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## Notice of Annual General Meeting 2011

### THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should consult a stockbroker, solicitor, accountant or other appropriate independent professional adviser.

If you have sold or otherwise transferred all of your shares, please pass this document together with any accompanying documents to the purchaser or transferee, or to the person who arranged the sale or transfer, so that they can pass these documents on to the person who now holds the shares. If you are not sure what to do, please contact an appropriate independent professional adviser. If you have sold or transferred some, but not all, of your shares you should contact the person who arranged the sale or transfer without delay for advice on what action you should take.

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This document includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the 'Hong Kong Listing Rules') for the purpose of giving information with regard to Standard Chartered PLC (the 'Company'). The directors of the Company collectively and individually accept full responsibility for the accuracy of the information contained in this document and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

A Chinese translation of this document is available on request from Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wai Chai, Hong Kong.

Notice of the Annual General Meeting of Standard Chartered PLC to be held at The Honourable Artillery Company, Armoury House, City Road, London, EC1Y 2BQ on Thursday 5 May 2011 at 12.00pm London time (7.00pm Hong Kong time) is set out on pages 6 to 8 of this document.

Whether or not you propose to attend the Annual General Meeting, if you are an ordinary shareholder please submit your proxy or voting instruction form electronically (please see page 9 for details). Alternatively, complete and return the enclosed form of proxy or voting instruction form.

The proxy votes must be received no later than 48 hours before the time of the holding of the Annual General Meeting.

25 March 2011

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# Letter from the Chairman



To ordinary shareholders and, for information only,  
preference shareholders

25 March 2011

Dear Shareholder

I am pleased to be sending you details of our Annual General Meeting ('AGM'), which we are holding on Thursday 5 May 2011 at 12.00pm London time (7.00pm Hong Kong time) at The Honourable Artillery Company, Armoury House, City Road, London, EC1Y 2BQ. The formal notice of our AGM starts on page 6 of this document.

At the AGM, I will present a review of the year's results and current business and there will be an opportunity for you to ask questions on the Company's performance and on each of the resolutions being proposed at the AGM.

## Final dividend

Shareholders are being asked to approve a final dividend of 46.65 US cents per ordinary share for the year ended 31 December 2010. If approved, this will be paid in either sterling, Hong Kong dollars or US dollars on Wednesday 11 May 2011 to shareholders on the UK register of members at the close of business in the UK (10.00pm London time) on Friday 11 March 2011, and to shareholders on the Hong Kong branch register of members at the opening of business in Hong Kong (9.00am Hong Kong time) on Friday 11 March 2011. The final dividend will be paid in Indian Rupees on Wednesday 11 May 2011 to Indian Depository Receipt holders on the Indian register at the close of business in India on Friday 11 March 2011. For details on the dividend arrangements, please refer to the 2010 Final Dividend circular and the Dividend Terms and Conditions which are available on our website at: <http://investors.standardchartered.com/dividend.cfm>.

## Board changes

Gareth Bullock stepped down as director during 2010. The Board and I would like to take this opportunity to thank him for his dedicated service and the valuable contributions he has made to the Company. We wish him every success for the future.

During 2010, we appointed one executive director and three independent non-executive directors to the Board. Jaspal Bindra (an executive director) was appointed on 1 January 2010. Dr Han Seung-soo KBE and Richard Delbridge (independent non-executive directors) were appointed on 1 January 2010, and Simon Lowth (an independent non-executive director) was appointed on 1 May 2010.

In accordance with the provisions of the UK Corporate Governance Code, all directors will be standing for re-election this year.

Rudy Markham has served on the Board for more than ten years. He has demonstrated excellent independence and stewardship as Senior Independent Director and Chairman of the Audit Committee. As a result of his length of service and commitment, he provides an in-depth knowledge of the Group that is invaluable to the Board. The Nomination Committee has conducted a thorough review with Rudy to assess his independence and contributions to the Board and confirmed that he continues to be an effective independent non-executive director.

## Employee share schemes

At the AGM, we are also seeking shareholder approval for a new discretionary share plan. Our current Performance Share Plan ('PSP') expires in 2011. The use of performance shares is an intrinsic element of total remuneration for our senior management population including executive directors and given the need to renew the PSP, the Group has taken the opportunity to review all its discretionary share plan arrangements at this time, including those plans used more broadly for delivering restricted shares and any deferred element of annual performance awards. Following that review, a new discretionary share plan (the 'Plan') is being proposed as an 'umbrella' plan which is designed to incorporate all of our discretionary share plan arrangements into a single plan for the future.

Discretionary share awards remain a key part of the senior management population's Total Variable Compensation ('TVC') and the core principles of the way we use such awards remain broadly unchanged, although the Group is introducing a new risk based measure under the performance shares element of the Plan. The Group is mindful of the practical challenges of

how its share plans are and continue to be used in a changing remuneration environment including ongoing regulatory developments. Our proposals aim to give the Remuneration Committee a plan that has sufficient flexibility to navigate these challenges and requirements over the coming years.

### Communications with shareholders

The Company has decided not to have an annual review this year and all shareholders who normally receive an annual review will receive an annual report and accounts. However, the Company is promoting electronic communication as part of a focus on the significant economic and environmental issues the world is facing. This benefits shareholders by providing faster delivery of shareholder communications, and it benefits the environment by reducing paper and saving energy. If you would like to find out more about these electronic services please contact our registrar, Computershare Investor Services PLC on +44 (0)870 702 0138 or visit their website at [www.investorcentre.co.uk](http://www.investorcentre.co.uk).

### Questions

If you would like a question to be addressed at the AGM we would encourage you to email your question to [agm.2011@sc.com](mailto:agm.2011@sc.com) or to complete and return the form on page 27 before 12.00pm London time on Tuesday 3 May 2011. We will endeavour to address any questions raised when the item of business to which the question relates is under consideration at the AGM. Any questions submitted that are not relevant to the business of the AGM will be forwarded for the attention of an appropriate executive. Submitting a question in this way does not affect your rights as a shareholder to ask questions at the AGM.

### Voting arrangements

As with last year, voting will be conducted by way of a poll, using an electronic poll voting system. The results of the polls will be announced to the London Stock Exchange, The Stock Exchange of Hong Kong Limited, the National Stock Exchange of India Limited and the Bombay Stock Exchange Limited and published on the Company's website. A more detailed explanation of the electronic poll voting system is set out on pages 10 and 11 of this document.

If you are not able to attend the AGM but would like to vote on the resolutions, please vote electronically at [www.eproxyappointment.com](http://www.eproxyappointment.com). Instructions can be found on pages 9 and 10 of this document. Alternatively, you can complete the proxy form (or voting instruction form for ShareCare members) sent to you with this document and return it to our registrar. All proxy forms, including voting instruction forms for ShareCare members, must be received by 12.00pm London time (7.00pm Hong Kong time) on Tuesday 3 May 2011.

Explanatory notes on all the business to be considered at this year's AGM appear on pages 13 to 21 of this document. The Board considers that all the resolutions to be put to the AGM are in the best interests of the Company and its shareholders as a whole. The Board recommends all shareholders vote in favour of all the resolutions, as the directors intend to do in respect of their own shares (with the exception of resolution 23 (see below)). In accordance with Rule 7.19(6) of the Hong Kong Listing Rules, the executive directors and their respective associates will abstain from voting in favour of resolution 23 for the reasons set out on pages 18 and 19 of this document.

A light buffet lunch will be served after the AGM and the directors and I very much hope you will be able to join us.

Yours sincerely



**John Peace**  
Chairman

Standard Chartered PLC does not contact its shareholders directly to provide recommendation advice, nor does it appoint third parties to do so. As required by law, our shareholder register is available for public inspection. As Standard Chartered PLC cannot control the use of information obtained by persons inspecting the register, please treat any approaches providing recommendation advice purporting to originate from Standard Chartered PLC with caution.

The Standard Chartered PLC shareholder register is administered by Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ (for shareholder enquiries, telephone: +44 (0)870 702 0138 or refer to the website: [www.investorcentre.co.uk/contactus](http://www.investorcentre.co.uk/contactus)).

As at the date of this document, the Board of directors of the Company comprises:

Chairman: John Wilfred Peace

Executive directors: Peter Alexander Sands, Stefano Paolo Bertamini, Jaspal Singh Bindra, Richard Henry Meddings and Alun Michael Guest Rees

Independent non-executive directors: Richard Delbridge, James Frederick Trevor Dundas, Valerie Frances Gooding CBE, Dr Han Seung-soo KBE, Simon Jonathan Lowth, Rudolph Harold Peter Markham (Senior Independent Director), Ruth Markland, John Gregor Hugh Paynter, Paul David Skinner and Oliver Henry James Stocken

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1 Aldermanbury Square  
London EC2V 7SB  
Registered Office as above  
Registered in England and Wales 966425

# Notice of Annual General Meeting 2011

This year's Annual General Meeting ('AGM') will be held at The Honourable Artillery Company, Armoury House, City Road, London, EC1Y 2BQ on Thursday 5 May 2011 at 12.00pm London time (7.00pm Hong Kong time). You will be asked to consider and, if thought fit, to pass the resolutions below. Resolutions 26 to 29 (inclusive) will be proposed as special resolutions. All other resolutions will be proposed as ordinary resolutions.

