or any affiliate of Lloyds of *res judicata*, collateral estoppel, release, waiver, good faith settlement, judgment bar or reduction, full faith and credit or any other theory of claim or issue preclusion or similar defense or counterclaim, for any of the Released Claims asserted against any of the Releasees. Without limiting the foregoing, neither this Agreement nor any related negotiations, statements or court proceedings shall be construed as, offered as, received as, used as or deemed to be evidence or an admission or concession of (i) any liability, fact, amount of damages, or wrongdoing whatsoever on the part of any person or entity, including, but not limited to, the Nominal Defendants and Individual Defendants; (ii) jurisdiction over any of the Nominal Defendants or Individual Defendants except to the extent specifically provided in this Agreement; or (iii) as a waiver by the Plaintiff, Nominal Defendants or Individual Defendants of any applicable defense, Claim, cause of action or remedy.

14. Without affecting the finality of this Final Judgment for purposes of appeal, the Court expressly retains jurisdiction as to all matters relating to the administration, consummation, enforcement and interpretation of the Settlement Agreement and all exhibits attached to the Settlement Agreement and Final Judgment for any other

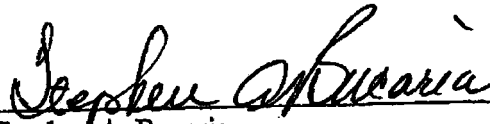
necessary purpose, but for no other purpose; *provided, however*, that nothing in this subsection shall restrict the ability of the Parties to exercise their rights under paragraph 11.

15. Pursuant to N.Y. Bus. Corp. Law Section 626(e), Plaintiff's Counsel is hereby awarded the aggregate amount of \$~~2,400,000.00~~^{2,300,000.00} in fees and expenses, which sum the Court finds to be fair and reasonable and a recognition of the benefits provided to Lloyds as a result of the prosecution and settlement of the Action.

16. Neither the Nominal Defendants nor Individual Defendants nor any of their respective past, present and future officers, directors, partners, principals, employees, agents, representatives, attorneys, heirs, administrators, executors, insurers, trustees, parents, subsidiaries, predecessors, successors, assigns and affiliates, including any person or entity controlled by, controlling or under common control with, any of them, shall be liable for or obligated to pay any fees, expenses, costs or disbursements to, or incur any expense on behalf of, any person, either directly or indirectly, in connection with this Action, the Settlement Agreement or the proposed settlement, other than as expressly provided for in the Settlement Agreement.

17. The Court reserves exclusive and continuing jurisdiction over this Action, and the Parties thereto, solely for the purposes of supervising the implementation, enforcement, construction, and interpretation of the Stipulation and this Judgment, but for no other purpose.

FINAL JUDGMENT is hereby entered with respect to the Nominal Defendants
and Individual Defendants in accordance with N.Y. Bus. Corp. Law Section 626(d) this
14th day of November, 2011.



Stephen A. Bucaria
J.S.C.

ENTERED

NOV 28 2011
NASSAU COUNTY
COUNTY CLERK'S OFFICE