



# Notice of Annual General Meeting 2005

## **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 transferred all of your shares please pass this document, together with the Report and Accounts or Annual Review and (if applicable) the proxy form, 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 independent professional adviser.

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

Notice of the Annual General Meeting of Standard Chartered PLC to be held at Merchant Taylors' Hall, 30 Threadneedle Street, London EC2R 8JB on Thursday 5 May 2005 at 12.00 noon (London time) is set out on pages 2 to 4 of this document.

Whether or not you propose to attend the Annual General Meeting, if you are an ordinary shareholder please complete and submit a proxy form in accordance with the instructions printed on the enclosed form. The proxy form must be received not less than 48 hours before the time of the holding of the Annual General Meeting.

14 March 2005

14 March 2005

Dear Shareholder

I am pleased to be writing to you with details of our Annual General Meeting ('AGM'), which we are holding on Thursday 5 May 2005 at 12.00 noon (London time) (7.00pm Hong Kong time) at Merchant Taylors' Hall, 30 Threadneedle Street, London EC2R 8JB. The formal notice of our AGM starts on page 2 of this document.

At the AGM, I will present a review of the year's results and current business, and you will have an opportunity to ask any relevant questions relating to the Company's performance and the resolutions set out in the notice.

If you would like to vote on the resolutions but cannot come to the AGM, please fill in the form of proxy (or voting instruction form for ShareCare members) sent to you with this notice and return it to our registrars as soon as possible. They must receive it by 12.00 noon (London time) (7.00pm Hong Kong time) on Tuesday 3 May 2005.

#### Final dividend

Shareholders are being asked to approve a final dividend of 40.44 US cents per ordinary share for the year ended 31 December 2004. If you approve the recommended final dividend, this will be paid on 13 May 2005 to all ordinary shareholders who were on the register of members on 25 February 2005. Payment will be made in either sterling, US dollars, Hong Kong dollars or in shares, according to each individual shareholder's choice.

#### Board Changes

We have appointed two new independent non-executive directors to the Board during the year. Mr Oliver Stocken and Miss Valerie Gooding were appointed on 1 June 2004 and 1 January 2005 respectively. They will both stand for election at this year's AGM and their biographical details can be found on page 45 of the 2004 Annual Report and Accounts.

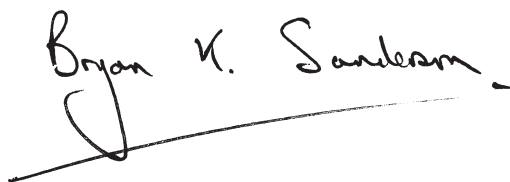
As mentioned in the Annual Report and Accounts, Mr Christopher A Keljik will retire at the end of this year's AGM and will not be seeking re-election.

#### New Articles of Association

We are also asking shareholders to approve a number of amendments to our articles of association. We have taken this opportunity to adopt new articles of association, which not only reflect the changes required by The Stock Exchange of Hong Kong but also bring the articles up to date with best practice. An explanation of the main changes between the proposed and the existing articles of association may be found in the appendix on page 11 of this document.

Explanatory notes on all the business to be considered at this year's AGM appear on pages 7 to 9 of this document. The directors consider that all the resolutions to be put to the meeting are in the best interests of the Company and its shareholders. Your Board will be voting in favour of them and unanimously recommend that you do so as well.

Yours sincerely



**Bryan K Sanderson CBE**  
Chairman

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

Executive Directors:	Bryan Kaye Sanderson CBE, Evan Mervyn Davies CBE, Michael Bernard DeNoma, Christopher Avedis Keljik, Richard Henry Meddings, Kaikhushru Shiavax Nargolwala, Peter Alexander Sands; and
Independent Non-Executive Directors:	Sir CK Chow, James Frederick Trevor Dundas, Valerie Frances Gooding, Ho KwonPing, Rudolph Harold Peter Markham, Ruth Markland, Hugh Edward Norton, Paul David Skinner and Oliver Henry James Stocken.

**Standard Chartered PLC**  
1 Aldermanbury Square  
London EC2V 7SB

Registered Office as above  
Registered in England 966425

# Notice of Annual General Meeting 2005

This year's annual general meeting will be held at Merchant Taylors' Hall, 30 Threadneedle Street, London EC2R 8JB on Thursday 5 May 2005 at 12.00 noon (London time). You will be asked to consider and pass the resolutions below. Resolutions 15 to 18 (inclusive) will be proposed as special resolutions. All other resolutions will be proposed as ordinary resolutions.