## Ordinary resolutions

1. To receive the Company's annual report and accounts for the financial year ended 31 December 2010 together with the reports of the directors and auditors.
2. To declare a final dividend of 46.65 US cents per ordinary share for the year ended 31 December 2010.
3. To approve the directors' remuneration report for the year ended 31 December 2010, as set out on pages 106 to 125 of the annual report and accounts.
4. To re-elect Mr S P Bertamini, an executive director.
5. To re-elect Mr J S Bindra, an executive director.
6. To re-elect Mr R Delbridge, a non-executive director.
7. To re-elect Mr J F T Dundas, a non-executive director.
8. To re-elect Miss V F Gooding CBE, a non-executive director.
9. To re-elect Dr Han Seung-soo KBE, a non-executive director.
10. To re-elect Mr S J Lowth, a non-executive director.
11. To re-elect Mr R H P Markham, a non-executive director.
12. To re-elect Ms R Markland, a non-executive director.
13. To re-elect Mr R H Meddings, an executive director.
14. To re-elect Mr J G H Paynter, a non-executive director.
15. To re-elect Mr J W Peace, as Chairman.
16. To re-elect Mr A M G Rees, an executive director.
17. To re-elect Mr P A Sands, an executive director.
18. To re-elect Mr P D Skinner, a non-executive director.
19. To re-elect Mr O H J Stocken, a non-executive director.
20. To re-appoint KPMG Audit Plc as auditor to the Company from the end of the AGM until the end of next year's AGM.
21. To authorise the Board to set the auditor's fees.
22. That in accordance with sections 366 and 367 of the Companies Act 2006, the Company and all companies that are its subsidiaries during the period for which this resolution has effect are authorised to:
  - (A) make donations to political parties and/or independent election candidates not exceeding £100,000 in total;
  - (B) make donations to political organisations other than political parties not exceeding £100,000 in total; and
  - (C) incur political expenditure not exceeding £100,000 in total,(as such terms are defined in sections 363 to 365 of the Companies Act 2006) provided that the aggregate amount of any such donations and expenditure shall not exceed £100,000 during the period beginning with the date of passing this resolution and expiring at the end of the next year's AGM, unless such authority has been previously renewed, revoked or varied by the Company in a general meeting.

23. That the Board be authorised to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company:
- (A) up to a nominal amount of US\$235,072,287 (such amount to be restricted to the extent that any allotments or grants are made under paragraphs (B) or (C)) so that in total no more than US\$783,574,290 can be allotted);
  - (B) up to a nominal amount (when combined with any allotments made under paragraph (A)) of US\$391,787,145 (such amount to be restricted to the extent that any allotments or grants are made under paragraphs (A) or (C) so that in total no more than US\$783,574,290 can be allotted) in connection with:
    - (i) an offer or invitation:
      - (a) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
      - (b) to holders of other equity securities as required by the rights of those securities or as the Board otherwise considers necessary,
- and so that the Board may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and
- (ii) a scrip dividend scheme or similar arrangement implemented in accordance with the articles of association of the Company;
- (C) comprising equity securities (as defined in section 560(1) of the Companies Act 2006) up to a nominal amount of US\$783,574,290 (such amount to be restricted to the extent that any allotments or grants are made under paragraphs (A) or (B) so that in total no more than US\$783,574,290 can be allotted) in connection with an offer by way of a rights issue:
    - (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
    - (ii) to holders of other equity securities as required by the rights of those securities or as the Board otherwise considers necessary,
- and so that the Board may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and
- (D) pursuant to the terms of any existing share scheme of the Company or any of its subsidiary undertakings adopted prior to the date of this meeting,

such authorities to apply until the end of next year's AGM (or, if earlier, until the close of business on 4 August 2012) but, in each such case, during this period the Company may make offers and enter into agreements which would, or might, require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after the authority ends and the Board may allot shares or grant rights to subscribe for or convert securities into shares under any such offer or agreement as if the authority had not ended.

24. That the authority granted to the Board to allot shares or grant rights to subscribe for or convert securities into shares up to a nominal amount of US\$235,072,287 pursuant to paragraph (A) of resolution 23 be extended by the addition of such number of ordinary shares of US\$0.50 each representing the nominal amount of the Company's share capital repurchased by the Company under the authority granted pursuant to resolution 27, to the extent that such extension would not result in the authority to allot shares or grant rights to subscribe for or convert securities into shares pursuant to resolution 23 exceeding US\$783,574,290.
25. That the rules of the 2011 Standard Chartered Share Plan as summarised in the appendix on pages 22 to 25 be approved and that the Board (or any duly authorised committee of the Board) be authorised to do anything which it considers necessary or desirable to give effect to the new plan.

### Special resolutions

26. That if resolution 23 is passed, the Board be given power to allot equity securities (as defined in the Companies Act 2006) for cash under the authority given by that resolution and/or sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Companies Act 2006 did not apply to such allotment or sale, such power to be limited:
- (A) to the allotment of equity securities and sale of treasury shares for cash in connection with an offer of, or invitation to apply for, equity securities (but in the case of the authority granted under paragraph (C) of resolution 23, by way of a rights issue only):

- (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
- (ii) to holders of other equity securities as required by the rights of those securities or, as the Board otherwise considers necessary,

and so that the Board may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and

- (B) in the case of the authority granted under paragraph (A) of resolution 23 and/or in the case of any sale of treasury shares for cash, to the allotment (otherwise than under paragraph (A) above) of equity securities or sale of treasury shares up to a nominal amount of US\$58,768,071.50,

such power to apply until the end of next year's AGM (or, if earlier, until the close of business on 4 August 2012) but, in each case, during this period the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the power ends and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the power had not ended.

27. That the Company be authorised to make market purchases (as defined in the Companies Act 2006) of its ordinary shares of US\$0.50 each provided that:

- (A) the Company does not purchase more than 235,072,287 shares under this authority;
- (B) the Company does not pay less for each share (before expenses) than US\$0.50 (or the equivalent in the currency in which the purchase is made, calculated by reference to a spot exchange rate for the purchase of US dollars with such other currency as displayed on the appropriate page of the Reuters screen at or around 11.00am London time on the business day before the day the Company agrees to buy the shares); and
- (C) the Company does not pay more for each share (before expenses) than five per cent over the average of the middle market prices of the ordinary shares according to the Daily Official List of the London Stock Exchange for the five business days immediately before the date on which the Company agrees to buy the shares,

such authority to apply until the end of next year's AGM (or, if earlier, until the close of business on 4 August 2012) but during this period the Company may agree to purchase shares where the purchase may not be completed (fully or partly) until after the authority ends and the Company may make a purchase of ordinary shares in accordance with any such agreement as if the authority had not ended.

28. That the Company be authorised, to make market purchases (as defined in the Companies Act 2006) of up to 477,500 preference shares of US\$5.00 each and up to 195,285,000 preference shares of £1.00 each provided that:

- (A) the Company does not pay less for each share (before expenses) than the nominal value of the share (or the equivalent in the currency in which the purchase is made, calculated by reference to the spot exchange rate for the purchase of the currency in which the relevant share is denominated with such other currency as displayed on the appropriate page of the Reuters screen at or around 11.00am London time on the business day before the day the Company agrees to buy the shares); and
- (B) the Company does not pay more for each share (before expenses) than 25 per cent over the average of the middle market prices of such shares according to the Daily Official List of the London Stock Exchange for the ten business days immediately before the date on which the Company agrees to buy the shares,

such authority to apply until the end of next year's AGM (or, if earlier, until the close of business on 4 August 2012) but during this period the Company may agree to purchase shares where the purchase may not be completed (fully or partly) until after the authority ends and the Company may make a purchase of shares in accordance with any such agreement as if the authority had not ended.

29. That a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.

By order of the Board

**Annemarie Durbin**  
Group Company Secretary

Registered Office:  
1 Aldermanbury Square  
London EC2V 7SB

25 March 2011



# Notes

## Audio version of Notice of AGM

We have produced an audio version of our Notice of AGM. Copies are available (in limited numbers) on either audiocassette or CD. If you require an audio version, please contact our registrar, Computershare Investor Services PLC, on +44 (0)870 702 0138. Please specify whether you wish to receive an audiocassette or a CD and provide them with your full name and postal address. They will arrange for a copy to be sent to you.

## Right to attend the AGM

If you want to attend the AGM and vote, you must be on the Company's register of members in the UK at 10.00pm London time on Tuesday 3 May 2011 or on the Company's branch register of members in Hong Kong at 5.00am Hong Kong time on Wednesday 4 May 2011. This will enable us to determine how many votes you have on a poll. If the AGM is adjourned to a time after 10.00pm London time on Thursday 5 May 2011, you must be on the appropriate register of members of the Company 48 hours before the time of the adjourned meeting. This will also allow us to confirm how many votes you will have on a poll at such a meeting. If we give you notice of an adjourned meeting we will tell you in the notice when you need to be on the register to be able to attend and vote. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

## Right to ask questions at the AGM

Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

## Proxy appointments

If you are an ordinary shareholder you may attend, speak and vote at the AGM or appoint one or more proxy(ies) to exercise all or any of your rights to attend and to speak and vote on your behalf at the Company's AGM. A shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A proxy may be appointed by any of the following methods:

- Electronic proxy – shareholders on the UK register of members may appoint a proxy electronically, which is a quicker, simpler and more efficient method of appointment. If you wish to submit your proxy form electronically, you will need an internet-enabled PC. For best results we recommend that you use the latest vendor supported release of the following browsers: Microsoft Internet Explorer, Mozilla Firefox or Apple Safari. In addition to improving your experience on the site, upgrading your browser will provide the latest browser security updates. You can then appoint your proxy online at [www.eproxyappointment.com](http://www.eproxyappointment.com). You will need the Control Number, your Shareholder Reference Number (SRN), and Personal Identification Number (PIN), which are stated on the accompanying proxy form or, voting instruction form to access the service. Your PIN will expire at 12.00pm London time on Tuesday 3 May 2011. Before you can appoint a proxy electronically, you will be asked to agree to the terms and conditions for electronic proxy appointment. It is important that you read these terms and conditions carefully as they will govern the electronic appointment of your proxy;
- Completing and returning the enclosed proxy form to our registrar Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ, UK; or
- CREST voting – if you are a member of CREST you can use the CREST electronic proxy appointment service (see below).

**IMPORTANT:** Whichever method you choose, any proxy form or other instrument appointing a proxy, including voting instruction forms for ShareCare members, must be received by the Company's registrar no later than 12.00pm London time (7.00pm Hong Kong time) on Tuesday 3 May 2011 to be valid.

