

Driving investment, trade and the creation of wealth across Asia, Africa and the Middle East

Notice of Annual General Meeting 2014

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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Notice of the Annual General Meeting of Standard Chartered PLC to be held at etc.venues, 200 Aldersgate, St Paul's, London EC1A 4HD on Thursday 8 May 2014 at 11:00am London time (6:00pm Hong Kong time) is set out on pages 6 to 9 of this document.

28 March 2014

STANDARD CHARTERED PLC (Stock Code: 02888)

To ordinary shareholders and, for information only, preference shareholders

28 March 2014



Dear Shareholder

I am pleased to be sending you details of our Annual General Meeting ('AGM'), which we are holding on Thursday 8 May 2014 at 11:00am London time (6:00pm Hong Kong time) at etc.venues, 200 Aldersgate, St Paul's, London EC1A 4HD. 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. There will also 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 57.20 US cents per ordinary share for the year ended 31 December 2013. If approved, this will be paid in either sterling, Hong Kong dollars or US dollars on Wednesday 14 May 2014 to shareholders on the UK register of members and the Hong Kong branch register of members. The final dividend will be paid in Indian Rupees on Thursday 15 May 2014 to Indian Depository Receipt ('IDR') holders on the Indian IDR register. To be eligible to receive the dividend shareholders must be on the UK register of members at the close of business in the UK (10:00pm London time) on Friday 14 March 2014, or on the Hong Kong branch register of members at the opening of business in Hong Kong (9:00am Hong Kong time) on Friday 14 March 2014, or on the Indian register of Indian Depository Receipt holders at the close of business in India on Friday 14 March 2014. For details on the dividend arrangements, please refer to the 2013 Final Dividend circular and the Dividend Terms and Conditions which are available on our website at: <http://investors.sc.com/en/dividend.cfm>

Board changes

The Board has been evolving in 2013 as part of our multi-year Board succession plan (the 'Plan'). In line with the Plan, during 2013 we were at the height of our transition phase balancing longevity with new joiners to the Board. As at 5 March 2014 there are 21 directors on the Board. However by the end of

May 2014 we will have 18 Board members: the Chairman, five executive directors and 12 non-executive directors. Through our Plan, we continue to demonstrate our commitment to regularly refreshing the Board's composition, as required under the UK Corporate Governance Code (the 'Code'). We will continue to refresh our Board membership to ensure that it retains the right dynamics.

Since the last AGM, we have appointed three independent non-executive directors to the Board. Kurt Campbell was appointed on 18 June 2013, Christine Hodgson was appointed on 1 September 2013 and Naguib Kheraj was appointed on 1 January 2014. They will be standing for election for the first time at this year's AGM. Their appointments were part of the second phase of the Plan designed to enhance the experience, depth and diversity of the Board, as outlined in the 2011 and 2012 annual report and accounts.

On 9 January 2014 we announced that Steve Bertamini and Richard Meddings will be stepping down from the Board as executive directors on 31 March and by 30 June respectively. On behalf of the Board, I would like to thank both Steve and Richard for the valuable contribution they have made and wish them well in the future. We are currently undertaking the process of identifying Richard Meddings' replacement as Group Finance Director, a role for which both internal and external candidates are being considered.

On behalf of the Board, I would like to thank Margaret Ewing, who stepped down from the Board on 31 January 2014 for health reasons, and wish her all the best for the future. I would also like to thank Jamie Dundas and Rudy Markham, who will be stepping down from the Board on 1 May 2014, and Oliver Stocken, who will be stepping down from the Board before the end of 2014, for their considerable contribution to the Company. Their continuity of service and commitment has provided an in-depth knowledge and understanding of the Group which has been of enormous value over the years.

The Code contemplates the annual election of all directors. However, as Oliver Stocken and Richard Meddings will be stepping down from the Board during 2014, they will not be standing for re-election at the AGM. All of the other directors in office at the date of the AGM will be standing for election or re-election at the AGM.

The Nomination Committee has reviewed the performance of the directors standing for election and re-election and has made recommendations to the Board on their election or re-election.

The Board is satisfied that all of our non-executive directors are independent. Usually our Nomination Committee conducts a rigorous assessment of those independent non-executive directors who have served more than six years. However, given that all of the Nomination Committee members, excluding the Chairman, have served on the Board for more than nine years, it was decided that, on this occasion, it was more appropriate

that this matter be dealt with by the Board. The relevant directors, Ruth Markland and Paul Skinner, excused themselves from the Board conversation.

Auditor

As reported in the 2012 Annual Report and Accounts and in line with the Financial Reporting Council's ('FRC') recommendations, in 2013 the Group's statutory audit work for the year commencing 1 January 2015 was put out to tender.

After a robust and thorough tender process and careful evaluation of what each firm participating in the tender had to offer, the Board concluded on recommendation by the Audit Committee that KPMG Audit Plc ('KPMG') was the best firm to serve the Group.

This decision was based on KPMG's experience and coverage as an auditor of financial institutions across our markets and their evolutionary approach in continuing to adapt the audit to our changing operating environment while maintaining a qualitative approach to provide confidence in our financial reporting.

Further information is set out on page 16 of this document.

Remuneration

A number of new remuneration related regulations have come into force and this changes what shareholders are being asked to vote on this year.

The migration to a new reporting regime in the UK means that shareholders no longer have a single advisory vote on directors' remuneration but two different votes. The first is a binding vote on the directors' remuneration policy which sets out the parameters within which the Group will pay its directors over the coming years. The second is an advisory vote on remuneration of the directors for 2013. Details of both are set out in the Directors' Remuneration Report found on pages 176 to 212 of the annual report and accounts.

Separately, we are asking shareholders to increase the limit on the ratio of variable to fixed components of certain employees' compensation introduced under the European Union's Capital Requirements Directive IV ('CRD IV'). For affected employees' compensation we propose to increase the ratio to a maximum of 2:1 which means that we can limit the need to increase our fixed costs more than is necessary. A limit of 2:1 (rather than 1:1) will enable us to deliver more total compensation in the form of variable compensation and, as a consequence, have a larger proportion of total compensation subject to claw-back and/or future performance than would be the case if we did not receive approval for the increased limit. Further information is set out on page 20 of this document.

Voting arrangements

Voting at the meeting will be conducted by way of a poll.

If you are not able to attend the AGM but would like to vote on the resolutions, please vote electronically at www.investorcentre.co.uk/eproxy. Instructions can be found on pages 23 and 24 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 11:00am London time on Tuesday 6 May 2014 or 6:00pm Hong Kong time on Tuesday 6 May 2014.

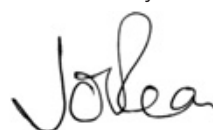
Explanatory notes on all the business to be considered at this year's AGM appear on pages 10 to 20 of this document. The Board considers that all the resolutions to be put to the AGM are in the best interests of the Company and its shareholders as a whole. The Board therefore recommends shareholders vote in favour of all the resolutions. The directors intend to vote in favour of all resolutions in respect of their own shares (with the exception of resolutions 25 and 34 (see below) for which they will abstain).

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 25 for the reasons set out on page 17 of this document.

In accordance with Senior Management Arrangements, Systems and Controls 19A.3.44B of the Prudential Regulation Authority's handbook of rules and guidance, no executive director or other employee of the Group who has an interest in the higher remuneration ratio proposed in resolution 34, is entitled to exercise, directly or indirectly, any voting rights they may have in relation to resolution 34. Further information is set out on page 20 of this document.

Lunch will be served after the AGM and the directors and I very much hope you will be able to join us.

Yours sincerely



Sir John Peace
Chairman

The Company 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 the Company cannot control the use of information obtained by persons inspecting the register, please treat any approaches providing recommendation advice purporting to originate from the Company with caution.

The Company's 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).