## Ordinary Resolutions

1. To receive the annual report and accounts for the year ended 31 December 2004.
2. To declare a final dividend of 40.44 US cents per ordinary share for the year ended 31 December 2004.
3. To approve the directors' remuneration report for the year ended 31 December 2004, as set out on pages 54 to 67 of the annual report and on pages 39 to 52 of the annual review.
4. To elect Miss V F Gooding, who was appointed as a non-executive director by the Board during the year.
5. To elect Mr O H J Stocken, who was appointed as a non-executive director by the Board during the year.
6. To re-elect Sir C K Chow, a non-executive director retiring by rotation.
7. To re-elect Mr Ho KwonPing, a non-executive director retiring by rotation.
8. To re-elect Mr R H Meddings, an executive director retiring by rotation.
9. To re-elect Mr K S Nargolwala, an executive director retiring by rotation.
10. To re-elect Mr H E Norton, a non-executive director retiring by rotation.
11. To re-appoint KPMG Audit Plc as auditor to the Company until the end of next year's annual general meeting.
12. To authorise the Board to set the auditor's fees.
13. That the Board be authorised, generally and without conditions, to allot relevant securities (as defined in the Companies Act 1985), such authority to be limited to:
  - (a) the allotment (otherwise than under (b) or (c) below) of relevant securities up to a total nominal value of US\$129,701,049 (being not greater than 20 per cent of the issued ordinary share capital of the Company as at the date of this resolution);
  - (b) the allotment (when combined with any allotment made under (a) above) of relevant securities up to a total nominal value of US\$233,412,206 in connection with:
    - (i) an offer of relevant securities open for a period decided on by the Board:
      - (A) to ordinary shareholders on the register on a particular date (excluding any holder holding shares as treasury shares), in proportion (as nearly as may be) to their existing holdings (ignoring for this purpose both any holder holding shares as treasury shares and the treasury shares held by him); and
      - (B) to people who are registered on a particular date as holders of other classes of equity securities (excluding any holder holding shares as treasury shares), if this is required by the rights of those securities or, if the Board considers it appropriate, as permitted by the rights of those securities,
    - and so that the Board may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with fractional entitlements, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter;
  - (ii) a scrip dividend scheme or similar arrangement implemented in accordance with the articles of association of the Company; and

- (iii) the issue of ordinary shares in respect of exchangeable securities issued by the Company or any of its subsidiary undertakings prior to the date of this meeting;
- (c) the allotment of relevant securities pursuant to the terms of any existing share scheme of the Company or any of its subsidiary undertakings adopted prior to the date of this meeting;
- (d) (in substitution for the authority to allot non-cumulative preference shares of £1.00 each ("sterling preference shares") granted in 2000) the allotment of sterling preference shares up to a total nominal value of £304,715,000;
- (e) (in substitution for the authority to allot non-cumulative preference shares of US\$5.00 each ("dollar preference shares") granted in 2001) the allotment of dollar preference shares up to a total nominal value of US\$1,498,358,060; and
- (f) (in substitution for the authority to allot non-cumulative preference shares of €1,000 each ("euro preference shares") granted in 2000) the allotment of euro preference shares up to a total nominal value of €1,000,000,000,

such authorities to apply in the case of (a), (b) and (c) for the period from 5 May 2005 until the earlier of the end of next year's annual general meeting and 4 August 2006 and in the case of (d), (e) and (f) from 5 May 2005 to 5 May 2010 unless previously cancelled or varied by the Company in general meeting, but, in each such case, so that the Company may make offers and enter into agreements during the relevant period which would, or might, require relevant securities to be allotted after the authority ends and the Board may allot relevant securities under any such offer or agreement, as if the authority had not ended.

14. That the authority granted to the Board to allot relevant securities up to a total nominal value of US\$129,701,049 pursuant to paragraph (a) of resolution 13 set out above 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 16 set out below.