Appointing a proxy electronically, via the CREST electronic proxy appointment service, or the return of a completed proxy form will not prevent a shareholder attending the AGM and voting in person if s/he wishes to do so.

## Voting through ShareCare

If you hold your shares in ShareCare, you may submit your voting instruction electronically in the same way as set out above for the electronic appointment of proxies using the Control Number, your ShareCare Number (SRN) and Personal Identification Number (PIN) (both of which are stated on the accompanying voting instruction form), or you can complete and return the enclosed voting instruction form to our registrar Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ, UK. Your PIN will expire at 12.00pm London time on Tuesday 3 May 2011. Whichever method you choose, any voting instruction form or other instrument appointing a proxy must be received by our registrar no later than 12.00pm London time on Tuesday 3 May 2011 to be valid.

## CREST Electronic proxy voting

If you are a CREST member and wish to appoint a proxy or proxies using the CREST electronic proxy appointment service, you may do so by following the procedures described in the CREST manual (available via [www.euroclear.com/site/public/EUI](http://www.euroclear.com/site/public/EUI)). If you are a CREST Personal Member or other CREST sponsored member or a CREST member who has appointed a voting service provider, you should refer to your CREST sponsor or voting service provider, who will be able to take the appropriate action on your behalf.

In order for your proxy appointment using CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for these instructions, as described in the CREST manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by our agent (ID 3RA50) by 12.00pm London time on Tuesday 3 May 2011. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which our agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers, should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in regulation 35(5)(a) of the Uncertificated Securities Regulations 2001, which regulates instructions containing incorrect information and instructions that are improperly sent.

## Nominated persons

Any person to whom this document is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a 'Nominated Person') may, under an agreement between him/her and the shareholder by whom s/he was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, s/he may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

The statements under the paragraphs headed 'Proxy appointments' do not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by ordinary shareholders (or by proxy(ies) appointed to act on their behalf) at a general meeting of the Company.

## Corporate representatives

Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

## Electronic poll voting procedure

The Company will call a poll on all resolutions at the AGM. The poll voting will be by electronic means. On arrival at the AGM, all those entitled to vote will be required to register and be given a hand held keypad containing a personalised smart card with details of your shareholding to be used for the electronic poll vote. After each resolution is put to the AGM by the

Chairman, you will be asked to cast your vote by pressing a button on your keypad. All the votes present will be counted and added to those received by proxy and the provisional final votes will be shown on the screen at the front of the meeting room. If you have already voted by proxy you will still be able to vote using the electronic poll voting system and your vote on the day will replace your proxy vote lodged previously. To facilitate these arrangements, it would be helpful if you could please arrive at the AGM venue in good time and have your attendance pass to hand. However, if you submitted your votes online you will not have an attendance pass and you will need to confirm your name and address details with our registrar prior to admittance. Before the AGM commences, you will be given instructions on how to use your keypad at the AGM.

On a poll, every ordinary shareholder present in person or by proxy has one vote for every US\$2.00 nominal value of ordinary shares held. The nominal value of each ordinary share being US\$0.50 means that a member needs to hold four ordinary shares to register one vote on a poll, and Indian Depository Receipts ('IDRs') holders have one vote for every forty IDRs they hold. As at Thursday 17 March 2011 (being the latest practicable date prior to the publication of this document), the Company had 2,350,722,870 ordinary shares of US\$0.50 each in issue, none of which were held in treasury. The ordinary shares carry in aggregate 587,680,717 voting rights on a poll.

You can obtain the results of the poll by telephoning our registrar on or after Friday 6 May 2011. The results of the poll will be announced to the UK Listing Authority and The Stock Exchange of Hong Kong Limited and will appear on our website at <http://investors.standardchartered.com> on Friday 6 May 2011.

### **Audit statement**

Under section 527 of the Companies Act 2006 members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.

### **Website**

A copy of this notice, and other information required by section 311A of the Companies Act 2006, can be found at <http://investors.standardchartered.com/downloads.cfm>.

### **Inspection of documents**

The following documents will be available for inspection at 1 Aldermanbury Square, London EC2V 7SB and at the offices of Slaughter and May, 47th Floor, Jardine House, One Connaught Place, Central, Hong Kong from the date of this document until the end of the AGM and at The Honourable Artillery Company from 15 minutes before the AGM until it ends.

- Copies of the executive directors' contracts of employment.
- Copies of the Chairman's contract of employment and the letters of appointment of non-executive directors.
- A copy of the proposed new rules of the 2011 Standard Chartered Share Plan as proposed by resolution 25.

## Interests in the share capital of the Company

As at Thursday 17 March 2011, being the latest practicable date prior to the publication of this document, the directors held the following interests:

### Directors' interests in shares and options

	Total interest in ordinary shares	Total interest in ordinary shares under Deferred Bonus Plan	Total interest in ordinary shares under option	Range of option exercise prices (pence)	Range of option exercise periods
J W Peace	7,543	–	64,657	–	2011–2017
P A Sands	213,391	–	748,151	1,048.22	2011–2020
S P Bertamini	84,552	–	411,731	1,104.00	2011–2020
J S Bindra	153,378	–	303,437	1,104.00	2011–2020
R Delbridge	5,497	–	–	–	–
J F T Dundas	3,141	–	–	–	–
V F Gooding CBE	3,154	–	–	–	–
Dr Han Seung-soo KBE	2,250	–	–	–	–
S J Lowth	3,723	–	–	–	–
R H P Markham	3,994	–	–	–	–
R Markland	3,616	–	–	–	–
R H Meddings	130,159	–	471,816	1,463.00	2011–2020
J G H Paynter	7,500	–	–	–	–
A M G Rees	137,176	70,255	780,461	–	2011–2020
P D Skinner	14,089	–	–	–	–
O H J Stocken	17,915	–	–	–	–

### Substantial and major shareholders' interests in the share capital of the Company

So far as the directors are aware, as at Thursday 17 March 2011, being the latest practicable date prior to the publication of this document, Temasek Holdings (Private) Limited is the only 'substantial shareholder' of the Company by virtue of its interest of more than 10 per cent in the Company's issued ordinary share capital exercisable at any general meeting of the Company.

The Company has been notified by the following companies of their interests in the total voting rights of the Company:

Shareholder	Number of ordinary shares	Percentage of total voting rights direct	Percentage of total voting rights indirect
Temasek Holdings (Private) Limited*	430,345,996		18.328
BlackRock, Inc	158,547,553		6.752
Aberdeen Asset Management PLC's Fund Management Operating Subsidiaries	126,686,193		5.395
Legal & General Group Plc	87,956,658	3.746	

\*Temasek Holdings (Private) Limited's interest is held indirectly through Dover Investments Pte Ltd. and Cavanagh Investments Pte Ltd.

In the case of any conflict between any translation and this English text, this English text shall prevail.

### Preference shareholders

Only ordinary shareholders may attend, speak and vote at the AGM. This document is sent to holders of preference shares for information only.

# Explanatory Notes to the Notice of Annual General Meeting

The notes on the following pages give an explanation of the proposed resolutions.

Resolutions 1 to 25 (inclusive) are proposed as ordinary resolutions. This means that, for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution.

Resolutions 26 to 29 (inclusive) are proposed as special resolutions. This means that, for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

Please note that a 'vote withheld' (as appears on the proxy form or voting instruction form) is not a vote in law and will not be counted in the calculation of the proportion of votes 'for' or 'against' a resolution.

## **Resolution 1: Annual report**

The directors are required by law to present, for each financial year, copies of the Company's annual report and accounts to shareholders at a general meeting.

## **Resolution 2: Declaration of the final dividend (including share dividend alternative)**

Final dividends must be approved by shareholders but cannot be more than the amount recommended by directors. If the AGM approves resolution 2, the final dividend of 46.65 US cents per ordinary share will be paid in either sterling, Hong Kong dollars or US dollars on Wednesday 11 May 2011 to shareholders on the UK register of members at the close of business in the UK (10.00pm London time) on Friday 11 March 2011, and to shareholders on the Hong Kong branch register of members at the opening of business in Hong Kong (9.00am Hong Kong time) on Friday 11 March 2011. The final dividend will be paid in Indian Rupees on Wednesday 11 May 2011 to Indian Depository Receipt holders on the Indian register at the close of business in India on Friday 11 March 2011.

It is intended that shareholders on the UK register and Hong Kong branch register will be able to elect to receive shares credited as fully paid instead of all or part of the final cash dividend. Details of the dividend arrangements will be sent to shareholders on or around Friday 25 March 2011. Indian Depository Receipt holders will receive their dividend in Indian Rupees only. Please see the separate document entitled '2010 Final Dividend' and the related 'Dividend Terms and Conditions' which are available on our website at <http://investors.standardchartered.com/dividend.cfm>.

## **Resolution 3: Directors' remuneration report**

The Company is required by law to seek the approval of shareholders of its annual report on remuneration policy and practice. Shareholders are invited to vote on the directors' remuneration report, which may be found on pages 106 to 125 of the annual report and accounts.

## **Resolutions 4 to 19: Re-election of directors**

In accordance with the provisions of the UK Corporate Governance Code, all directors will be standing for re-election this year.

Mr Richard Delbridge, Mr Jamie Dundas, Miss Valerie Gooding CBE, Dr Han Seung-soo KBE, Mr Simon Lowth, Mr Rudy Markham, Ms Ruth Markland, Mr John Paynter, Mr Paul Skinner and Mr Oliver Stocken are all non-executive directors and therefore do not have contracts of employment.

Mr Steve Bertamini, Mr Jaspal Bindra, Mr Richard Meddings, Mr John Peace, Mr Mike Rees and Mr Peter Sands each have a contract of employment with a notice period of one year.

The Nomination Committee is responsible for making recommendations to the Board on directorship appointments and the suitability of candidates required to produce a balanced board and establishing succession plans.

The Nomination Committee has reviewed the performance of the directors submitting themselves for re-election and has made recommendations to the Board on their re-election. Any Independent Directors appointed for any term beyond six years (i.e. two three-year terms), are subject to a particularly rigorous review and such review should also take into account

the need for progressive refreshing of the Board. The Nomination Committee has also confirmed that Mr Rudy Markham continues to be an effective independent non-executive director.