We are sending this circular to registered holders of preference shares and to information rights holders (persons nominated under Section 146 of the Companies Act 2006) for information only.

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

- Chairman:** Sir John Wilfred Peace
- Executive directors:** Peter Alexander Sands, Stefano Paolo Bertamini (stepping down on 31 March 2014), Jaspal Singh Bindra, Richard Henry Meddings, Alun Michael Guest Rees and Viswanathan Shankar
- Independent non-executive directors:** Om Prakash Bhatt, Dr Kurt Michael Campbell, Dr Louis Chi-Yan Cheung, James Frederick Trevor Dundas (stepping down on 1 May 2014), Dr Han Seung-soo KBE, Christine Mary Hodgson, Naguib Kheraj, Simon Jonathan Lowth, Rudolph Harold Peter Markham (stepping down on 1 May 2014), Ruth Markland (Senior Independent Director), John Gregor Hugh Paynter, Paul David Skinner CBE, Oliver Henry James Stocken CBE and Dr Lars Henrik Thunell

Standard Chartered PLC

1 Basinghall Avenue
London EC2V 5DD

Registered Office: as above
Registered in England and Wales number 966425

Notice of Annual General Meeting 2014

This year's Annual General Meeting (AGM) will be held at etc.venues, 200 Aldersgate, St Paul's, London EC1A 4HD on Thursday 8 May 2014 at 11:00am London time (6:00pm Hong Kong time). You will be asked to consider and, if thought fit, to pass the resolutions below. Resolutions 1 to 28 (inclusive) will be proposed as ordinary resolutions, and resolutions 29 to 33 (inclusive) will be proposed as special resolutions. Resolution 34 will be proposed as a non-statutory resolution.

Ordinary resolutions

1. To receive the Company's annual report and accounts for the financial year ended 31 December 2013 together with the reports of the directors and auditors.
2. To declare a final dividend of 57.20 US cents per ordinary share for the year ended 31 December 2013.
3. To approve the directors' remuneration policy contained in the Directors' Remuneration Report for the year ended 31 December 2013 as set out on pages 179 to 188 of the annual report and accounts.
4. To approve the annual report on remuneration contained in the Directors' Remuneration Report for the year ended 31 December 2013 as set out on pages 176 to 177 and 189 to 205 of the annual report and accounts.
5. To elect Dr K M Campbell who has been appointed as a non-executive director by the Board since the last AGM of the Company.
6. To elect Mrs C M Hodgson who has been appointed as a non-executive director by the Board since the last AGM of the Company.
7. To elect Mr N Kheraj who has been appointed as a non-executive director by the Board since the last AGM of the Company.
8. To re-elect Mr O P Bhatt, a non-executive director.
9. To re-elect Mr J S Bindra, an executive director.
10. To re-elect Dr L C Y Cheung, a non-executive director.
11. To re-elect Dr Han Seung-soo KBE, a non-executive director.
12. To re-elect Mr S J Lowth, a non-executive director.
13. To re-elect Ms R Markland, a non-executive director.
14. To re-elect Mr J G H Paynter, a non-executive director.
15. To re-elect Sir John 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 V Shankar, an executive director.
19. To re-elect Mr P D Skinner CBE, a non-executive director.
20. To re-elect Dr L H Thunell, a non-executive director.
21. That the shareholding qualification contained in article 79 of the Company's articles of association does not apply to Dr K M Campbell.
22. 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.
23. To authorise the Board to set the auditor's fees.
24. 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 next year's AGM, unless such authority has been previously renewed, revoked or varied by the Company in a general meeting.
25. 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\$242,950,114 (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\$404,916,857 can be allotted under paragraphs (A) and (B) and no more than US\$809,833,714 can be allotted under paragraphs (A), (B) and (C));

(B) up to a nominal amount of US\$404,916,857 (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\$404,916,857 can be allotted under paragraphs (A) and (B) and no more than US\$809,833,714 can be allotted under paragraphs (A), (B) and (C)) 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\$809,833,714 (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\$809,833,714 can be allotted under paragraphs (A), (B) and (C)) 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;

(D) pursuant to the terms of any existing share scheme of the Company or any of its subsidiaries or subsidiary undertakings adopted prior to the date of this meeting; and

(E) comprising preference shares up to nominal amounts of £305,000,000, US\$1,500,000,000, €1,000,000,000, AED100,000,000, HKD100,000,000, INR1,000,000,000, KRW500,000,000,000 and SGD100,000,000,

such authorities to apply in the case of paragraphs (A), (B), (C) and (D) until the end of next year's AGM (or, if earlier, until the close of business on 7 August 2015) and in the case of paragraph (E), until 7 May 2019 unless previously cancelled or varied by the Company in a general meeting, but, in each case, so that 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.

26. 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\$242,950,114 pursuant to paragraph (A) of resolution 25 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 31, 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 25 exceeding US\$809,833,714.

27. That, in addition to any authority granted pursuant to resolution 25 (if passed), the Board be authorised to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of US\$242,950,114 (or 485,900,228 shares), representing approximately 20 per cent of the Company's nominal issued ordinary share capital as at 18 March 2014, in relation to any issue by the Company or any subsidiary or subsidiary undertaking of the Company (together, the 'Group') of Equity Convertible Additional Tier 1 Securities (ECAT1 Securities) that automatically convert into or are exchanged for ordinary shares in the Company in prescribed circumstances where the Board considers that such an issuance of ECAT1 Securities would be desirable in connection with, or for the purposes of, complying with or maintaining compliance with the regulatory capital requirements or targets applicable to the Group from time to time, such authority to apply until the end of next year's AGM (or, if earlier, until the close of business on 7 August 2015) but so that, in the period before the authority ends, the Company may make offers and enter into agreements which would, or might, require shares to be allotted or rights to subscribe for or to 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.

28. That the Board be authorised:

- (i) to make an offer to the holders of ordinary shares (excluding any member holding shares as treasury shares) to elect to receive new ordinary shares in the capital of the Company in lieu of all or any part of any interim or final dividend paid in respect of any financial period of the Company ending on or prior to 31 December 2018 upon such terms as the Board may determine;
- (ii) in respect of any such dividend to capitalise such amount standing to the credit of the Company's reserves as may be necessary,

and the making by the Board of any such offer and any such capitalisation by the Board in each case in respect of any prior financial period is confirmed.

Special resolutions

29. That if resolution 25 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 25, 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 25 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\$60,737,528.50,

such power to apply until the end of next year's AGM (or, if earlier, until the close of business on 7 August 2015) 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.

30. That, in addition to the power granted pursuant to resolution 29 (if passed), and if resolution 27 is passed, the Board be given the power to allot equity securities (as defined in the Companies Act 2006) for cash under the authority given by resolution 27 as if section 561 of the Companies Act 2006 did not apply, such authority to apply until the end of next year's AGM (or, if earlier, until the close of business on 7 August 2015) but, in each 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 to 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.

31. 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 242,950,114 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 7 August 2015) 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.

32. That the Company be authorised to make market purchases (as defined in the Companies Act 2006) of up to 15,000 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 10 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 7 August 2015) 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.

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

Non-statutory resolution

34. That the Board be authorised to increase to a ratio not exceeding 2:1 the maximum ratio between the variable and the fixed components of the total remuneration of any relevant employee of the Company or of any subsidiary or subsidiary undertaking of the Company who would, under applicable law and regulation, otherwise be subject to a restriction whereby the ratio between the variable and fixed components of their total remuneration cannot exceed 1:1.

By order of the Board



Annemarie Durbin
Group Company Secretary

Standard Chartered PLC

1 Basinghall Avenue
London EC2V 5DD

Registered in England and Wales number 966425

28 March 2014

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 28 (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 29 to 33 (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.