### Special Resolutions

15. That if resolution 13 is passed as an ordinary resolution, the Board be given power to allot equity securities (as defined in the Companies Act 1985) for cash under the authority given by that resolution and/or where the allotment constitutes an allotment of equity securities by virtue of section 94(3A) of the Companies Act 1985, free of the restriction in section 89(1) of the Companies Act 1985, such power to be limited to:

- (a) the allotment of equity securities in connection with an offer of equity securities open for a period decided on by the Board:
  - (i) to ordinary shareholders on the register on a particular date (excluding any holder holding shares as treasury shares), in proportion (as nearly as may be) to their existing holdings (ignoring for this purpose both any holder holding shares as treasury shares and the treasury shares held by him); and
  - (ii) to people who are registered on a particular date as holders of other classes of equity securities (excluding any holder holding shares as treasury shares), if this is required by the rights of those securities or, if the Board considers it appropriate, as permitted by the rights of those securities,

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

- (b) the allotment (otherwise than under (a) above) of equity securities up to a total nominal value of US\$32,425,262,

such power to apply from 5 May 2005 until the earlier of the end of next year's annual general meeting and 4 August 2006 unless previously cancelled or varied by the Company in general meeting, but during this period the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted after the power ends and the Board may allot equity securities under any such offer or agreement as if the power had not ended.

16. That the Company be authorised, generally and without conditions, to make market purchases (as defined in the Companies Act 1985) of its ordinary shares of US\$0.50 each provided that:

- (a) the Company does not purchase more than 129,701,049 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 5 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 from 5 May 2005 until the earlier of the end of next year's annual general meeting and 4 August 2006 unless previously cancelled or varied by the Company in general meeting, 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 may make a purchase of ordinary shares in accordance with any such agreement as if the authority had not ended.

17. That the Company be authorised, generally and without conditions, to make market purchases (as defined in the Companies Act 1985) of up to 328,388 dollar preference shares and up to 195,285,000 sterling preference shares 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:
  - (i) for each sterling preference share (before expenses) than 25 per cent over the average of the middle market prices of such shares according to the Daily Official List of the London Stock Exchange for the ten business days immediately before the date on which the Company agrees to buy the shares; and
  - (ii) for each dollar preference share (before expenses) than 25 per cent over the average of the middle market prices of such shares according to the Daily Official List of the London Stock Exchange for the ten business days immediately before the date on which the Company agrees to buy the shares,

such authority to apply from 5 May 2005 until the earlier of the end of next year's annual general meeting and 4 August 2006 unless previously cancelled or varied by the Company in general meeting, 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 may make a purchase of shares in accordance with any such agreement as if the authority had not ended.

18. That the articles of association produced to the meeting and signed by the Chairman of the meeting for the purposes of identification be adopted as the new articles of association of the Company.

#### **By order of the Board**

**D J Brimacombe**  
**Group Secretary**  
**14 March 2005**

**Registered Office:**  
**1 Aldermanbury Square**  
**London EC2V 7SB**

# Notes

## Ordinary Shareholders

If you are an ordinary shareholder you may attend and vote at the AGM or choose one or more other people (proxies) to attend the AGM and vote for you. A proxy does not need to be a shareholder of the Company. Your proxy form must reach our registrars in Bristol or Hong Kong, as appropriate, by 12.00 noon (London time) (7.00pm Hong Kong time) on Tuesday 3 May 2005. If you send in a completed proxy form you may still attend the AGM and vote in person. If you are a shareholder on the UK register of members, you may alternatively choose to submit your proxy form electronically – details are set out below under the heading 'Electronic Proxy Voting'. Electronic proxy voting is not available to shareholders whose shares are registered on the branch register in Hong Kong.

If you want to attend the AGM and vote, you must be on the Company's register of members in the UK by 10.00pm (London time) on Tuesday 3 May 2005 or on the Company's branch register of members in Hong Kong by 5.00am (Hong Kong time) on Wednesday 4 May 2005. This will also allow us to confirm how many votes you have on a poll. If the AGM is adjourned to a time after 10.00pm (London time) on Thursday 5 May 2005, 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 called 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.

## ShareCare

If you hold your shares in ShareCare, we will send you a voting instruction form. You must make sure that you return the completed form to our registrars in Bristol by 12.00 noon (London time) on Tuesday 3 May 2005. You may also choose to appoint a proxy electronically – details are set out below under the heading 'Electronic Proxy Voting'.

## Electronic Proxy Voting

Shareholders on the UK register of members may appoint a proxy electronically. If you wish to submit your proxy form electronically, you will need an internet-enabled PC with an Internet Explorer 4 or Netscape 4 web browser, or a more recent release of those browsers. You will also need your Shareholder Reference Number (SRN) or ShareCare number (SCN), as appropriate, and Personal Identification Number (PIN) (both of which are printed on the enclosed proxy form or voting instruction form) to access the service. Your PIN will expire at 12.00 noon on Tuesday 3 May 2005.