The Board considers all the directors submitting themselves for re-election are highly experienced and have a broad understanding of the financial services industry. In view of their experience and performance, the Board considers that they will each continue to make a valuable contribution to the Company.

Biographical details of each of the directors standing for re-election are as follows:

#### **Stefano Paolo Bertamini, Group Executive Director**

Steve was appointed Group Executive Director and Chief Executive, Consumer Banking on 1 June 2008. He is also a director of Standard Chartered Bank and Standard Chartered Holdings Limited. Steve previously spent 22 years with GE, most recently as chairman and chief executive of GE North East Asia. He was appointed president of GE Capital Asia in January 2001, and assumed responsibility for the conglomerate's merger and acquisition business in the Asia-Pacific region from 2004. He graduated from the University of Texas with a Bachelor's degree of Business in Finance and Management in 1985 and earned his MBA at the University of North Texas in 1991. Age 46 at the date of the AGM.

#### **Jaspal Singh Bindra, Group Executive Director**

Jaspal was appointed as Group Executive Director from 1 January 2010, keeping his responsibilities for growth and governance in Asia. He is also a director of Standard Chartered Bank, Standard Chartered Holdings Limited, Standard Chartered Bank (Hong Kong) Limited and Prime Financial Holdings Limited. Jaspal joined the Bank in 1998. He has a wide range of international experience, including Global Head of Client Relationships where he played a key role in the introduction of the client-focused strategy that has served Wholesale Banking so well. As Chief Executive Officer in India, he oversaw the successful acquisition and integration of Grindlays Bank and set India on its path to become the largest profit contributor in the Group today. Jaspal is a Board member of Vital Voices Global Partnership. Jaspal is a qualified Chartered Accountant and MBA. Age 50 at the date of the AGM.

#### **Richard Delbridge, Independent Non-Executive Director**

Richard joined the Board on 1 January 2010. He is a member of the Audit Committee and Board Risk Committee. He is a non-executive director of University College London Hospitals Foundation Trust. In 1976, he joined JPMorgan and was group comptroller and later managing director of the London offices. In 1989, he was appointed director, group finance, at Midland Bank plc, later becoming group finance director, HSBC Holdings plc. In 1996, Richard was appointed director and group chief financial officer of National Westminster Bank Plc, a position he held until April 2000. Richard's previous non-executive directorships include Tate & Lyle PLC, JPMorgan Cazenove, Fortis N.V., Fortis SA/NV, Balfour Beatty plc, Gallaher Group Plc, Innogy plc and Egg plc. He was a council member and treasurer of the Open University for eight years until 2009. Richard brings with him banking and financial accounting knowledge. Richard studied economics at the London School of Economics, is a fellow of the Institute of Chartered Accountants and earned an MBA from University of California at Berkeley. Age 68 at the date of the AGM.

#### **James Frederick Trevor Dundas, Independent Non-Executive Director**

Jamie was appointed to the Board on 15 March 2004. He is a member of the Audit Committee, Nomination Committee, Brand and Values Committee, and Chairman of the Board Risk Committee. He is chairman of Jupiter Fund Management plc and deputy president and former chairman of Macmillan Cancer Support. Over his career, Jamie has been non-executive director of J Sainsbury plc and of Drax Group plc, chief executive of UK-based property company MEPC, finance director of the Airport Authority Hong Kong and a director of Morgan Grenfell & Co Limited. Jamie brings to the Board significant high level experience in Hong Kong and a strong background in banking, including a deep understanding of the wholesale banking marketplace. He read law at Oxford University and subsequently qualified as a barrister. Age 60 at the date of the AGM.

#### **Valerie Frances Gooding CBE, Independent Non-Executive Director**

Val was appointed to the Board on 1 January 2005. She is a member of the Remuneration Committee and Brand and Values Committee. Val is a non-executive director of J Sainsbury plc, the Lawn Tennis Association and the BBC. She is a member of the advisory board of the Warwick Business School, a trustee of the British Museum, lead non-executive director of the department board at the Home Office and a member of the advisory committee of Virgin Group. Between 1998 and 2008, Val was chief executive officer of healthcare organisation BUPA, which she joined from British Airways where she held several executive positions. One of Britain's most internationally recognised businesswomen, Val has a high level of knowledge of financial services and regulation, marketing and customer service as well as people management and corporate strategy. Val graduated from Warwick University with an honours degree in French Studies. Age 60 at the date of the AGM.

### **Dr Han Seung-soo, KBE, Independent Non-Executive Director**

Dr Han is a former prime minister of the Republic of Korea and joined the Board on 1 January 2010. He is a member of the Brand and Values Committee. He has a distinguished political, diplomatic and administrative career serving as deputy prime minister and minister of finance, foreign affairs, and industry and trade before serving as prime minister in 2008 and 2009. He also served as Korean ambassador to the US, chief of staff to the president, president of the 56th Session of the United Nations General Assembly, special envoy of the UN Secretary-General on Climate Change and chairman of the 2009 OECD Ministerial Council Meeting in Paris. He is currently chairman of the Global Green Growth Institute as well as member of the UNSG's High-Level Panel on Global Sustainability. Dr Han brings with him valuable knowledge of Asia and economics. Dr Han received his bachelor's degree from Yonsei University in 1960. He acquired his master's from Seoul National University in 1963 and his doctorate in economics from University of York in 1968. Age 74 at the date of the AGM.

### **Simon Jonathan Lowth, Independent Non-Executive Director**

Simon was appointed to the Board on 1 May 2010. He is an executive director and chief financial officer of AstraZeneca PLC. Previously, he was financial director of Scottish Power plc and has 15 years' experience at McKinsey & Company, latterly as a senior director. Simon brings to the Board significant financial and risk management experience gained from his time with AstraZeneca PLC and Scottish Power plc. Simon has an engineering degree from Cambridge University and an MBA from London Business School. Age 49 at the date of the AGM.

### **Rudolph Harold Peter Markham, Independent Non-Executive Director**

Rudy was appointed to the Board on 19 February 2001. He is Senior Independent Director, Chairman of the Audit Committee and a member of the Board Risk Committee, Governance Committee and Nomination Committee. He is a non-executive director of Legal & General Group Plc, AstraZeneca PLC and United Parcel Service, Inc., a member of the board of the Financial Reporting Council and a member of the Supervisory Board of CSM.nv. He is also a non-executive chairman of Moorfields Eye Hospital and non-executive director of the Operational Board of the Foreign and Commonwealth Office. He served as chief financial officer at Unilever from 2000 to 2007, having joined the board in 1998 as strategy and technology director. Rudy has considerable knowledge of the markets in which we operate and, through his time at Unilever, broad experience in one of the world's most successful international corporations, gaining multinational financial experience. Whilst serving on the Board he has demonstrated a detailed understanding of financial, risk and governance issues. Rudy has demonstrated excellent stewardship as Chairman of the Audit Committee, and as a result of his length of service and commitment, he provides an in-depth knowledge of the Group that is invaluable to the Board, the Audit Committee, Board Risk Committee and the Nomination Committee. Age 65 at the date of the AGM.

### **Ruth Markland, Independent Non-Executive Director**

Ruth was appointed to the Board on 3 November 2003. She is the Chairman of the Remuneration Committee, and a member of the Audit Committee, Board Risk Committee and Nomination Committee. She also sits on the advisory council for our charity Seeing is Believing. Ruth is chairman of the board of trustees of charity WRVS and a non-executive director of The Sage Group plc and a member of the supervisory board of Arcadis NV. She was a partner at international law firm Freshfields Bruckhaus Deringer, managing their Asian offices. Having lived in Singapore and Hong Kong for a total of 16 years, Ruth has significant expertise in Asia and a deep understanding of the regulatory environment. She studied law at Southampton University. Age 58 at the date of the AGM.

### **Richard Henry Meddings, Group Finance Director**

Richard was appointed Group Finance Director on 20 November 2006, and is responsible for finance, corporate treasury, group strategy, corporate development and risk. Richard joined the Board on 16 November 2002 as Group Executive Director with responsibility for risk and Group Special Assets Management. In February 2004 he assumed responsibility for legal and compliance, and from March 2005, added responsibility for growth and governance across Africa, the Middle East, Pakistan, the UK, Europe and the Americas. He is also a director of Standard Chartered Bank and Standard Chartered Holdings Limited. He joined Standard Chartered from Barclays PLC, where he served as chief operating officer Barclays Private Clients, and prior to that as group financial controller. He was group finance director of Woolwich plc. He is a non-executive director of 3i Group plc and is a member of the Governing Council of the International Chamber of Commerce UK. He qualified as a Chartered Accountant with Price Waterhouse in 1983 and is a member of the Institute of Chartered Accountants in England and Wales. He graduated from Exeter College, Oxford with a MA (Hons) in Modern History. Age 53 at the date of the AGM.

### **John Gregor Hugh Paynter, Independent Non-Executive Director**

John was appointed to the Board on 1 October 2008. He is a member of the Audit Committee and Remuneration Committee. He is a non-executive director of Jardine Lloyd Thompson Group plc, a non-executive director of Standard Life Investments Limited and Standard Life Investments Holdings Limited and is a senior advisor to Greenhill & Co. International LLP. He was

previously vice chairman of JPMorgan Cazenove. He joined Cazenove in 1979, where he worked for 29 years. He was appointed partner in 1986 and later headed corporate finance, its largest business. John brings a wealth of experience in the fields of corporate broking, financial advisory and institutional investor knowledge. He has a deep understanding of financial markets and the corporate sector. He read law at University College, Oxford. Age 56 at the date of the AGM.