Resolution 34 is being proposed in accordance with the requirements of CRD IV and will be passed if at least two-thirds of the votes cast are in favour of the resolution, provided that at least half of the voting rights in the Company are voted on the resolution. If less than half of the voting rights in the Company are voted on the resolution, the resolution will be passed if at least three-quarters of the votes cast are 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 or, for the purposes of resolution 34, the proportion of voting rights in the Company which are voted on the 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 57.20 US cents per ordinary share will be paid in either sterling, Hong Kong dollars or US dollars on Wednesday 14 May 2014 to shareholders on the UK register of members at the close of business in the UK (10:00pm London time) on Friday 14 March 2014, 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 14 March 2014. The final dividend will be paid in Indian Rupees on Thursday 15 May 2014 to Indian Depository Receipt holders on the Indian register of Indian Depository Receipt holders at the close of business in India on Friday 14 March 2014.

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 28 March 2014. Indian Depository Receipt holders will receive their dividend in Indian Rupees only. Please see the separate document entitled '2013 Final Dividend' and the related 'Dividend Terms and Conditions' which are available on our website at: <http://investors.sc.com/en/dividend.cfm>.

The Stock Exchange of Hong Kong Limited (the 'Stock Exchange') granted a waiver to the Company on 7 December 2011 from compliance with Rule 13.66(2) of the Rules Governing the Listing of Securities on the Stock Exchange and Note 3 thereunder relating to record dates for the Company's final dividends.

Resolution 3: Directors' remuneration policy

Under section 439A of the Companies Act 2006, the remuneration policy of the Group must be approved by shareholders. Full details of the policy are contained in the Directors' Remuneration Report and set out on pages 179 to 188 of the annual report and accounts.

If approved by shareholders the policy is intended to be valid for a period of three years from the date of the AGM barring any unforeseen requirement to change the policy before then. Once the policy is effective, the Company will not be able to make remuneration payments to a prospective or current director, or loss of office payments to a current or past director, unless any such payment is consistent with the approved policy or has otherwise been approved by shareholders.

Further details of the Group's proposed remuneration structures (subject to shareholder approval under resolution 3) are included in the annual report and accounts on pages 179 to 188.

Resolution 4: Annual report on remuneration

Under section 439 of the Companies Act 2006, the Company is required to seek the approval of shareholders of its annual report on remuneration practice, which details the remuneration of the directors for the year under review.

Shareholders are invited to vote on the annual report on remuneration for the year ended 31 December 2013 contained in the Directors' Remuneration Report found on pages 176 to 177 and 189 to 205 of the annual report and accounts. The vote on the annual report on remuneration will be advisory.

Resolutions 5 to 20: Election and re-election of directors

The Company's articles of association require any newly appointed director to retire at the first AGM following his or her appointment. Shareholders are therefore asked to elect Dr Kurt Campbell, Mrs Christine Hodgson and Mr Naguib Kheraj who have been appointed as independent non-executive directors by the Board since the last AGM.

The UK Corporate Governance Code contemplates the annual election of all directors. However, as Oliver Stocken and Richard Meddings will be stepping down from the Board during 2014, they will not be standing for re-election at the AGM. Steve Bertamini, Jamie Dundas and Rudy Markham will be stepping down from the Board prior to the AGM. All of the other directors in office at the date of the AGM will be standing for election or re-election at the AGM.

Mr Om Bhatt, Dr Kurt Campbell, Dr Louis Cheung, Dr Han Seung-soo KBE, Mrs Christine Hodgson, Mr Naguib Kheraj, Mr Simon Lowth, Ms Ruth Markland, Mr John Paynter, Mr Paul Skinner CBE, and Dr Lars Thunell are all independent non-executive directors and therefore do not have contracts of employment.

Mr Jaspal Bindra, Sir John Peace, Mr Mike Rees, Mr Peter Sands and Mr Viswanathan Shankar each have a contract of employment with a notice period of one year.

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

The Nomination Committee has reviewed the performance of the directors standing for election and re-election and has made recommendations to the Board on their election or re-election.

The Board is satisfied that all of our non-executive directors are independent. Our Nomination Committee conducts a rigorous assessment of those independent non-executive directors who have served more than six years. However, given that all of the Nomination Committee members, excluding the Chairman, will have served on the Board for more than nine years at the date of the AGM, it was decided that, on this occasion, it was more appropriate that this matter be dealt with by the Board. The relevant directors, Ruth Markland and Paul Skinner, excused themselves from the Board conversation.

The Board considers all the directors submitting themselves for election and 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 election and re-election are as follows:

Om Prakash Bhatt Independent Non-Executive Director



Om was appointed to the Board in January 2013. He is a member of the Board Risk Committee. He is currently an independent non-executive director of Hindustan Unilever Ltd., Oil and Natural Gas Corporation, Tata Steel and Tata Consultancy Services. He is also a governor on the board of the Center for Creative Leadership, a US non-profit leadership development organisation. Until March 2011, Om was chairman of the State Bank Group, which includes the State Bank of India (SBI), India's largest commercial bank. In a career spanning 38 years with SBI, Om held a number of roles beginning with the lead bank department, which pioneered financial inclusion. He led the project team that pioneered SBI's technology initiative in the 1990s, undertook assignments at SBI's London and Washington offices and general management roles between 2004 and 2006. He became managing director of SBI in 2006, culminating in his appointment as chairman in the same year. Om has also served as chairman of the Indian Banks' Association. He has extensive banking, financial services and leadership acumen with deep knowledge and experience across India, one of our largest markets. Om has a degree in Science and a post-graduate degree in English Literature. Om is based in India. Age 63 at the date of the AGM.

Jaspal Singh Bindra

Group Executive Director



Jaspal was appointed to the Board in January 2010. Based in Hong Kong, he is Chief Executive Officer, Asia. He is also a director of Standard Chartered Bank, Standard Chartered Holdings Limited, Standard Chartered Bank (Hong Kong)

Limited and Standard Chartered Bank (Singapore) Limited. He joined Standard Chartered in 1998 and has held senior positions in the Group such as Global Head of Client Relationship for Wholesale Bank and Chief Executive Officer for India. Before joining Standard Chartered, Jaspal was with UBS Investment Banking. He began his career with Bank of America in 1984 and worked with them across treasury markets and consumer banking in India and Singapore. Jaspal also leads Standard Chartered's award-winning work on diversity and inclusion. He sits on the board of governors of XLRI Business School, is a member of the City of London Advisory Council for India and is a board director of the US-India Business Council. Jaspal is a qualified Chartered Accountant and MBA. Age 53 at the date of the AGM.

Dr Kurt Michael Campbell

Independent Non-Executive Director



Kurt was appointed to the Board in June 2013. He is currently chairman and chief executive officer of The Asian Group LLC, a strategic advisory and investment group specialising in the Asia Pacific region. From 2009 to 2013, Kurt served

as the US Assistant Secretary of State for East Asian and Pacific Affairs. He was widely credited as being a key architect of the 'pivot to Asia'. Kurt was a central figure in advancing the US-China relationship, building stronger ties to Asian allies, and in the opening of Myanmar. Previously, Kurt was the chief executive officer and co-founder of the Center for a New American Security. From 2003 to 2009 he was the founder and chairman of StratAsia, a strategic advisory firm focused on Asia. Prior to that, he served in several capacities in the US government. This included deputy assistant secretary of Defense for Asia and Pacific Affairs and, director on the National Security Council Staff in the White House. He was also an associate professor at Harvard's John F Kennedy School of Government. Kurt has a wealth of experience of the US political environment and significant experience of some of our key markets, notably across Asia. Kurt holds a B.A. in science, technology and public affairs from the University of California. He also holds a Certificate in music and political philosophy from the University of Erevan in Soviet Armenia, and a Doctorate in international relations from Brasenose College, Oxford. He was a Post Doctoral and Graduate Research Fellow at Harvard University. Age 56 at the date of the AGM.