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.

You may choose to use the electronic proxy appointment service or, if you wish, you can instead continue to submit your proxy form or voting instruction form by post.

Electronic proxy voting is not available to shareholders whose shares are registered on the branch register in Hong Kong.

## Electronic Proxy Voting through CREST

If you are a CREST member and wish to appoint a proxy or proxies by using the CREST electronic proxy appointment service, you may do so by following the procedures described in the CREST manual. 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 CRESTCo's specifications and must contain the information required for these instructions, as described in the CREST manual. The message must be transmitted so as to be received by our agent (ID 3RA50) by 12.00 noon on Tuesday 3 May 2005. 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.

You should note that CRESTCo does not make special procedures available in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is your responsibility to take any necessary action to ensure that messages are transmitted through the CREST system in time. In this connection, you should look at 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.

## Voting

On a show of hands every ordinary shareholder present in person and every proxy appointed by such shareholder (other than the chairman) and present at the meeting has one vote. 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.

## Voting results

You can obtain the results of the meeting by telephoning our registrars on or after 6 May 2005. The results of the meeting will be announced to the UK Listing Authority and The Stock Exchange of Hong Kong and will appear on our website [www.standardchartered.com/investors](http://www.standardchartered.com/investors) on 6 May 2005.

## Preference shareholders

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



### Inspection of documents

The following documents will be available for inspection at 1 Aldermanbury Square, London EC2V 7SB and at the offices of Slaughter and May, 47th Floor, Jardine House, One Connaught Place, Central, Hong Kong from the date of this notice until the time of the AGM and at Merchant Taylors' Hall from 15 minutes before the AGM until it ends:

- A statement containing particulars of loans and quasi-loans made by the Company in favour of the directors and people connected with them.
- A report prepared by our auditor, KPMG Audit Plc on the statement referred to above.
- Copies of the executive directors' service contracts.
- Copies of letters of appointment of non-executive directors.
- The register of directors' interests and the interests of their connected persons in the share capital of the Company.
- The new articles of association of the Company, showing the changes to the current articles proposed in resolution 18.

### Interests in shares

The Company had not been notified before 23 February 2005 (less than one month before the date of this notice) of any changes in the directors' interests or the substantial shareholders' interests in the Company's ordinary shares from those shown in the annual report and annual review.

Please also refer to the published version of this announcement in the South China Morning Post and the Economic Journal dated 14 March 2005.

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

# 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 14 (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 15 to 18 (inclusive) are proposed as special resolutions. This means that, for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

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

## **Resolution 1: Report and Accounts**

The directors are required by law to present, for each financial year, the directors' report, the audited accounts and the independent auditor's report 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 meeting approves resolution 2 the final dividend of 40.44 US cents per ordinary share will be paid on 13 May 2005 to those shareholders registered on the UK register at the close of business (London time) on 25 February 2005 and to those shareholders registered on the branch register in Hong Kong at the opening of business (Hong Kong time) on 25 February 2005 in respect of each ordinary share. United Kingdom registered shareholders will receive their dividends in sterling unless they choose to receive US dollars, Hong Kong dollars or shares. Hong Kong registered shareholders will receive their dividends in Hong Kong dollars unless they choose to receive sterling, US dollars or shares. Please see the separate document entitled "2004 Final Dividend".

## **Resolution 3: Directors' Remuneration Report**

The Company is required by law to seek the approval of shareholders of its annual report on remuneration policy and practice. Shareholders are invited to vote on the Directors' Remuneration Report, which may be found on pages 54 to 67 of the annual report and on pages 39 to 52 of the annual review.

## **Resolutions 4 to 10: Election / Re-election of directors**

The Company's articles of association require any director newly appointed by the Board to retire at the first annual general meeting after their appointment. You are therefore asked to elect as directors Miss V F Gooding and Mr O H J Stocken, who were appointed by the Board since last year's annual general meeting.

Under the articles of association all directors of the Company who held office at the time of the two preceding annual general meetings and who did not retire at either of them must also retire at the annual general meeting and at every general meeting at least one-third of the existing directors must retire. All of the directors are eligible to seek re-election by shareholders at the annual general meeting, if they so wish.

Sir C K Chow, Mr Ho KwonPing, Mr R H Meddings and Mr K S Nargolwala are each retiring by rotation and will submit themselves for re-election at this AGM.