#### **John Wilfred Peace, Chairman**

John joined the Board as Deputy Chairman in August 2007. He was appointed Acting Chairman on 14 January 2009, and Chairman on 2 July 2009. He is Chairman of the Nomination Committee and Governance Committee, and a member of the Remuneration Committee and Brand and Values Committee. John is chairman of Experian plc and Burberry Group plc. He is also a member of the board of governors of Nottingham Trent University, deputy lieutenant for the County of Nottinghamshire, and a fellow of the Royal Society of Arts. Between 2000 and 2006, he was chief executive of GUS plc, having joined the board in 1997. With a strong financial services, retailing background and chairmanship experience, John brings extensive international experience and exemplary governance credentials. He has a thorough working knowledge of Asia. Age 62 at the date of the AGM.

#### **Alun Michael Guest Rees, Group Executive Director**

Mike was appointed to the Board on 4 August 2009. He is also a director of Standard Chartered Bank and Standard Chartered Holdings Limited. He joined Standard Chartered in 1990 as chief financial officer for treasury, and was appointed regional treasurer in Singapore, responsible for our South East Asia treasury businesses, in October 1994. He was appointed Head of Global Markets in late 2000, and two years later was appointed Chief Executive, Wholesale Banking, with responsibility for all wholesale banking products in addition to his responsibilities for global markets products. Mike graduated in 1978 from the University of Aston, Birmingham (B.Sc. Hons.) and is a member of the Institute of Chartered Accountants in England and Wales and the UK Institute of Directors. Age 55 at the date of the AGM.

#### **Peter Alexander Sands, Group Chief Executive**

Peter was appointed Group Chief Executive on 20 November 2006. He joined the Board on 14 May 2002 as Finance Director, with responsibility for finance, risk, strategy and technology and operations. He is also chairman of Standard Chartered Bank and director of Standard Chartered Holdings Limited. He is a member of the Brand and Values Committee, the Nomination Committee and the Governance Committee. He is director of The Hong Kong Association and Institute of International Finance, and non-executive director of The Roundhouse Trust. He joined Standard Chartered from consultancy McKinsey & Company, where he was a director working in the banking and technology sectors in a wide range of international markets. Peter graduated from Oxford University and holds a Masters in Public Administration from Harvard University, where he was a Harkness Fellow. Age 49 at the date of the AGM.

#### **Paul David Skinner, Independent Non-Executive Director**

Paul was appointed to the Board on 3 November 2003. He is Chairman of the Brand and Values Committee and a member of the Nomination Committee, Remuneration Committee and Board Risk Committee. Paul is chairman of the advisory board of Infrastructure UK, a division of HM Treasury, mandated to bring a strategic focus to infrastructure development as a driver of economic growth in the UK. He is also a non-executive director of L'Air Liquide SA and Tetra Laval Group and of the public interest body of PricewaterhouseCoopers. He was formerly group managing director of Royal Dutch Shell and chief executive officer of its global oil products business. Following his retirement from Shell in 2003 he was chairman of Rio Tinto from 2003 to 2009. He has also recently served as chair of the Commonwealth Business Council, as a member of the Defence Board of the Ministry of Defence and as a board member of the INSEAD business school. Paul has extensive experience of customer-facing global businesses across our geographical footprint and of managing a large global commodities trading business. He read law at Pembroke College, Cambridge and has a diploma in Business Administration from the Manchester Business School. Age 66 at the date of the AGM.

#### **Oliver Henry James Stocken, Independent Non-Executive Director**

Oliver was appointed to the Board on 1 June 2004. He is a member of the Board Risk Committee. He is chairman of Home Retail Group plc, Oval Limited and Stanhope Group Holdings Limited. He is also chairman of the MCC and chairman of the trustees of the Natural History Museum. Previously he was deputy chairman of 3i Group plc and finance director of Barclays PLC. Oliver's financial, banking and international experience makes him a valuable contributor to our Board. Oliver read mathematics at Oxford University. Age 69 at the date of the AGM.

None of the directors standing for re-election has any relationship with any other director, member of senior management or substantial or controlling shareholder of the Company. The Company's Nomination Committee has considered the fact that Rudy Markham is a non-executive director on the board of Astra Zeneca PLC whilst Simon Lowth is an executive director at the same company. We do not believe that this creates a cross-directorship that in any way impacts upon the independence



of either director. The biographical information in respect of each of these directors complies with the disclosure requirements as set out in the Hong Kong Listing Rules. As such, there are no other matters that need to be brought to the attention of holders of securities of the Company and no other information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Hong Kong Listing Rules.

The interests in the ordinary shares of the Company of the directors standing for re-election as at Thursday 17 March 2011, the latest practicable date for determining such information are set out on page 12.

None of the directors standing for re-election has an interest in the Company's preference shares or loan stock, nor the shares or loan stock of any subsidiary or associated undertaking of the Group.

Current basic annual fees for non-executive directors are £100,000 with additional fees for ordinary membership or chairmanship of a Board Committee as follows:

<b>Committee</b>	<b>Ordinary membership</b>	<b>Chairmanship</b>
Audit <sup>1</sup>	£30,000	£65,000
Brand and Values <sup>2</sup>	£25,000	£50,000
Governance	No fees	No fees
Nomination	£15,000	N/A
Remuneration	£25,000	£50,000
Board Risk <sup>1</sup>	£30,000	£65,000

Notes

1. Prior to 1 March 2010 these committees were the Audit and Risk Committee, separating in March 2010.

2. Prior to 1 March 2010 this committee was the Sustainability and Responsibility Committee.

John Peace is the Chairman of the Company. He receives an annual base fee, part delivered in cash US\$1,003,535 (£650,000) and part delivered in restricted shares (20,764 shares in 2010). Rudy Markham is the Senior Independent Director of the Company and he receives a fee of £30,000 in addition to his current fees.

Salary levels for executive directors are reviewed annually by the Remuneration Committee taking account of the latest available market data. Any increases in annual base salary are normally effective from 1 April of the relevant year. The annual base salary levels of executive directors standing for re-election were as follows:

	<b>1 January 2010</b>	<b>1 January 2011</b>	<b>Percentage Increase at 1 April 2011</b>
P A Sands	US\$1,561,300 (£1,000,000)	US\$1,543,900 (£1,000,000)	7.5%
S P Bertamini <sup>1</sup>	US\$900,000	US\$900,000	11%
J S Bindra <sup>2</sup>	US\$780,650 (£500,000)	US\$771,950 (£500,000)	5%
R H Meddings	US\$1,170,975 (£750,000)	US\$1,157,925 (£750,000)	6.6%
A M G Rees	US\$936,780 (£600,000)	US\$926,340 (£600,000)	22.5%

Notes

1. Steve Bertamini has a US dollar-denominated base salary, whereas other executive directors have sterling-denominated base salaries.

2. Jaspal Bindra was appointed to the Board on 1 January 2010.

In addition, the executive directors are eligible to receive a discretionary performance award and a long-term incentive award as described more fully on pages 106 to 125 of the annual report and accounts.

### **Resolutions 20 and 21: Reappointment of auditor and setting of auditor's fees**

At each general meeting at which accounts are presented, the Company is required to appoint an auditor to hold office until the end of the next such meeting. The performance and effectiveness of the auditor, which included an assessment of the auditor's independence and objectivity, has been evaluated by the Company's Audit Committee which has recommended to

the Board that KPMG Audit Plc be re-appointed. KPMG Audit Plc has also indicated that it is willing to continue as the Company's auditor for another year. Shareholders are asked to re-appoint KPMG Audit Plc as auditor and, following normal practice, to authorise the Board to set the auditor's fees.

### **Resolution 22: Authority to make donations to political parties, political organisations and independent election candidates and incur political expenditure**

It is not the Group's policy to make political donations. However, it is possible that certain routine activities undertaken by the Company and its subsidiaries might unintentionally fall within the broad scope of the provisions controlling political donations and expenditure. Any political donations or expenditure regulated by the Companies Act 2006 must be approved by shareholders at a general meeting and be disclosed in the next year's annual report. Accordingly, the directors seek shareholders' approval to renew the authority for political donations and expenditure to be made by the Company. As permitted under the Companies Act 2006, the resolution covers any political donations made or political expenditure incurred by the Company's subsidiaries. The three categories set out in the Companies Act 2006 are: political parties and independent election candidates, political organisations and political expenditure. The resolution proposes a cap of £100,000 per category subject to an aggregate cap for authorised political donations or expenditure of £100,000. The authority being sought will be effective from Thursday 5 May 2011 until the end of the next year's AGM unless previously renewed, revoked or varied by the Company in a general meeting. The Companies Act 2006 permits shareholders to grant authority for up to four years. However, the directors will seek to renew this authority at each AGM.

### **Resolutions 23 and 24: Directors' authority to allot shares**

Under section 551 of the Companies Act 2006, the directors may only allot shares, or grant rights to subscribe for or convert any security into shares, if shareholders in general meeting have given them authority to do so. The authority given to the directors at last year's AGM to allot ordinary shares or grant rights to subscribe for or convert any security into such shares will expire at the end of this year's AGM. Accordingly, resolution 23 seeks shareholders' approval to renew this authority.

Paragraph (A) of resolution 23 asks for a new authority to be given to allow the directors to allot shares or grant rights to subscribe for or convert any security into shares up to an aggregate nominal amount equal to US\$235,072,287 (representing 470,144,574 ordinary shares of US\$0.50 each), such amount to be reduced to take into account amounts allotted or granted under paragraphs (B) and (C) of resolution 23. This amount represents approximately 20 per cent of the issued ordinary share capital of US\$1,175,361,435 as at Thursday 17 March 2011, the latest practicable date prior to the publication of this document. The Hong Kong Listing Rules do not permit the directors to allot, on a non pre-emptive basis, shares or rights to shares that would represent more than 20 per cent of the issued ordinary share capital as at the date on which the resolution granting them a general authority to allot is passed. Accordingly, paragraph (A) of resolution 23 restricts the authority of the directors to the 20 per cent threshold.