Dr Louis Chi-Yan Cheung

Independent Non-Executive Director



Louis joined the Board in January 2013. He is a member of the Remuneration Committee. He is currently the chief executive officer of Boyu Capital Advisory Co., a China-focused private equity investment firm. He is also an independent

non-executive director of Fubon Financial Holding Company and a fellow and council member of the Hong Kong Management Association. He was with the Ping An Insurance Group from 2000 to 2011 and became group president in 2003 and executive director in 2006 after working through several senior roles, including chief financial officer. Prior to joining Ping An he was a global partner of McKinsey & Company and a leader in its Asia Pacific financial institutions practice. He has very strong general financial services and investor relations credentials, particularly in a Greater China context. Louis holds a BA and a PhD in Engineering from Corpus Christi College, Cambridge and was a post-doctoral research fellow at Cambridge. Louis is based in Hong Kong. Age 50 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 in 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 United States, 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 United Nations Secretary-General's Special Envoy for Disaster Risk Reduction and Water, on the UN Secretary-General's Advisory Board on Water and Sanitation, is the founding chair of the High-Level Expert Panel on Water and Disaster/UNSGAB, as well as the founding chairman of the Global Green Growth Institute and chairman of the International Advisory Board of the International Finance Forum of China. Dr Han is based in Korea and 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 77 at the date of the AGM.

Christine Mary Hodgson

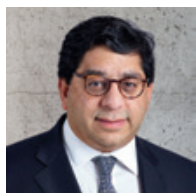
Independent Non-Executive Director



Christine was appointed to the Board in September 2013, and is a member of the Remuneration Committee and Brand and Values Committee. She is currently the chair of Capgemini UK plc, part of one of the world's largest IT and professional services companies. She is also a non-executive director of Ladbrokes plc and serves on the boards of two charities – The Prince of Wales' Business in the Community and MacIntyre Care. Christine joined Capgemini in 1997 and has held a variety of roles including CFO for Capgemini UK plc and CEO of Technology Services for North West Europe. Prior to joining Capgemini, Christine was corporate development director of Ronson plc and held senior positions at Coopers & Lybrand. Christine brings strong business leadership, accounting, finance and technology experience to the Board. She is a fellow of the Institute of Chartered Accountants in England and Wales and holds a first class honours degree from Loughborough University. Age 49 at the date of the AGM.

Naguib Kheraj

Independent Non-Executive Director



Naguib joined the Board in January 2014, and is a member of the Audit Committee and Board Risk Committee. He now spends the majority of his time in the not-for-profit sector and serves on a number of international boards within the Aga Khan Development Network. He is chairman of its endowment fund and an adviser to the Aga Khan Fund for Economic Development. Naguib is also a member of the Investment Committee of Wellcome Trust. Naguib has served in a number of senior roles over the course of 12 years at Barclays, including as group finance director and vice-chairman and in various business leadership positions in Wealth Management, Institutional Asset Management and Investment Banking. Naguib was also a Barclays nominated non executive director of Absa Group in South Africa and of First Caribbean International Bank. He was chief executive officer of JPMorgan Cazenove, a leading London based investment banking business and has also held senior positions at Lazard, Robert Fleming and at Salomon Brothers where he started his banking career in 1986. Naguib has also previously served as a non-executive director of NHS England, as a senior adviser to Her Majesty's Customs and Revenue Service and to the Financial Services Authority in the UK. Naguib brings significant banking and finance experience to the Board. Naguib holds a degree in Economics from Cambridge University. Age 49 at the date of the AGM.

Simon Jonathan Lowth

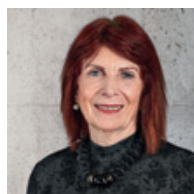
Independent Non-Executive Director



Simon joined the Board in May 2010, and is a member of the Board Risk Committee. He is chief financial officer and executive director of BG Group. Simon was an executive director and chief financial officer of AstraZeneca PLC from 2007 to 2013. Prior to AstraZeneca, he was finance director at Scottish Power PLC following two years as executive director, corporate strategy and development. As finance director, Simon led Scottish Power's group-wide performance and risk management processes and played a critical role in the strategic transformation of Scottish Power. Simon's move to Scottish Power in 2003 followed 15 years' experience with the global management consultancy, McKinsey & Company, latterly as a senior director responsible for the firm's UK industrial practice where he advised leading multi-national companies on a wide range of strategic, financial and operational issues. Simon brings significant financial and risk management experience to the Board. Simon has an engineering degree from Cambridge University and an MBA from London Business School. Age 52 at the date of the AGM.

Ruth Markland

Senior Independent Non-Executive Director



Ruth was appointed to the Board in November 2003. She is also Senior Independent Director, chairman of the Remuneration Committee, and a member of the Audit Committee, Board Risk Committee, Nomination Committee, Governance Committee and Board Regulatory Compliance Oversight Committee. She is a non-executive director of The Sage Group plc, a member of the supervisory board of Arcadis NV, and until November 2012 she was chairman of the board of trustees of the WRVS charity. Previously, Ruth was managing partner, Asia for the international law firm Freshfields Bruckhaus Deringer, responsible for the firm's eight offices in Asia between 1996 and 2003. Prior to that Ruth worked for Freshfields in London and Singapore. She first joined Freshfields in 1977 and became a partner in 1983. Ruth has significant expertise in Asia and a deep understanding of the regulatory environment. She studied law at Southampton University. Age 61 at the date of the AGM.

John Gregor Hugh Paynter
Independent Non-Executive Director



John joined the Board in October 2008. He is a member of the Audit Committee and Remuneration Committee. He is chairman of Standard Life Investments Holdings and is senior independent director of Standard Life Plc. He was appointed senior advisor to Greenhill & Co., Inc. in April 2009 and was previously vice-chairman of JP Morgan Cazenove. He joined Cazenove in 1979, was appointed partner in 1986, and later headed corporate finance, Cazenove's largest business. Following Cazenove's merger with JP Morgan in 2005, John was appointed vice-chairman where his responsibilities were predominantly external facing, acting on behalf of major clients and handling all aspects of the broking relationship. John brings a wealth of experience in the fields of corporate broking, financial advisory and institutional investor knowledge. John was previously a non-executive director of Jardine Lloyd Thompson Group plc. He has a deep understanding of financial markets and the corporate sector. He read law at University College, Oxford. Age 59 at the date of the AGM.

Sir John Peace
Chairman



Sir John joined the Board in 2007 as Deputy Chairman and was appointed Chairman in 2009. He is chairman of the Nomination Committee, Governance Committee and Board Regulatory Compliance Oversight Committee. Sir John is also chairman of Burberry Group plc and Experian plc and between 2000 and 2006, he was chief executive of GUS plc, having joined the board in 1997. He has a strong financial services and retailing background and chairmanship experience. He is committed to supporting his local community and has a long-standing interest in education. For 10 years he was the chairman of the board of governors of Nottingham Trent University. He has been a trustee of the Djanogly City Academy in Nottingham since 1999, is Lord-Lieutenant of Nottinghamshire, a Fellow of the Royal Society of Arts and has an honorary doctorate from The University of Nottingham. Sir John brings extensive international experience and exemplary governance credentials. Sir John was knighted in 2011 for services to business and the voluntary sector. Age 65 at the date of the AGM.

Alun Michael Guest Rees
Group Executive Director



Mike was appointed to the Board in August 2009. He is a member of the Board Regulatory Compliance Oversight Committee and a director of Standard Chartered Bank and Standard Chartered Holdings Limited. He is based in London and is Chief Executive Officer, Wholesale Banking. On 1 April 2014 Mike will be appointed Deputy Group Chief Executive and will take responsibility for the integrated Wholesale Banking and Consumer Banking businesses. Mike joined Standard Chartered in 1990 as the Chief Financial Officer for Global Treasury. In October 1994, he was appointed Regional Treasurer in Singapore, responsible for the South East Asia Treasury businesses. In late 2000, Mike was appointed Group Head of Global Markets. In November 2002, he was promoted to Chief Executive Officer, Wholesale Banking, responsible for all Commercial Banking products in addition to his responsibilities for Global Markets products. Mike is a member of the International Advisory Board of Mauritius and the Mayor of Rome's business advisory council. 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 58.