Mr C A Keljik will retire at the end of this AGM and not submit himself for re-election.

In accordance with the Combined Code, any non-executive director who has served nine years or more on the Board must vacate his office and submit himself for re-election at every AGM. Mr H E Norton has served nine years on the Board of the Company as a non-executive director. He will therefore also be retiring by rotation and will submit himself for re-election at this AGM.

Miss V F Gooding, Mr O H J Stocken, Sir C K Chow, Mr Ho KwonPing and Mr H E Norton are all non-executive directors and therefore do not have service contracts.

Mr R H Meddings and Mr K S Nargolwala each have a service contract with a notice period of one year.

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

In addition, Mr O H J Stocken, who was appointed an independent non-executive director in June 2004 and is now standing for election, has significant international and financial experience. Miss V F Gooding, who was appointed an independent non-executive director in January 2005 and is now standing for election, has significant experience in the marketing and service delivery industries. The Board considers that both Mr O H J Stocken and Miss V F Gooding will make valuable contributions to the Board going forward.

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

### **Valerie Frances Gooding CBE†**

Appointed to the Board on 1 January 2005. She is Chief Executive Officer of BUPA and a non-executive director of Compass Group PLC. She was previously Director, Asia Pacific with British Airways, a non-executive director of BAA and of Cable & Wireless Communications plc and on the Board of the Association of British Insurers. Age 54.



### Oliver Henry James Stocken†

Appointed to the Board on 1 June 2004. He is Deputy Chairman of 3i plc and a non-executive director of Pilkington plc, The Rank Group PLC and GUS plc. Previously he was Group Finance director of Barclays PLC. Age 63.

### Sir CK Chow†

Appointed to the Board on 24 February 1997. He is Chief Executive Officer of MTR Corporation Limited of Hong Kong and is non-executive Chairman of Standard Chartered Bank (Hong Kong) Limited. Previously he was Chief Executive Officer of GKN plc and Brambles Industries plc. He is a fellow of the Royal Academy of Engineering, the City and Guilds of London Institute and the Institute of Chemical Engineering. He was formerly a president of the Society of British Aerospace Companies. Age 54.

### Ho KwonPing†

Appointed to the Board on 22 October 1996. He is Chairman of Banyan Tree Holdings Pte Ltd. He is also Chairman of the Wah-Chang Group. In addition, he is Chairman of Singapore Management University, Chairman of MediaCorp and a board director of Singapore Airlines Limited. He is based in Singapore. Age 52.

### Richard Henry Meddings\*

Appointed to the Board on 16 November 2002. He is responsible for Risk, Group Special Asset Management, Legal and Compliance. From March 2005 he will also be responsible for governance in Africa, the Middle East, Pakistan, the United Kingdom, Europe and the Americas. Prior to his appointment, he was Chief Operating Officer, Barclays Private Clients at Barclays PLC. He was Group Finance Director of The Woolwich plc, before it was acquired by Barclays, where his responsibilities also included risk, compliance and treasury. Age 46.

### Kaikhushru Shiavax Nargolwala\*

Appointed to the Board on 7 May 1999. He is Chairman of the Group's Wholesale Banking business with responsibility for business strategy, performance and development of relationships with the Group's key corporate and institutional clients globally. He is responsible for corporate governance across the Asia Pacific region and India and from March 2005 he will also be responsible for governance in Afghanistan, Bangladesh and Sri Lanka. He is a non-executive director of Tate & Lyle PLC and is on the Visa International Asia Pacific Regional Board. He joined Standard Chartered in 1998 as Group Head of Sales. He is based in Singapore. Age 54.

### Hugh Edward Norton†

Appointed to the Board on 7 August 1995. He was formerly a Managing Director of British Petroleum. Age 68.

† Independent non-executive director

\* Executive director

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 directors standing for election or re-election have the following interests in the ordinary shares of the Company as at 23 February 2005, the latest practicable date for determining such information:

Director	Personal interests	Family interests	Other interests	Total
V F Gooding	0	0	0	0
O H J Stocken	1,250	0	3,750	5,000
Sir CK Chow	0	0	15,664	15,664
Ho KwonPing	2,375	0	0	2,375
R H Meddings	11,412	0	0	11,412
K S Nargolwala	0	0	111,870	111,870
H E Norton	0	0	4,000	4,000

None of the above directors has an interest in the Company's preference shares or loan stock, nor the shares or loan stocks of any subsidiary or associated undertaking of the Group.