Paragraph (B) of resolution 23 would give the directors the authority to make allotments which exceed the 20 per cent authority under paragraph (A) of resolution 23 in connection with offers to ordinary shareholders or by way of share dividend (scrip), up to an aggregate nominal amount (when combined with any allotments made under the authority in paragraph (A)) equal to US\$391,787,145 (representing 783,574,290 ordinary shares of US\$0.50 each), such amount to be reduced to take into account amounts allotted or granted under paragraphs (A) and (C) of resolution 23. This amount represents approximately one-third of the issued ordinary share capital of the Company as at Thursday 17 March 2011, the latest practicable date prior to the publication of this document.

In line with guidance issued by the Association of British Insurers, paragraph (C) of resolution 23 would give the directors authority to allot shares or grant rights to subscribe for or convert any security into shares in connection with a rights issue in favour of ordinary shareholders up to an aggregate nominal amount equal to US\$783,574,290 (representing 1,567,148,580 ordinary shares), as reduced by the nominal amount of any shares issued under paragraphs (A) or (B) of resolution 23. This amount (before any reduction) represents approximately two-thirds of the issued ordinary share capital of the Company as at Thursday 17 March 2011, the latest practicable date prior to the publication of this document.

Under Rule 7.19(6) of the Hong Kong Listing Rules, if a proposed rights issue would increase either the issued share capital or the market capitalisation of the Company by more than 50 per cent (on its own or when aggregated with any other rights issues or open offers announced within the previous 12 months), then the issue must ordinarily be made conditional on approval by shareholders in general meeting by a resolution on which the executive directors and their associates must abstain from voting. However, The Stock Exchange of Hong Kong Limited has granted a waiver to the Company from strict compliance with Rule 7.19(6) of the Hong Kong Listing Rules on 6 March 2009 in order to place the Company on an equal footing with other UK listed companies. The waiver has been granted on the basis that:

1. the executive directors and their associates would abstain from voting on the relevant resolution in their capacity as shareholders; and
2. if the Company were to do a rights issue, the Company would not need to obtain shareholder approval under Rule 7.19(6) of the Hong Kong Listing Rules provided that:
  - i. the market capitalisation of the Company will not increase by more than 50 per cent as a result of the proposed rights issue; and
  - ii. the votes of any new directors appointed to the Board since the AGM would not have made a difference to the outcome of the relevant resolution at the AGM if they had been shareholders at the time and they had in fact abstained from voting.

Under the Hong Kong Listing Rules the directors are required to seek authority from shareholders to allot shares and grant rights to subscribe for or convert any security into shares pursuant to the Company's existing share schemes or those of its subsidiary undertakings. Paragraph (D) of resolution 23 seeks such authority for schemes adopted prior to the date of the AGM.

The directors intend to use the authorities sought under resolution 23 to allot ordinary shares as share dividends instead of cash dividends and following the exercise of options and awards under the Company's share schemes. Otherwise, the authorities will also give the directors flexibility to issue shares where they believe it is in the interests of shareholders to do so.

As permitted by the Hong Kong Listing Rules, resolution 24 seeks to extend the directors' authority to allot shares and grant rights to subscribe for or convert any security into shares pursuant to paragraph (A) of resolution 23 to include the shares repurchased by the Company under the authority to be sought by resolution 27.

The authorities sought under resolution 23 will expire at the end of next year's AGM (or, if earlier, at the close of business on 4 August 2012).

As at the date of this document, no shares are held by the Company in treasury.

#### **Resolution 25: To approve the 2011 Standard Chartered Share Plan**

Our current Performance Share Plan ('PSP') expires in 2011. The use of performance shares is an intrinsic element of total remuneration for our executive directors and the broader management population and has traditionally been applied to our top one thousand employees. Given the need to renew the PSP, the Group has taken the opportunity to review all its discretionary share plan arrangements at this time, including those plans used more broadly for delivering restricted shares and any deferred element of annual performance awards. A new discretionary share plan (the 'Plan') is being proposed as an 'umbrella' plan which is designed to incorporate all of our discretionary share arrangements into a single plan for the future.

We are not proposing to make wholesale changes to our remuneration philosophy. Discretionary share awards remain a key part of both directors' and other senior managers' Total Variable Compensation ('TVC') and the core principles of the way we use such awards remain broadly unchanged. However, the Group is mindful of the practical challenges of how its plans are and continue to be used in a changing remuneration environment. Regulatory developments continue apace with further guidance recently being issued by the United Kingdom's Financial Services Authority ('FSA') and also in other jurisdictions where the Group operates. Equally there is evidence of increasing competition for talented people across our markets where many of our competitors are either aggressively building or rebuilding capability. The Plan will enable us to use a variety of award types at different levels and within different parts of the organisation. This approach enables us to pull together a lot of what we do today into a single plan and includes a performance share element designed to replace the existing PSP which is expiring. The Plan is also designed to provide flexibility to the Remuneration Committee to respond to future regulatory change.

The Plan will continue to operate within the overall new issue limits (for example, a maximum of five per cent of new issue shares in any rolling ten-year period) and no employee share plan awards, whether satisfied by new issue or existing shares, shall be granted in excess of 10 per cent of the ordinary share capital of the Company.

The performance shares element of the Plan would be supported by a clear Remuneration Committee policy on both performance measures and working maximum grant levels for any given population of recipients. For grants in 2011 the policy relating to the maximum level of performance share awards for Executive Directors remains unchanged at 400 per cent of base salary in Face Value terms.

The Remuneration Committee approves the total TVC spend each year, including the amount to be granted as performance share awards. The Group's TVC spend is calculated after sufficient profit has been accrued to accord capital (shareholders) an adequate risk adjusted return. In arriving at its decision, the Remuneration Committee looks at the proposed aggregate

payout relative to both operating profit and adjusted economic profit. The use of a robust risk adjusted economic profit metric ensures that regulatory capital, credit and market risk are taken into account in formulation of the TVC pools. The Remuneration Committee then exercises its judgment to ensure that the overall payout appropriately reflects Group performance, the control environment, and any other qualitative factors that the Remuneration Committee considers appropriate, including: performance relative to peers, the latest remuneration guidelines, political and investor sentiment on banking compensation and emerging market intelligence on what other banks are paying out.

The performance measures which apply to performance awards made under the existing PSP reflect a balance of management's focus on financials (Earnings Per Share ('EPS') being a key metric for the Group) and many investors' strong preference for the use of relative Total Shareholder Return ('TSR'). The Group proposes to include an additional measure in response to UK regulatory requirements being Return on Risk Weighted Assets ('RoRWA'). We believe the three measures collectively provide a balanced scorecard of metrics rewarding underlying financial performance, returns delivered to shareholders and the optimisation of capital usage.

The current calibration of the EPS and TSR measures will remain the same but they will now each represent one third of an award i.e. the performance shares will vest with a third of the award subject to each measure. For the RoRWA element of the performance condition threshold vesting would occur at a RoRWA of 1.5 per cent per year averaged over the whole of the performance period with full vesting occurring at a RoRWA of 1.7 per cent for the first performance share awards granted in 2011. The use of an appropriately defined and calibrated RoRWA target as part of the performance measure is also consistent with the Group's on-going statement regarding its risk appetite which has been considered when assessing the threshold level at which awards should vest. In determining the maximum level we have considered existing and potential future performance as well as regulatory requirements. A return of 1.7 per cent is also broadly equivalent to achieving a Return on Equity of approximately 12 per cent which we believe would represent a positive outcome for shareholders given both the current and future capital requirements.

The Group will regularly review the appropriateness of the new measure, the performance conditions and targets in light of the evolving regulatory rules and potential accountancy changes.

The first performance share awards under the new plan will be made as soon as practicable after the 2011 AGM, in order to be covered by the new arrangements. These awards would normally have been granted in March 2011 following the Group's annual compensation review.

The Group will disclose details of the Plan and its use as well as the remuneration policy for executive directors in the Directors' remuneration report contained within the Group's annual report and accounts.

A summary of the key features of the Plan is included at the appendix on pages 22 to 25. A copy of the full rules of the 2011 Standard Chartered Share Plan is available for inspection, as noted on page 11 of this document.

#### **Resolution 26: Power to allot equity securities for cash without certain formalities**

This resolution would give the directors the authority to allot shares (or sell any shares which the Company elects to hold in treasury) for cash without first offering them to existing shareholders in proportion to their existing shareholdings.

This authority would be limited to allotments or sales in connection with pre-emptive offers and offers to holders of other equity securities if required by the rights of those shares or as the Board otherwise considers necessary, or otherwise up to an aggregate nominal amount of US\$58,768,071.50 (representing 117,536,143 ordinary shares of US\$0.50 each). This aggregate nominal amount represents approximately five per cent of the issued ordinary share capital of the Company as at Thursday 17 March 2011, the latest practicable date prior to the publication of this document. In respect of this aggregate nominal amount, the directors confirm their intention to follow the provisions of the Pre-Emption Group's Statement of Principles (the 'Principles') regarding cumulative usage of authorities within a rolling three-year period where the Principles provide that usage in excess of 7.5 per cent should not take place without prior consultation with shareholders.

The authorities sought pursuant to resolution 26 will expire at the end of next year's AGM (or, if earlier, at the close of business on 4 August 2012).

#### **Resolution 27: Authority to purchase ordinary shares**

The effect of this resolution is to renew the authority granted to the Company to purchase its own shares up to a maximum of 235,072,287 ordinary shares until the AGM in 2012 at, or between, the minimum and maximum prices specified in this resolution. This is approximately 10 per cent of the Company's issued ordinary share capital as at Thursday 17 March 2011 (the latest practicable date prior to the publication of this document). No repurchases of shares will be conducted on The Stock Exchange of Hong Kong Limited.