Peter Alexander Sands
Group Chief Executive



Peter was appointed Group Chief Executive in November 2006. He joined the Board as Group Finance Director in May 2002 and is based in London. He is a member of the Governance Committee. He is also chairman of Standard Chartered Bank and director of Standard Chartered Holdings Limited. Before his appointment as Group Chief Executive he was responsible for Finance, Strategy, Risk and Technology and Operations. Prior to joining Standard Chartered, Peter was a director with worldwide consultants McKinsey & Company where he worked extensively in the banking and technology sectors in a wide range of international markets. Peter is also lead non-executive director of the board of the Department of Health. Peter sits on the World Economic Forum's Foundation Board and is a Director of the Institute of International Finance. Peter graduated from Oxford University and holds a Masters in Public Administration from Harvard University, where he was a Harkness Fellow. Age 52 at the date of the AGM.

Viswanathan Shankar
Group Executive Director



Shankar joined the Board in January 2012. Based in Dubai, he is Chief Executive Officer, Europe, Middle East, Africa and Americas. He is also a member of the Board Regulatory Compliance Oversight Committee and a director of Standard Chartered Bank and Standard Chartered Holdings Limited. He joined Standard Chartered in 2001 as Group Head of Corporate Finance, was appointed Group Head of Origination and Client Coverage in 2007 and promoted to his current role in 2010. Before joining Standard Chartered, Shankar was with Bank of America for 19 years. In addition to his responsibilities at Standard Chartered, Shankar is a non-executive director of Majid Al Futtaim Holding LLC, on the board of trustees of SINDA and a member of the UK-UAE Business Council. Shankar holds a MBA from the Indian Institute of Management, Bangalore. Age 56 at the date of the AGM.

Paul David Skinner CBE
Independent Non-Executive Director



Paul was appointed to the Board in November 2003, and is chairman of the Brand and Values Committee and a member of the Nomination Committee, Remuneration Committee, Board Risk Committee and Board Regulatory Compliance Oversight Committee. Paul is also a non-executive director of the Tetra Laval Group and L'Air Liquide SA. In addition, Paul is a member of the public interest body of PwC. He was chairman of Rio Tinto Plc from 2003 to 2009 and Chairman of Infrastructure UK, HM Treasury from 2009 to 2013. He was formerly a director of The Shell Transport and Trading Company plc and group managing director of the Royal Dutch/Shell Group of companies. During his Shell career he worked in all of Shells' main businesses with assignments in the UK, Greece, Nigeria, New Zealand and Norway. Paul was a UK business ambassador over the period 2008 to 2012. He also served as a member of the Defence Board of the Ministry of Defence and as chairman of both the Commonwealth Business Council and International Chamber of Commerce UK. Paul has extensive experience of customer-facing global businesses across our geographical footprint and of managing a large global commodities trading business. Paul read law at Pembroke College, Cambridge and has a diploma in Business Administration from the Manchester Business School. Age 69 at the date of the AGM.

Dr Lars Henrik Thunell
Independent Non-Executive Director



Lars was appointed to the Board in November 2012. He is a member of the Board Risk Committee and the Brand and Values Committee. He is currently a director of Kosmos Energy, a senior advisor to the Blackstone Group, which includes a non-executive director and vice chairman of Sithe Global LLP and Fistera Energy LLP, two international power development companies (which are part of the Blackstone Group). He is also senior advisor to the Center for Strategic and International Studies, a US foreign policy think-tank and a board member of the Middle East Investment Initiative, an independent non-profit organisation. Lars is also a founding director of Africa Risk Capacity Limited, a mutual non profit weather index insurance company. Until June 2012, Lars was chief executive officer and executive vice president of the International Finance Corporation (IFC), a member of the World Bank Group. In this role, Lars led the IFC's overall strategic direction in its mission to promote sustainable private sector development. From 1997 to 2005, Lars was chief executive officer of SEB, Sweden's leading corporate bank. From 1994 to 1997 he was chief executive officer of Trygg-Hansa and from 1992 to 1994, president and chief executive officer of Securum, the Swedish Government 'bad bank'. His previous non-executive directorships include Statoil AS (Norway), AkzoNobel N.V. (Netherlands), Nobel Biotech, SCA, Astra AB and chairman of the Swedish Bankers Association. Lars has a highly developed understanding of banking and risk management in a financial services context. Lars received a PhD in Philosophy (Political Science) from Stockholm University and was a Research Fellow at the Harvard University Centre for International Affairs. Age 65 at the date of the AGM.

None of the directors standing for election or re-election has any relationship with any other director, member of senior management or substantial or controlling shareholder of the Company. 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 election or re-election as at 18 March 2014, the latest practicable date for determining such information are set out on page 25.

As at 1 April 2014 annual fees for independent non-executive directors are £100,000 with additional fees for ordinary membership or chairmanship of a Board Committee as follows:

Committee	Ordinary membership	Chairmanship
Audit	£30,000	£70,000
Brand and Values	£30,000	£60,000
Governance	No fees	No fees
Nomination	£15,000	N/A
Remuneration	£30,000	£60,000
Board Risk	£30,000	£70,000
Board Regulatory	No fees	No fees
Compliance Oversight		

Sir John Peace is the Chairman of the Company. He receives an annual base fee, part delivered in cash (£650,000) and part delivered in shares (£500,000) allocated in two equal tranches annually. Ruth Markland, as the Senior Independent Director of the Company, receives a fee of £40,000 in addition to her current fees.

Salary levels for executive directors are reviewed annually by the Remuneration Committee taking account of the latest available market data with increases normally effective from 1 April of the relevant year. The annual base salary levels of executive directors standing for election or re-election, and of Richard Meddings who, as noted above, is not standing for re-election, were as follows:

	1 April 2013	1 April 2014
P A Sands	£1,075,000	£1,120,000
J S Bindra	HK\$6,500,000	HK\$6,500,000
R H Meddings	£800,000	£800,000
A M G Rees	£735,000	£975,000
V Shankar	AED3,200,000	AED3,200,000

In addition, the executive directors are eligible to receive discretionary performance-related compensation as described on pages 179 to 188 of the annual report and accounts.

Subject to shareholder approval at the AGM, the Company will be introducing a fixed pay allowance for specific executive directors paid fully in shares subject to a retention period of up to five years. The allowance will not count towards any entitlements, benefits or payments which are calculated by reference to salary and can be reduced, increased, terminated or withdrawn. This is described more fully on pages 180 to 204 of the annual report and accounts.

Resolution 21: Director shareholding qualification

Article 79 of the Company's articles of association provides that, unless otherwise determined by the Company in general meeting, the qualification of a director shall be the holding alone, and not jointly with any other person, of US\$1,000 nominal amount of share capital of the Company. Dr Kurt Campbell currently holds US\$1,000 nominal amount of share capital of the Company but, in connection with the terms of the proposed appointment of Dr Kurt Campbell's wife to the

Board of Governors of the United States Federal Reserve System, he is required to sell his holding of shares in the Company. Accordingly, shareholders are asked to disapply the shareholding qualification in relation to Dr Kurt Campbell.

Resolutions 22 and 23: 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.

