

Lloyds Banking Group

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Lloyds bosses summoned by MPs to explain 'greedy' pensions policy

Lloyds Banking Group PLC (LON:LLOY) chief executive Antonio Horta-Osório has been summoned to parliament to explain why he received a vastly better pension deal than all other staff at the lender.

Amid vocal investor discontent over corporate pay and pensions at various companies in recent weeks, Horta-Osório and remuneration committee chair Stuart Sinclair have been asked to appear in front of the Work and Pensions Select Committee before the summer recess in July.

READ: Lloyds in hot water as CEO the only employee to receive final salary pension

The Spaniard has been rewarded with a pension contribution rate of 33% of his base salary, and two other executives have contribution rates of 25%, while other rank and file employees are limited to a contribution rate of 13%.

Frank Field, the chair of the Work and Pensions committee, and Rachel Reeves, chair of the Business Energy and Industrial Strategy committee wrote to Lloyds this month to seek an explanation for the divergence.

Lloyds changed its executive pension pay policy earlier this month, including cutting Horta-Osório's contribution rate from an even higher 46%, following the release of new board pay recommendations from the Investment Association (IA). The IA has pledged to flag up companies paying unfair pension contribution rates to its institutional shareholder clients.

READ: Lloyds accused of boundless greed

But Field still has accused the bank of "feverish desperation and boundless greed" for its efforts to persuade staff to back the pension changes at this month's annual shareholder meeting.

"The bank's remuneration committee churning out a litany of excuses only further erodes what little dignity is left in these proceedings. Senior executives at Lloyds could bring this sorry episode to an end, today: just give it up," he said.

Reeves added: "Rather than setting challenging long-term targets for CEOs, pay committees are prone to gaming the system, designing ever more complicated pay packages to handsomely reward their executives.

"Setting CEO pay becomes an expensive version of whack-a-mole where pay committees, for appearance-sake at least, hammer down on one element, such as base salary, only to allow other parts, such as pension entitlement, to pop up to reward their executives."

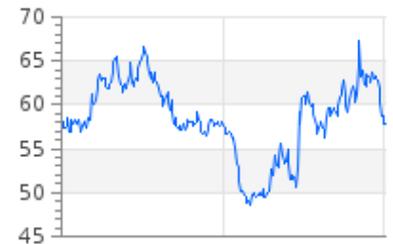
At Lloyds' AGM, investors seemed less bothered, with only 8% of votes going against the remuneration committee.

In afternoon trading, shares in the bank were up 1.2% at 58.52p.

Price: 58.45

Market Cap: £40.95 billion

1 Year Share Price Graph



January 2019 July 2019 January 2020

Share Information

Code: LLOY

Listing: LSE

52 week High Low
73.66 48.1559

Sector: Banks

Website: www.lloydsbankinggroup.com

Company Synopsis:

Lloyds Banking Group has many household names like Lloyds Bank, Halifax, Bank of Scotland and Scottish Widows. Lloyds Banking Group is a leading UK based financial services group providing a wide range of banking and financial services, focused on personal and commercial customers.

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