The directors believe that it is in the best interests of the Company and all of its shareholders to have a general authority for the Company to buy back its ordinary shares in the market. The directors intend to keep under review the potential to purchase ordinary shares. Purchases will only be made if the directors consider that the purchase would be for the benefit of the Company and of its shareholders generally, taking into account relevant factors and circumstances at that time, for example the effect on earnings per share. The Companies Act 2006 permits the Company to hold any such bought back shares in treasury as an alternative to cancelling them immediately. If the Company purchases any of its ordinary shares and holds them in treasury, the Company may sell these shares (or any of them) for cash, transfer these shares (or any of them) for the purposes of or pursuant to an employee share scheme, cancel these shares (or any of them) or continue to hold them in treasury. Holding such shares in treasury gives the Company the ability to reissue them quickly and cost effectively and provides additional flexibility in the management of the Company's capital base. No dividends will be paid on, and no voting rights will be exercised in respect of, shares held in treasury. The directors intend to decide whether to cancel shares purchased pursuant to this authority or hold them in treasury based on the interests of the Company and shareholders as a whole at the relevant time.

The total number of options to subscribe for ordinary shares outstanding at Thursday 17 March 2011, the latest practicable date prior to the publication of this document, was 60,062,510, which represented 2.56 per cent of the issued ordinary share capital at that date. If the Company were to purchase the maximum number of ordinary shares permitted under the existing authority given at the 2010 AGM and by this resolution, the options outstanding at Thursday 17 March 2011 would represent approximately 2.84 per cent of the issued ordinary share capital.

### **Resolution 28: Authority to purchase preference shares**

The effect of this resolution is to renew the authority granted to the Company to purchase up to 195,285,000 sterling preference shares and up to 477,500 US dollar preference shares. No sterling and US dollar preference shares have been repurchased since the AGM on 7 May 2010.

Whilst it is important to have a capital base which is adequate to allow the business to grow in all areas and which appears to offer an appropriate balance between risk and profitability, it is equally important that the Company does not carry excessive amounts of capital and that it uses the most appropriate mix of capital instruments on the balance sheet. Having the authority to buy back all the issued preference shares would provide the Company with further flexibility in managing the capital base. Accordingly, the directors believe that it is in the best interests of the Company and its shareholders as a whole to have the authority sought by this resolution.

The directors intend to keep under review the potential to buy back preference shares, taking into account other investment and funding opportunities. The authority will be exercised only if the directors believe that to do so would be in the interests of shareholders generally. As noted above, the Companies Act 2006 permits the Company to hold any such bought back shares in treasury as an alternative to cancelling them immediately. Accordingly, if the Company purchases any of its preference shares, those shares may be cancelled or held in treasury by the Company. The directors intend to make such decision at the time of purchase based on the interests of the Company and shareholders generally.

### **Resolution 29: Notice of general meetings**

Changes made to the Companies Act 2006 by the Shareholders' Rights Regulations increase the notice period required for general meetings of the Company to 21 days unless shareholders approve a shorter notice period, which cannot however be less than 14 clear days (AGMs will continue to be held on at least 21 clear days' notice).

Before the coming into force of the Shareholders' Rights Regulations on 3 August 2009, the Company was able to call general meetings other than an AGM on 14 clear days' notice without obtaining such shareholder approval. In order to preserve this ability, resolution 29 seeks such approval. The approval will be effective until the Company's next annual general meeting, when it is intended that a similar resolution will be proposed.

Note that the changes to the Companies Act 2006 mean that, in order to be able to call a general meeting on less than 21 clear days' notice, the Company must make a means of electronic voting available to all shareholders for that meeting. The shorter notice period would not be used as a matter of routine for such meetings, but only where the flexibility is merited by the business of the meeting and is thought to be to the advantage of shareholders as a whole.

**The Board recommends all shareholders vote in favour of all the resolutions, as the directors intend to do in respect of their own shares (with the exception of resolution 23 (see below)) and consider that the resolutions are in the best interests of the Company and shareholders as a whole. In accordance with Rule 7.19(6) of the Hong Kong Listing Rules, the executive directors and their respective associates will abstain from voting in favour of resolution 23 for the reasons set out on pages 18 and 19 of this document.**

## 2011 STANDARD CHARTERED SHARE PLAN – KEY FEATURES

Save for those requirements that have been waived by The Stock Exchange of Hong Kong Limited on 8 March, 2011 regarding Note (1) to each of Rules 17.03(3), (9) and (18), the requirements under Rule 17.03 will have been complied with in the 2011 Standard Chartered Share Plan (the 'Plan'), which will be available for shareholder's inspection at the Company's Registered Office and at the offices of Slaughter and May, 47th Floor, Jardine House, One Connaught Place, Central, Hong Kong from the date of this document until the end of the AGM and at The Honourable Artillery Company from 15 minutes before the AGM until it ends.

### 1. Purpose of the Plan

The Plan's objectives are threefold. Firstly, to provide long-term incentives for key employees as part of their Total Variable Compensation ('TVC') and to incentivise Standard Chartered Group (the 'Group') performance, thus creating long term shareholder value. Secondly, to aid retention and increase employee shareholdings. Lastly, to provide a share based vehicle through which part of employees' annual performance awards can be deferred. The Plan is proposed as the Group's main long-term incentive vehicle with effect from the 2011 AGM, and will replace the existing long-term incentive plans. Outstanding awards under the existing plans will be honoured.

### 2. Eligibility and participation

All employees of the Group will be eligible for awards under the Plan. It is intended that executive directors, senior management and other key employees, at the discretion of the Remuneration Committee, will be granted awards under the Plan. Deferred awards can also be granted to a former employee who was an employee within a period of twelve months up to the date of grant. The rationale for former employees being included is to allow the Group to deliver, albeit in exceptional circumstances such as on retirement, the deferred portion of an annual performance award in shares (consistent with regulatory remuneration guidelines).

There will be no contractual right to participate in the Plan and awards made under the Plan are not pensionable.

### 3. Form and granting of awards

The Plan will allow for share-based (and cash-based) awards to be made in the form of performance shares, restricted shares, matching awards, nil-cost share options, market value share options (including tax approved options in the UK and US), equity-settled share appreciation rights and securities awards including corporate debt instruments.

Executive directors will typically not be granted restricted share awards, other than in respect of the portion of their annual performance awards that is deferred into shares or otherwise in exceptional circumstances (e.g. to facilitate recruitment).

It is intended that the first awards will be granted under the Plan following adoption at the 2011 AGM. Thereafter, awards can be made under the Plan at any time subject to any such awards complying with the Listing Rules, the Model Code for transactions in securities by Directors/Persons discharging managerial responsibility, the Hong Kong Stock Exchange Rules and other similar local regulations that may apply.

### 4. Vesting and exercise of awards

Initial awards of restricted shares, including those used to deliver the deferred portion of any annual performance awards, will normally vest in three equal tranches on the first, second and third anniversaries of the date of grant. In exceptional circumstances, the Remuneration Committee can vary, at the point of grant, the normal vesting schedule for restricted share awards made to high remuneration recruits, where this is deemed appropriate in order to replicate the underlying vesting schedule of any awards being bought out.

All other awards (including performance shares) will normally vest over a period of at least three years.

Following vesting, awards granted in the form of an option can have an exercise period of up to ten years from the date of grant of the award. Awards can be settled using newly issued shares, market purchased shares, treasury shares or cash.

## 5. Limits on award levels

Commitments to issue new shares (when aggregated with awards made under all other discretionary plans) will not exceed five per cent of the issued ordinary share capital from time to time in any rolling ten-year period. In addition, they will not exceed 10 per cent of the issued share capital from time to time in any rolling ten-year period when aggregated with awards made under all plans.

In addition, during the life of the Plan, no awards, whether satisfied by new issue or existing shares, shall be granted, which would cause the number of shares in the Company in pursuance of awards granted under the Plan to exceed such number as represents 10 per cent of the ordinary share capital of the Company in issue at that time.

Further, to comply with the Hong Kong Stock Exchange rules, the total number of shares which shall have been or may be issued pursuant to awards in any 12 month period must not exceed one per cent of the Company's issued share capital.

For the purposes of these limits, treasury shares will count as newly issued shares while this remains best practice. However, awards or other rights to acquire shares which lapse or have been released do not count.

There are no maximum award limits for restricted or deferred share awards in line with the philosophy agreed with shareholders for the 2006 Restricted Share Scheme ('2006 RSS') in May 2010.

However, awards of performance shares to executive directors will be subject to a Remuneration Committee remuneration policy which will be included in the Directors' remuneration report. Such awards form a core component of the TVC for the senior management team. Awards granted in 2011 will be determined subject to an overall working maximum amount of 400 per cent of base salary in Face Value ('FV') terms (approximately 200 per cent in Expected Value terms), which mirrors the existing levels under the Performance Share Plan. There would be no maximum award limits for performance share awards delivered to other employees as part of their TVC, although performance share awards granted to other employees in 2011 in respect of 2010 performance are not expected to exceed 400 per cent of base salary in FV terms.

## 6. Entitlement to dividends

Participants may be entitled to dividend equivalents in respect of dividends that would have been paid on the vesting portion of an award during the period from grant to vesting (as opposed to exercise). If so, these will be paid in shares (or cash) at the time the award is transferred to the participant.

It is the intention that, in the first instance, restricted shares will attract dividends. This being the case, the expected values of restricted shares will be recalibrated accordingly. The previous policy of uplifting restricted share awards, which related to deferred annual performance awards by eight per cent will not apply if dividends are included.

## 7. Performance conditions

Awards made under the Plan may be subject to performance conditions, which will be specified at the time of award.

For performance share awards to be made to executive directors and other participants in May 2011 in respect of the 2010 financial year, it is proposed that the following performance measures be used:

- A third of the awards will be subject to relative total shareholder return over three financial years against a peer group of 21 companies (Bank of America, Bank of China, Bank of East Asia, Barclays, Citigroup, Credit Suisse, DBS Group, Deutsche Bank, HSBC, ICBC, ICICI, JP Morgan Chase, KB Financial Group, Overseas-Chinese Banking Corporation, Royal Bank of Scotland, Santander, Société Générale, Standard Bank, State Bank of India, Unicredito and UOB). For the purposes of measuring total shareholder return, an averaging period of three months at both the beginning and end of the performance period will be used in order to provide a stable assessment of performance. Total shareholder return will be measured in local currency for all companies.