As stated in the Chairman's Letter, the Group's statutory audit work for the year commencing 1 January 2015 was put out to tender. KPMG Audit Plc has been the Group's statutory auditor for over 25 years and has periodically and regularly rotated its lead partner in accordance with FRC recommendations. When developing the shortlist for the tender, we took into account the need for each firm to have strengths and capabilities in global banking relevant to our business and the markets in which we operate and with technical specialists dedicated to our audit. After a robust and thorough tender process and careful evaluation of what each firm participating in the tender had to offer, the Board concluded on recommendation by the Audit Committee that KPMG Audit Plc was the best firm to serve the Group. This decision was based on KPMG's experience as an auditor of financial institutions across our markets and their evolutionary approach in continuing to adapt the audit to our changing operating environment while maintaining a qualitative approach to provide confidence in our financial reporting. Further details of the tender can be found on pages 160 to 161 of the annual report and accounts.

Resolution 24: 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 8 May 2014 until the end of 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 25 and 26: 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 25 seeks shareholders' approval to renew this authority.

Paragraph (A) of resolution 25 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\$242,950,114 (representing 485,900,228 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 25. This amount represents approximately 20 per cent of the issued ordinary share capital of US\$1,214,750,571 as at 18 March 2014, 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 25 restricts the authority of the directors to the 20 per cent threshold.

Paragraph (B) of resolution 25 would give the directors the authority to make allotments which exceed the 20 per cent authority under paragraph (A) of resolution 25 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\$404,916,857 (representing 809,833,714 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 25. This amount represents approximately one-third of the issued ordinary share capital of the Company as at 18 March 2014, 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 25 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\$809,833,714 (representing 1,619,667,428 ordinary shares of US\$0.50 each), as reduced by the nominal amount of any shares issued under paragraphs (A) or (B) of resolution 25. This amount (before any reduction) represents approximately two-thirds of the issued ordinary share capital of the Company as at 18 March 2014, 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 subsidiaries or subsidiary undertakings. Paragraph (D) of resolution 25 seeks such authority for schemes adopted prior to the date of the AGM.

The authorities sought in paragraphs (A), (B), (C) and (D) of resolution 25 will expire at the end of next year's AGM (or, if earlier, at the close of business on 7 August 2015).

Paragraph (E) of resolution 25 renews authorities to enable the directors to allot sterling preference shares, dollar preference shares and euro preference shares up to a nominal amount of £305,000,000, US\$1,500,000,000 and €1,000,000,000 respectively. 195,285,000 sterling preference shares, 15,000 dollar preference shares and no euro preference shares were in issue as at 18 March 2014 (the latest practicable date prior to publication of this document).

Paragraph (E) of resolution 25 also renews authorities to enable the directors to allot preference shares up to a nominal amount of AED100,000,000, HKD100,000,000, INR1,000,000,000, KRW500,000,000,000 and SGD100,000,000, none of which were in issue as at 18 March 2014 (the latest practicable date prior to publication of this document).

The authorities sought under paragraph (E) and will expire on 7 May 2019.

The directors intend to use the authorities sought under resolution 25 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 26 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 25 to include the shares repurchased by the Company under the authority to be sought by resolution 31.

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

Resolution 27: Additional authority to allot equity securities in relation to the issuance of Equity Convertible Additional Tier 1 Securities (ECAT1 Securities)

The effect of resolution 27 is to give the Board the authority to allot shares and grant rights to subscribe for or to convert any security into ordinary shares in the Company up to an aggregate nominal amount of US\$242,950,114 (or 485,900,228 shares), representing approximately 20 per cent of the Company's issued ordinary share capital as at 18 March 2014 (the latest practicable date prior to publication of this document), such authority to be exercised in connection with the issue of ECAT1 Securities. Please see the Appendix for more information on ECAT1 Securities.

This authority is in addition to the authority proposed under resolution 25. The authority proposed under resolution 25 is the usual authority sought on an annual basis in line with guidance issued by the Association of British Insurers (ABI). The authority sought under resolution 27 is not contemplated by the guidance issued by the ABI.

The authority sought under resolution 27 will be utilised as considered desirable to comply with or maintain compliance with regulatory capital requirements or targets applicable to the Company.

The authority sought under resolution 27 will expire at the end of next year's AGM (or, if earlier, at the close of business on 7 August 2015).

Resolution 28: Authority to offer share dividend alternative

Under the Company's articles of association, the Board may offer any holders of ordinary shares (excluding shares held in treasury) the option to take their dividends either in cash, entirely in the form of new ordinary shares of the Company (a 'share dividend') or partly in shares and partly in cash. Resolution 28 renews the Board's authority to make a share dividend alternative available in respect of any dividend (whether interim or final) declared and paid for any financial period of the Company ending on or before 31 December 2018. The making of any share dividend alternative offers in respect of any prior financial period is also confirmed.

Voting in favour of the resolution will not prevent you, should you so wish, from electing to receive your dividends in cash in any of the next five years in which a share dividend alternative is offered.

Resolution 29: 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\$60,737,528.50 (representing 121,475,057 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 18 March 2014, 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 29 will expire at the end of next year's AGM (or, if earlier, at the close of business on 7 August 2015).

Resolution 30: Power to allot ECAT1 Securities for cash without certain formalities

The effect of resolution 30 is to give the Board authority to allot ECAT1 Securities, or shares issued upon conversion or exchange of ECAT1 Securities, without first offering them to existing shareholders. This will allow the Company to manage its capital in the most efficient and economic way for the benefit of shareholders.

If passed, resolution 30 will authorise the Board to allot shares and grant rights to subscribe for or to convert any security into shares in the Company on a non-pre-emptive basis up to an aggregate nominal amount of US\$242,950,114 (or 485,900,228 shares), representing approximately 20 per cent of the Company's issued ordinary share capital as at 18 March 2014 (the latest practicable date prior to publication of this document), such authority to be exercised in connection with the issue of ECAT1 Securities.

Should a Trigger Event occur (please see the Appendix for more information on ECAT1 Securities and their Trigger Events) the ECAT1 Securities will convert into or be exchanged for shares in the Company. The Board may or may not give shareholders the opportunity to purchase the ordinary shares created on conversion or exchange of any ECAT1 Securities on a pro rata basis, where practicable and subject to applicable laws and regulations, such decision to be made on a transaction by transaction basis.

The authority sought under resolution 30 will expire at the end of next year's AGM (or, if earlier, at the close of business on 7 August 2015).

Resolution 31: 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 242,950,114 ordinary shares until the AGM in 2015 (or, if earlier, until the close of business on 7 August 2015) 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 18 March 2014 (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 18 March 2014, the latest practicable date prior to the publication of this document, was 58,180,489, which represented 2.39 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 2013 AGM and by this resolution, the options outstanding at 18 March 2014 would represent approximately 2.99 per cent of the issued ordinary share capital.

Resolution 32: 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 15,000 US dollar preference shares. No preference shares have been repurchased since the last AGM.

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 33: 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).

Resolution 33 seeks such approval. The approval will be effective until the Company's next AGM, 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.

Resolution 34: Variable to Fixed Compensation Ratio

New rules, which have an impact on the Group's remuneration policies and procedures, have applied since 1 January 2014 as a result of the implementation of the European Union's Capital Requirements Directive IV ('CRD IV').

The Remuneration Committee has been reflecting on the impact of these rules very carefully and is proposing changes to the Group's remuneration structures in order to comply with the new requirements. The changes will affect those of the Group's staff, including senior management, risk takers, staff engaged in control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the Group's risk profile (also known as 'Code Staff'). This includes the Company's executive directors.

As a European Union headquartered bank the requirements extend to our Code Staff globally, even where there are not equivalent limits on pay in place in the markets in which we operate outside the European Union. As 97 per cent of our employees are based outside the European Union, while we must ensure we are compliant with the requirements, we must also remain competitive in terms of attracting and retaining talent across Asia, Africa and the Middle East. Given the nature of the Group's markets, the new rules place the Group at a competitive disadvantage when seeking to attract and retain talent.