Current basic annual fees for non-executive directors are \$100,804 with additional fees for ordinary membership or chairmanship of a Board committee as follows:

Committee	Ordinary membership	Chairmanship
Audit and Risk	\$18,328	\$64,148
Nomination	\$5,499	N/A*
Remuneration	\$18,328	\$45,820

\* B K Sanderson is chairman of the Nomination Committee. As Group Chairman, he does not receive any fees in his capacity as a member of the Nomination Committee.

Mr R H Meddings and Mr K S Nargolwala both have an annual basic salary of \$761,000 each with effect from 1 April 2004. In addition, they are eligible to receive a discretionary annual bonus and a long term incentive award as more fully described on pages 56 to 61 of the annual report and pages 41 to 46 of the annual review.

### Resolutions 11 and 12: 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. KPMG Audit Plc has said that they are willing to continue as the Company's auditor for another year. You are asked to reappoint them and, following normal practice, to authorise the Board to set their fees.

### Resolutions 13 and 14: Directors' authority to allot shares

Under section 80 of the Companies Act 1985, the directors may only allot shares, or rights to shares, if shareholders in general meeting have given them power to do so. The power given to the directors at last year's annual general meeting to allot ordinary shares or rights to shares will expire at the end of this year's annual general meeting.

Resolution 13(a) asks for a new authority to be given to allow the directors to allot shares or rights to shares up to a maximum nominal amount of US\$129,701,049, being approximately 20 per cent of the issued ordinary share capital of US\$648,505,246 as at 23 February 2005 (which is less than one month before the date of this notice). 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, resolution 13(a) also restricts the authority of the directors to the 20 per cent threshold.

The directors are also authorised to make allotments, which exceed the 20 per cent authority, in connection with offers to shareholders (such as rights issues), by way of scrip dividend and in respect of exchangeable securities issued by the Company or its subsidiary undertakings prior to the date of this meeting, but only up to a maximum aggregate nominal amount (when combined with any allotments made under the general authority) of US\$233,412,206. This is approximately 36 per cent of the issued ordinary share capital as at 23 February 2005 (which is less than one month before the date of this notice). Of this 36 per cent, approximately 2.7 per cent is to satisfy the Company's obligations to issue ordinary shares in respect of exchangeable securities issued by the Group prior to the date of this meeting. The balance of the authority is for approximately 33.3 per cent of the issued ordinary share capital.

As noted in respect of resolution 15 below, there are legal, regulatory and practical reasons why, under an offer to shareholders, such as a rights issue, it may not be possible to issue equity securities to some shareholders, particularly those resident overseas. Resolution 13(b)(i) makes it clear that the authority to make allotments in connection with offers to shareholders covers any such offers in respect of which the directors may make arrangements to deal with such difficulties, and also with fractions of shares.

Notwithstanding the authority to be granted by resolution 13(b), any rights issue or open offer to shareholders will also need to comply with the applicable Hong Kong Listing Rules, and specific shareholder approval for such issues will therefore be obtained if necessary, in accordance with these requirements.

The directors are also authorised under resolution 13(c) to make allotments pursuant to the Company's existing share schemes or those of its subsidiary undertakings adopted prior to the date of the annual general meeting.

Resolution 13(d) asks for a new authority to be given to allow the directors to allot sterling preference shares up to a maximum nominal amount of £304,715,000 (195,285,000 sterling preference shares were in issue as at 23 February 2005). This resolution is being sought as the five year allotment authority in relation to sterling preference shares granted at the 2000 AGM will shortly expire.

Resolution 13(e) asks for a new authority to be given to allow the directors to allot dollar preference shares up to a maximum nominal amount of US\$1,498,358,060 (328,388 dollar preference shares were in issue as at 23 February 2005). Although the five year allotment authority granted at the 2001 AGM in relation to dollar preference shares still has a year to run, this resolution is being sought to bring the authority into line with the sterling preference shares and the euro preference shares.

Resolution 13(f) asks for a new authority to be given to allow the directors to allot euro preference shares up to a maximum nominal amount of €1,000,000,000 (no euro preference shares were in issue as at 23 February 2005). This resolution is being sought as the five year allotment authority in relation to euro preference shares granted at the 2000 AGM will shortly expire.

The new authority will continue in the case of 13(a), 13(b) and 13(c) until the earlier of the end of next year's AGM and 4 August 2006. The new authority will continue in the case of 13(d), 13(e) and 13(f), until 5 May 2010.