30 per cent of this portion of the award will vest for median total shareholder return performance compared to this group, with 100 per cent vesting for upper quartile total shareholder return performance compared to this group.

- A third of the awards will be subject to Return on Risk Weighted Assets ('RoRWA') over three financial years calculated by reference to the three year average normalised earnings over the average of Risk Weighted Assets ('RWA') over that period, i.e. RoRWA =

$$\frac{\text{(Earnings in Y1 + Earnings in Y2 + Earnings in Y3)} \div 3}{\text{(end of Y0 RWA + end of Y1 RWA + end of Y2 RWA + end of Y3 RWA)} \div 4}$$

30 per cent of this portion of the award will vest for threshold performance with 100 per cent vesting for maximum performance and vesting on straight line basis between these points. For awards granted in 2011, threshold vesting will occur at a RoRWA of 1.5 per cent with maximum vesting occurring at a RoRWA of 1.7 per cent.

RoRWA is an existing key performance indicator that the Group uses today and will have greater prominence going forward. RoRWA has a number of benefits, in that it gives a good coverage of credit, operational and market risk, provides a simple metric for measuring returns on regulatory capital requirements and is a more transparent measure relative to some more complex forms of risk adjusted measures.

The Remuneration Committee may review prior to any vesting and, if appropriate, adjust for the impact of items under the RoRWA measure which, in its view, are not an accurate reflection of the underlying financial performance of the Group or to take account of unforeseen events, such as regulatory or accounting changes, which would not have been capable of calculation when the target was set.

- A third of the awards will be subject to the Group's growth in adjusted earnings per share over three financial years, using the 2010 financial year as the base year. 30 per cent of this portion of the award will vest for adjusted earnings per share growth of 15 per cent over the three years, with full vesting of this portion of the award for adjusted earnings per share growth of 30 per cent over the three years and vesting on a straight line basis between these points.

The Remuneration Committee has the power under the Plan to adopt business/functional specific performance measures, for example, below the Board, although there are no immediate plans to use business specific performance measures at present.

## **8. Leaver and change-in-control provisions**

Where a participant ceases employment and is considered a good leaver (i.e. where employment is ceased as a result of redundancy, retirement, ill-health, disability or injury, transfer of the participant's employing business or company out of the Group or termination by the Group other than for misconduct or performance) or for any other reason at the discretion of the Remuneration Committee awards will remain in force. They will vest over the original vesting period (unless the Remuneration Committee decides that the award vests earlier), subject to any applicable performance conditions. In the case of share awards granted as part of any deferral of annual performance awards, a claw-back policy may continue to operate (see below).

The Remuneration Committee may also determine that an award shall vest only to the extent that any good leaver is not in breach of non-solicitation and/or non-compete conditions. Failure to meet these conditions will lead to any outstanding awards lapsing with immediate effect.

If a participant ceases employment as a result of death, any outstanding awards (including performance-based awards) will vest and be transferred to the participant's legal representatives as soon as practicable.

If a participant ceases employment due to misconduct, performance or resignation awards will lapse unless (and to the extent that) the Remuneration Committee, in its absolute discretion, determines otherwise. Where an employee states that he/she is retiring not to join a competitor (e.g. to work for a charity or travel), the Remuneration Committee may at its discretion choose to treat that employee as a 'good leaver' (as defined in its policy). Such awards would still vest in line with the original vesting schedule and be conditional upon receiving self-certified evidence that the leaver continues not to work for a competitor.

On a change of control awards will typically vest pro-rata for time and subject to any applicable performance conditions. The Remuneration Committee will have discretion to adjust the level of vesting if appropriate, and may also require rollover of awards.

## **9. Claw-back**

Unless determined otherwise at the point of grant, restricted share awards made under the Plan as part of any deferral of an annual performance award will be subject to claw-back provisions. These provisions will provide the Remuneration Committee with discretion to prohibit, delay or reduce vesting of awards in certain circumstances, including material re-statement of the financial statements of the Group, the discovery of endemic problems in financial reporting, or where as a result of financial losses a material breach of regulatory guidelines has occurred or is likely to occur.

In addition, the Remuneration Committee (or a duly authorised committee for participants' outside the Group Management Committee) will have the discretion to prevent participants' awards from vesting if it determines that the participant has been deemed to have i) caused a material loss to the Group as a result of reckless, negligent or wilful actions or ii) exhibited inappropriate values or behaviour.



## **10. Variation of share capital**

In the event of any variation to share capital, demerger or other corporate event affecting the value of shares to a material extent, the Remuneration Committee may make such adjustments as it considers appropriate to the performance conditions, the number of shares subject to an award and (where relevant) the exercise price, in order that a participant's award retains the same economic value.

## **11. Amendments to the Plan**

The Plan may be altered by the Remuneration Committee as long as the alteration or addition is minor in nature and is made to benefit the administration of the Plan, to take account of a change in legislation or to obtain or maintain favourable tax treatment, exchange control or regulatory treatment (by the London Stock Exchange, The Hong Kong Stock Exchange Limited or any other regulatory body) for participants or any member of the Group.

Subject to the above paragraph, the prior approval of the Company in general meeting must be obtained in the case of any amendment to the Plan which is to the advantage of participants and which is made to the provisions relating to eligibility, limits, variation of capital and the basis for determining a participant's entitlement to shares.

The consent of HM Revenue & Customs is required in respect of amendments to key features of that part of the Plan which allows for the grant of UK tax-approved options.

Any alterations or additions to the Plan which are to the detriment of awards currently held by participants require the approval of a majority of holders of outstanding awards.

## **12. Life of the Plan**

Shareholder approval for this plan will be sought at the AGM in May 2011 for a period of 10 years, and it is intended that the first awards under the Plan will be made shortly thereafter.

The Plan will terminate on the tenth anniversary of its approval by shareholders, or such earlier time as the Remuneration Committee or the Board may determine, but the rights of the existing participants will not be affected by this.

# Additional Information for Shareholders Attending the AGM

## The AGM

The AGM will be held at The Honourable Artillery Company, Armoury House, City Road, London, EC1Y 2BQ on Thursday 5 May 2011. A map showing the location of the venue can be found on your shareholder attendance pass or at the venue's website [www.hac.org.uk](http://www.hac.org.uk). The AGM will start promptly at 12.00pm London time; you should allow 15 to 20 minutes for security and registration formalities.

## Registration

Upon arrival, please go to the registration desks which are clearly positioned. Please bring your shareholder attendance pass with you. If you do not have an attendance pass, you will need to confirm your name and address details with our registrar prior to admittance.

At the discretion of the Company, a shareholder may bring one guest to the AGM.

## Security

For your safety and security, all hand baggage may be subject to examination on entry to The Honourable Artillery Company. Please note that you will be asked to leave large bags in the cloakroom. Laptop computers, tape recorders, cameras, briefcases and umbrellas and any other bulky items are not permitted into the AGM. Mobile phones, blackberries and pagers should be turned off throughout the AGM.

## Refreshments

Tea and coffee will be available in the reception areas before the AGM. After the business of the AGM has concluded a light buffet lunch will be served in reception areas outside the hall.

## Attending the AGM

All shareholders, proxies and joint shareholders may attend and speak at the AGM. However, in the case of a joint shareholder only the vote of the most senior shareholder present (in person or by proxy) at the AGM (as determined by the order in which the names are listed on the register of members) shall be accepted. Voting will be conducted on a poll using an electronic handset device. You will be given instructions on how to use it before voting commences.

## Asking questions

If you would like a question or questions to be addressed at the AGM we would encourage you to email your question to [agm.2011@sc.com](mailto:agm.2011@sc.com) before 12.00pm London time on Tuesday 3 May 2011. Alternatively fill in and return the form on page 27. If you have not submitted a question by this deadline, you will still have the opportunity to ask questions at the AGM. If you wish to ask a question, please raise your hand and wait for the Chairman to invite you to ask your question.

## Persons with disabilities

The Honourable Artillery Company has full wheelchair access. If you are hard of hearing, an induction loop system will be available in the room.

Anyone accompanying a shareholder in need of assistance will be admitted to the AGM. If any shareholder with a disability has a question regarding attendance, please contact Group Corporate Secretariat at Standard Chartered PLC, 1 Basinghall Avenue, London EC2V 5DD (telephone +44 (0)207 885 7456).

## First Aid

First aid facilities will be available. Please approach any member of Standard Chartered staff.

## Enquiries

Computershare Investor Services maintain the Company's share register. If you have any queries about the AGM or about your shareholding, you should contact Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol BS99 6ZZ Telephone +44 (0)870 702 0138 between 9.00am and 5.00pm London time, Monday to Friday (excluding UK public holidays).

# Form for Question(s) to be addressed at the AGM

Standard  
Chartered



Annual General Meeting – Thursday 5 May 2011

If there is a question or questions you would like to have addressed at the AGM on Thursday 5 May 2011, please write your question(s) here and return this form as indicated below. Alternatively send your question by email to [agm.2011@sc.com](mailto:agm.2011@sc.com).

Question(s) \_\_\_\_\_

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We will endeavour to address any issues raised when the item of business to which the question relates is under consideration at the AGM. Any questions submitted that are not relevant to the business of the AGM will be forwarded for the attention of an appropriate executive.

Submitting a question in advance of the AGM does not affect your rights as a shareholder to ask questions at the AGM.

Signed: \_\_\_\_\_

Full Name: \_\_\_\_\_

Shareholder/ShareCare Reference Number: \_\_\_\_\_

Please return this form to our registrar (together with your proxy form/voting instruction form if you are submitting that form by post) using the prepaid envelope. Shareholders registered in the United Kingdom should return their form to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ, United Kingdom to arrive **no later than 12.00pm London time on Tuesday 3 May 2011**. Shareholders registered in Hong Kong should return their form to Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong to arrive **no later than 7.00pm (Hong Kong time) on Tuesday 3 May 2011**.

© **Standard Chartered PLC**

March 2011

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Registered in England and Wales

number 966425