The new rules introduce a maximum limit on the ratio of the variable and fixed components of Code Staff's total compensation set at 1:1 as valued in line with the European Banking Authority's discounting rules. This ratio can be increased up to a maximum of 2:1 with shareholder approval and we are asking shareholders for their support to do so in order to retain our competitiveness and minimise the impact of this new limit on the Group's fixed costs. Importantly, increasing the ratio will enable us to deliver more total compensation in the form of variable compensation, and as a consequence, have a larger proportion of compensation subject to claw-back and/or future performance than would be the case if we did not receive approval for the increased limit. The change will be managed as part of a package of measures in such a way as not to have any impact on the Group's capital base.

The rules on the identification of Code Staff are currently being revised and it is therefore not possible at this time to provide precise information on those affected. Based on the provisional rules, it is anticipated that the Group will have approximately 700 Code Staff in 2014 spread across the Group in terms of business/function area and geography. Those employees who have an interest in the proposed higher ratio are not permitted to exercise, directly or indirectly any voting rights they may have in respect of resolution 34.

Resolution 34 is being proposed in accordance with the requirements of CRD IV and will be passed if at least two-thirds of the votes cast are in favour of the resolution, provided that at least half of the voting rights in the Company are voted on the resolution. If less than half of the voting rights in the Company are voted on the resolution, the resolution will be passed if at least three-quarters of the votes cast are in favour of the resolution.

The Board recommends shareholders vote in favour of all the resolutions, and consider the resolutions are in the best interests of the Company and shareholders as a whole. The directors intend to vote in favour of all resolutions in respect of their own shares (with the exception of resolutions 25 and 34 (see below) for which they will abstain).

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 25 for the reasons set out on page 17 of this document.

In accordance with Senior Management Arrangements, Systems and Controls rule 19A.3.44B of the Prudential Regulation Authority's handbook of rules and guidance, no executive director or any other employee of the Group who has an interest in the higher remuneration ratio proposed in resolution 34, is entitled to exercise, directly or indirectly, any voting rights they may have in relation to resolution 34.

Equity Convertible Additional Tier 1 Securities

The Company must meet minimum regulatory capital requirements in the jurisdictions in which it operates.

Under the EU Capital Requirements Regulation ('CRR'), the Company must hold a minimum amount of 'Tier 1 capital' defined as a percentage of its Risk Weighted Assets on a consolidated basis. To maintain an efficient capital structure that protects the interests of ordinary shareholders under prudential regulatory requirements, the Company can choose to meet part of that minimum requirement by holding up to 1.5 per cent of its Risk Weighted Assets in the form of Additional Tier 1 instruments ('AT1 Securities') instead of Common Equity Tier 1 capital ('CET1').

In order for securities to qualify as Tier 1 capital, the terms and conditions of the AT1 Securities must contain a 'Trigger Event'. A 'Trigger Event' is the breach of a pre-determined capital ratio specified in the terms of the AT1 Securities which automatically results in the principal amount of the AT1 Securities either being written down or being converted into ordinary shares, as specified in the terms of the AT1 Securities. Under the CRR, AT1 Securities must convert to equity or be written down when the issuer's CET1 ratio is below 5.125% or a higher level as the issuer may determine. The Trigger Event ratio would be determined in conjunction with the Prudential Regulation Authority (the 'PRA') of the UK before the issue of any AT1 Securities.

The Company has no immediate plans to issue AT1 Securities but is likely to consider issuing AT1 Securities in both conversion and write-down format over time. The Company will take into account various factors when deciding whether to issue AT1 Securities, including the capital position of the Company at the time, the prevailing regulatory capital requirements and its view of the likely capital requirements in the longer term. The timing and terms of issuance of AT1 Securities will be determined by the Company in consultation with the PRA.

The flexibility to issue AT1 Securities enables the Company to achieve diversification and efficiency in its capital base. It is not the Company's current intention to use AT1 Securities as part of its remuneration structures.

Shareholder approval is being sought in resolutions 27 and 30 to authorise the issue of AT1 Securities which convert into ordinary shares on the occurrence of a Trigger Event ('Equity Convertible Additional Tier 1 Securities' or 'ECAT1 Securities') and/or shares to be issued on conversion or exchange of those ECAT1 Securities.

Why is the Company seeking a specific mandate to issue ECAT1 Securities?

The Company is seeking a specific mandate to enable it to issue ECAT1 Securities and the mandate would be used for that sole

purpose (i.e. the Company could not use this specific mandate to issue new shares for any other purpose). The general mandate under resolution 25 may be used by the Company to issue new shares at any time on a non-pre emptive basis, subject to the limits under that resolution and restrictions under the UK and Hong Kong Listing Rules and Investor Protection Committee guidelines. The specific mandate for ECAT1 Securities will provide greater flexibility for the Company in allowing it to maintain a general mandate for other purposes (e.g. issuing consideration shares). By the same token, the general mandate under resolution 25 would not be used in connection with the issue of ECAT1 Securities.

The Company believes it would not be practical to obtain a specific mandate from shareholders to issue ECAT1 Securities only when the need arises, primarily due to the time it would take to prepare the relevant circular to shareholders, obtain pre-clearance for the circular from the authorities, and then print and despatch the relevant circular to shareholders convening the general meeting to seek shareholder approval. Having a pre-approved mandate will enable the Company to act on a timely basis to satisfy the capital requirements when market conditions are conducive to launching the issue.

What steps can the Company take before or on a Trigger Event?

In advance of and after a Trigger Event the Company's management can be expected to take certain actions:

- (i) Recovery Planning – the Company is required by its regulators to develop and maintain a Recovery Plan to be implemented in the event that the Company's capital position comes under pressure. Should the Company's capital ratios fall, the Company is likely to be required to implement those planned recovery actions to improve its capital position (e.g. by reducing Risk-Weighted Assets or through a rights issue of ordinary shares) in advance of a Trigger Event. Were a rights issue to be launched, the Company's ordinary shareholders would be offered the opportunity to acquire new ordinary shares in proportion to their existing shareholding in the Company (subject to legal, regulatory or practical restrictions).
- (ii) Shareholder Participation – should a Trigger Event occur (despite taking recovery actions), the Board may give shareholders the opportunity to purchase the ordinary shares issued on conversion or exchange of any ECAT1 Securities on a pro rata basis, where practicable and subject to applicable laws and regulations, at the same price as the holders of the ECAT1 Securities would otherwise have acquired those ordinary shares (i.e. the 'Conversion Price' described below). This will be determined on a transaction by transaction basis and the mechanism for shareholder participation will be written into the terms and conditions of the ECAT1 Securities where applicable.

The circumstances in which a Trigger Event might be expected to occur are considered to be remote given the level of capital the Company currently holds in excess of the expected Trigger Event ratio and the recovery actions that it has available to it should such a situation seem likely to arise.

As at 31 December 2013, the Company had US\$37.9 billion of Core Tier 1 Capital and a Core Tier 1 ratio of 11.8%, and 10.9% on a Basel 3 pro-forma basis as at 1 January 2014. This level of capital is considerably in excess of the expected Trigger Event ratio.

How do ECAT1 Securities provide a more efficient capital structure?

To the extent permitted, ECAT1 Securities are expected to be a cheaper form of eligible regulatory capital for meeting Tier 1 capital and leverage ratio requirements than CET1 capital and so would lower the Company's on-going costs for the benefit of all shareholders.

Under the Company's accounting policies, it is expected that the ECAT1 Securities will be recorded as debt securities in the financial statements; however, this will be determined at the time of issuance.

At what price will the ECAT1 Securities be issued?

The pricing mechanism for ECAT1 Securities is similar to other fixed income capital instruments that the Company would issue. The issue price of the ECAT1 Securities will be fixed immediately prior to issuance taking into account prevailing market convention.