The directors have no intention at present to issue shares during the next year, except as scrip dividends instead of cash dividends, following the exercise of options and awards under the Company's share schemes and following the exercise of conversion and exchange rights under securities issued by the Group prior to the date of this meeting.

In accordance with the Hong Kong Listing Rules, resolution 14 seeks to extend the directors' authority to allot shares pursuant to paragraph (a) of resolution 13 to include the shares repurchased by the Company under the authority to be sought by resolution 16.

#### **Resolution 15: Power to allot equity securities for cash without certain formalities**

This resolution renews the authority conferred on the directors to allot equity securities for cash, without the need first to offer such shares to existing shareholders in proportion to their shareholdings. Your right to be offered equity securities first in this way is known as a "pre-emption right". The Company's ordinary shares (including any such shares which are held by the Company as treasury shares) and rights to them are "equity securities" as defined in section 94(2) of the Companies Act 1985. If the directors wish to allot or, in the case of any treasury shares, sell equity securities paid for entirely in cash (other than to an employee share scheme), section 89(1) of the Companies Act 1985 requires that the equity securities must first be offered to existing shareholders in proportion to their shareholdings.

In certain circumstances, it may be in the interests of the Company for the directors to be able to allot or, in the case of any treasury shares, sell some equity securities for cash (other than to an employee share scheme) without having to offer them to existing shareholders first. Before this can happen, the shareholders must give up their pre-emption rights.

Resolution 15 deals with this, but only for equity securities up to a maximum total nominal value of US\$32,425,262, which was equal to approximately 5 per cent of the Company's issued ordinary share capital as at 23 February 2005 (which is less than one month before the date of this notice) and represents 64,850,524 ordinary shares of US\$0.50 each.

There are legal, regulatory and practical reasons why, under a rights issue or other pre-emptive offer, it may not be possible to issue equity securities to some shareholders, particularly those resident overseas. Resolution 15 also asks for your authority for the directors to make arrangements to deal with such difficulties when making these offers and also for the directors to deal with fractions of shares.

#### **Resolution 16: 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 129,701,049 ordinary shares until the Annual General Meeting in 2006. This is approximately 10 per cent of the Company's issued ordinary share capital as at 23 February 2005 (which is less than one month before the date of this notice). No repurchases of shares will be conducted on The Stock Exchange of Hong Kong.

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 shareholders, taking into account relevant factors and circumstances at that time, for example the effect on earnings per share. The Companies Act 1985 now permits the Company to hold any such bought back shares in treasury as an alternative to immediately cancelling them. 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 employees' 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 provide 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 how to deal with shares held 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 23 February 2005 was 50,970,468, which represented 3.9 per cent of the issued ordinary share capital at that date. If the Company were to purchase the maximum number of ordinary shares permitted by this resolution, the options outstanding at 23 February 2005 would represent approximately 4.4 per cent of the issued ordinary share capital.

The Company held no shares in treasury as at 23 February 2005 (which is less than one month before the date of this notice).

#### **Resolution 17: Authority to purchase preference shares**

The effect of this resolution is to renew the authority granted to the Company to purchase up to 328,388 dollar preference shares and up to 195,285,000 sterling preference shares. During the past year, the directors repurchased 3,000 dollar preference shares. No sterling preference shares were repurchased in that period.

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 in the balance sheet. Having the authority to buy back all the 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 1985 now permits the Company to hold any such bought back shares in treasury as an alternative to immediately cancelling them. 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 18: Adoption of new articles of association**

It is proposed in resolution 18 to adopt new articles of association (the "New Articles") in order to update the Company's current articles of association (the "Current Articles") to take account of changes in English company law, best practice, the UK Listing Rules and the requirements of The Stock Exchange of Hong Kong.

There are several changes introduced in the New Articles of a material nature, which are summarised in the Appendix to this notice. Other changes, which are of a minor, technical or of a clarifying nature, or are made to remove provisions in the Current Articles which duplicate English company law have not been noted in the Appendix. The New Articles showing all the changes to the Current Articles are available for inspection, as noted on page 6 of this document.

**The directors recommend all shareholders to vote in favour of all the resolutions, as the directors intend to do so in respect of their own shares, and consider that the resolutions are in the best interests of the Company and the shareholders as a whole.**

# Appendix

## Explanatory notes of material changes to the Company's articles of association

### Shares held in treasury

Articles 9, 36, 104, 116, 134, 135 and 149 have been amended to reflect recent changes to the UK Listing Rules and the Companies Acts relating to shares held in treasury.