At what price will the ECAT1 Securities be converted into or exchanged for ordinary shares?

The terms and conditions of the ECAT1 Securities will specify a Conversion Price or a mechanism for setting a Conversion Price for the ECAT1 Securities. The 'Conversion Price' is the rate at which the ECAT1 Securities will be exchanged for ordinary shares on the occurrence of a Trigger Event. This will be set at a discount to the price of the Company's ordinary shares immediately prior to issuance of the ECAT1 Securities. The extent of the discount will be determined in consultation with the PRA and taking into account prevailing market convention.

Will the ECAT1 Securities be redeemable?

Yes. The CRR requires AT1 capital instruments to be perpetual with a minimum of five years before the first optional call date. The ECAT1 Securities will include redemption terms consistent with regulatory requirements and market practice. For example, the Company may redeem the ECAT1 Securities (i) after a fixed period of time (minimum five years) upon an interest rate reset date (Optional Redemption); (ii) in the event of a change in the regulatory classification of the ECAT1 Securities such that they can no longer be included in the Company's Tier 1 capital (Regulatory Event Redemption); or (iii) as a result of a change in the tax treatment of the ECAT1 Securities (Tax Redemption). In each case, redemption can only take place with the prior consent of the PRA.

How have you calculated the size of the authorities you are seeking?

The size of the authorities reflected in resolutions 27 and 30 has been calculated based on anticipated capital requirements to provide flexibility in capital management. The resolutions give the Board authority to set the specific terms of the ECAT1 Securities, which may provide for write-down or conversion on the occurrence of a Trigger Event. The authorities sought are set at a level to provide full flexibility to the Company in managing its capital structure efficiently given the uncertainties that remain in both the precise regulatory requirements and the market for this form of capital instrument.

The specific mandate will give the Board authority to allot ordinary shares and grant rights to subscribe for or convert any security into ordinary shares in the Company representing up to 20 per cent of the Company's issued ordinary share capital as at 18 March 2014. This limit has been calculated based on internal modelling to provide flexibility to the Company to issue a sufficient nominal amount of ECAT1 Securities to satisfy the requirements under the CRR, taking into account potential fluctuations in the Company's share price and the GBP/USD exchange rates as well as a hypothetical conversion price discount factor subject to a floor of 60% of the modelled share price.

Hong Kong Stock Exchange waiver

Under Rule 13.36(1) of the Hong Kong Listing Rules, the directors of a company must obtain the consent of shareholders in a general meeting prior to allotting or issuing shares or securities convertible into shares except as set out under Rule 13.36(2)(b). Rule 13.36(2)(b) of the Hong Kong Listing Rules allows the directors to seek a general mandate from shareholders to allot or issue shares on a non-pre-emptive basis. As explained above, the Company is seeking this specific mandate from shareholders in addition to the general mandate under Rule 13.36(2)(b) of the Hong Kong Listing Rules for the sole purpose of issuing ECAT1 Securities. This specific mandate requires a dispensation from Rule 13.36(1) of the Hong Kong Listing Rules. The Company has therefore applied for, and the Hong Kong Stock Exchange has granted, a waiver from compliance with Rule 13.36(1) to allow the directors to seek the authority under resolution 27 in relation to issuing ECAT1 Securities subject to the limits set out in that resolution.

The Hong Kong Stock Exchange has granted a waiver of Rule 13.36(1) to the Company to allow it to seek the specific mandate which, if approved by shareholders, would continue in force until:

- (i) the end of next year's AGM (or, if earlier, at the close of business on 7 August 2015) at which time it will lapse unless the specific mandate is renewed, either unconditionally or subject to conditions; or
- (ii) revoked or varied by ordinary resolution of the shareholders in a general meeting.

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 6 May 2014 or on the Company's branch register of members in Hong Kong at 5:00am Hong Kong time on Tuesday 6 May 2014. 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 8 May 2014, 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.investorcentre.co.uk/eproxy. 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 11:00am London time on Tuesday 6 May 2014. 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 6ZY, 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 11:00am London time on Tuesday 6 May 2014 (or 6:00pm Hong Kong time on Tuesday 6 May 2014) 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 (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 6ZY, UK. Your PIN will expire at 11:00am London time on Tuesday 6 May 2014. Whichever method you choose, any voting instruction form or other instrument appointing a proxy must be received by our registrar no later than 11:00am London time on Tuesday 6 May 2014 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). 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 11:00am London time on Tuesday 6 May 2014. 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.

Poll voting procedure

The Company will call a poll on all resolutions at the AGM. This allows the votes of both shareholders who have lodged proxies and shareholders who attend the meeting to be taken into account. On arrival at the AGM, all those entitled to vote will be required to register and be given a poll card with details of your shareholding to be used for the poll vote. At the end of the AGM, the Chairman will ask you to cast your vote by completing the poll card. All the votes present will be counted and added to those received by proxy and the provisional final votes. If you have already voted by proxy you will still be able to vote using the poll card 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. If you have submitted your votes online you will need to print the attendance card provided within the site.

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 18 March 2014 (being the latest practicable date prior to the publication of this document), the Company had 2,429,501,142 ordinary shares of US\$0.50 each in issue, none of which were held in treasury. The ordinary shares carry in aggregate 607,375,285 voting rights on a poll.

You can obtain the results of the poll by telephoning our registrar on or after Friday 9 May 2014. The results of the poll 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 will appear on our website at <http://investors.sc.com/en/releases.cfm> on Friday 9 May 2014.

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.

Directors' interests in shares and options

As at 18 March 2014, being the latest practicable date prior to the publication of this document, the directors held the following interests:

	Total interest in ordinary shares	Total interest in ordinary shares under option	Range of option exercise prices	Range of option exercise periods
Sir John Peace	18,185	162,797	0	2011-2020
P A Sands	256,564	989,206	0 – £11.40	2014-2024
O P Bhatt	2,000	–	–	–
S P Bertamini	126,490	529,732	0 – £11.04	2014-2024
J S Bindra	153,378	514,956	0 – £11.04	2014-2024
Dr K M Campbell	2,000	–	–	–
Dr L C Y Cheung	2,000	–	–	–
J F T Dundas	3,141	–	–	–
Dr Han Seung-soo KBE	2,465	–	–	–
C M Hodgson	2,000	–	–	–
N Kheraj	2,000	–	–	–
S J Lowth	10,393	–	–	–
R H P Markham	4,390	–	–	–
R Markland	3,978	–	–	–
R H Meddings	128,964	673,405	0 – £14.63	2013-2024
J G H Paynter	12,500	–	–	–
A M G Rees	200,835	1,116,383	0	2014-2024
V Shankar	150,539	500,478	0	2014-2024
P D Skinner CBE	16,005	–	–	–
O H J Stocken CBE	17,915	–	–	–
Dr L H Thunell	6,411	–	–	–

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.

Website

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

Inspection of documents

The following documents will be available for inspection at 1 Basinghall Avenue, London EC2V 5DD 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 AGM venue 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 independent non-executive directors.

Additional Information for Shareholders Attending the AGM

The AGM

The AGM will be held at etc.venues, 200 Aldersgate, St Paul's, London, EC1A 4HD on Thursday 8 May 2014. A map showing the location of the venue can be found on your shareholder attendance card or at the venue's website www.etcvenues.co.uk. The AGM will start promptly at 11:00am 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 card with you. If you do not have an attendance card, 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 AGM venue. 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, BlackBerrys, and all other electronic devices should be turned off throughout the AGM.

Refreshments

Refreshments will be available in the reception areas before the AGM. After the business of the AGM has concluded, lunch will be served.

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.

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 scplc.agm@sc.com before 11:00am London time on 6 May 2014. 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. 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 AGM venue 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 7154 / email: scplc.agm@sc.com).

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).

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