### Article 14(E) – Uncertificated Shares

This sub-Article now states that the Company is entitled to assume that its records of uncertificated securities, if maintained in accordance with the relevant legislation and regularly reconciled with the operator's register, are a complete and accurate reproduction of the operator's register.

### Article 22 – Calls on Shares

This Article clarifies that a person upon whom a call is made on shares remains jointly and severally liable with successors in title to those shares.

### Article 36(i) – Suspension of Rights where non-disclosure of interests

This sub-Article clarifies that the Company can serve a restriction notice on shares not only where there is a failure to comply with a statutory notice but also where purported compliance involves a false or inadequate statement.

### Article 56(B) – Omission or Non-receipt of Notice

This sub-Article now states that a person present in person or by proxy at a general meeting shall be deemed to have received notice of the meeting and, where applicable, notice of the purpose of that meeting.

### Article 69 – Method of Voting

This Article clarifies that the chairman of a general meeting can demand a poll prior to a vote on a show of hands.

### Article 70 – Votes not to be counted

In line with the Hong Kong Listing Rules, this Article clarifies that, where members vote on a resolution at a general meeting of the Company in contravention of any restriction on the right to vote, such votes shall not be counted.

### Article 74 – Votes on a Poll

This Article clarifies that a member need not cast all his votes in the same way on a poll vote.

### Article 78 – No Right to Vote where Sums Overdue on Shares

This Article extends the prohibition on voting in such circumstances to attending the relevant meeting.

### Article 81 – Receipt of Proxies

This Article now explicitly states that the Company may specify the address for electronic communications of proxy appointments in any electronic communication it issues. It also states that proceedings at a general meeting shall not be invalidated where an appointment of a proxy has been properly delivered but cannot be read by the recipient because of a technical problem.

### Article 92 – Identity of Directors to Retire

In line with the Combined Code, this Article 92 now expressly requires non-executive directors to retire at an annual general meeting if they have held such non-executive position for a period of nine years or more at the date of that meeting.

### Article 102 – Expenses

As a result of the changes in law brought about by sections 19 and 20 of the Companies (Audit, Investigations and Community Enterprise) Act 2004 and which are expected to come into force by the time of the AGM, this Article now states that the Company can fund a director's expenditure on defending legal proceedings as provided in the Companies Acts.

### Article 104(F), (G) and (H) – Permitted Interests and Voting

These sub-Articles have been amended to reflect recent changes to the Hong Kong Listing Rules relating to the ability of a director to vote at board meetings on matters in which persons associated with that director are interested.

In addition, sub-Article 104(G) now states expressly that an alternate director shall be treated as having (in addition to any personal interests) the interests of his appointer.

### Article 134(k) – Scrip Dividends

This sub-Article expressly gives the board the discretion to apportion the costs incurred in making new shares available in lieu of a cash dividend, including deciding to deduct such amounts from shareholders' entitlements.

### Article 141(B) – Service of Notices

This new sub-Article states that if on three consecutive occasions a notice to a member has been returned undelivered, such member shall not thereafter be entitled to receive notices from the Company until he shall have communicated with the Company and supplied in writing to the Company a new registered address, or a postal address within the United Kingdom for the service of notices, or shall have informed the Company, in such manner as may be specified by the Company, of an address for the service of notices by electronic communications.

### Article 145 – When Notice deemed Served

This Article now states that when notice or any other document is placed on a Company's website, it shall be deemed to be received the day following the day on which a notice of availability was sent.

#### **Article 148 – Presumptions where Documents Destroyed**

This Article now emphasises that the Company must comply with the Uncertificated Securities Regulations to the extent that they limit its ability to destroy the documents relating to uncertificated shares.

#### **Article 150 – Indemnity of Directors**

This Article, which was formerly headed 'Indemnity of officers', has been amended to reflect the changes in law brought about by the Companies (Audit, Investigations and Community Enterprise) Act 2004 which are expected to come into force by the time of the AGM. The indemnity in relation to defending proceedings has been deleted (however see the notes above on Article 102 (Expenses)). The restrictions on providing indemnities to auditors set out in section 310 of the Companies Act 1985 are not changed by the Companies (Audit, Investigations and Community Enterprise) Act 2004.

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