



Notice of Annual General Meeting 2006

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 Annual Report 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. If you have sold or transferred some, but not all, of your shares you should contact the person who arranged the sale or transfer without delay for advice on what action you should take.

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

A Chinese translation of this document is available on request from Computershare Hong Kong Investor Services Limited, 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.

本文件之中文譯本可向香港中央證券登記有限公司索取，地址：香港皇后大道東183號合和中心46樓。

Notice of the Annual General Meeting of Standard Chartered PLC to be held at the Merchant Taylors' Hall, 30 Threadneedle Street, London EC2R 8JB on Thursday 4 May 2006 at 12 noon (London time) (7.00pm Hong Kong time) is set out on pages 5 to 8 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.

27 March 2006

**Standard
Chartered** 
STANDARD CHARTERED PLC
(Stock Code: 2888)

To ordinary shareholders and, for information only, preference shareholders

27 March 2006

Dear Shareholder

I am pleased to be writing to you with details of our Annual General Meeting (“AGM”), which we are holding on Thursday 4 May 2006 at 12 noon (London time) (7.00pm Hong Kong time) at the Merchant Taylors’ Hall, 30 Threadneedle Street, London EC2R 8JB. The formal notice of our AGM starts on page 5 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 proxy form (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 noon (London time) (7.00pm Hong Kong time) on Tuesday 2 May 2006.

Final Dividend

Shareholders are being asked to approve a final dividend of 45.06 US cents per ordinary share for the year ended 31 December 2005. If you approve the recommended final dividend, this will be paid on 12 May 2006 to all ordinary shareholders who were on the register of members on 10 March 2006. Payment will be made in either sterling, US dollars, Hong Kong dollars or in shares, according to each individual shareholder’s choice.

Board Changes

Mr Ho KwonPing, a non-executive director and a member of the Board Remuneration Committee, will not be seeking re-election and will retire from the Board after nine years of distinguished service at the conclusion of the AGM on 4 May 2006.

Political Donations

The law governing political donations was changed by the Political Parties, Elections and Referendums Act 2000 (the “Act”). The wide definitions within the Act mean certain activities undertaken by the Company such as funding seminars and other functions to which politicians may be invited are now being regulated. The penalties for breaching this legislation are very severe. To avoid infringing the law, all UK companies must seek shareholder approval in advance to making any “donations” or incurring any “EU political expenditure”.

At the 2002 AGM shareholders passed a resolution giving the Company authority to make donations and incur political expenditure and that authority expires at the forthcoming AGM. To date, we have not made any EU political donations or incurred any EU political expenditure. We have a clear and long standing policy not to make political donations of any kind and we have no intention of changing this. However, the directors have decided that it would be prudent to seek shareholders’ approval to renew this authority to avoid normal business activities being caught by the legislation. In accordance with current best practice, the directors will seek to renew this authority on an annual basis in the future. The authority will safeguard the Company from unintentionally committing a technical breach of the Act.

Employee Share Schemes

At the AGM, we shall also be asking for your approval for a proposed amendment to one and the renewal of another of our discretionary share schemes.

We introduced our existing Performance Share Plan (“PSP”) in 2001. This plan, in conjunction with our other discretionary share plans, initially allowed us to provide long term share based awards which were competitive and supported the reward and retention of executives.

The Company continues to perform well and has a clear track record of differentiating executives’ pay according to individual performance. As such, we need to continue to ensure that the Company’s executive compensation arrangements incentivise executives to continue to perform and remain competitive internationally. Over the past two years, changes have been made to the mix of variable compensation for the Company’s executives with a greater reliance on performance shares compared to share options. It is considered that performance shares rather

than share options provide a clearer link between performance and reward and make a more efficient use of share capital. Therefore, it is intended that from 2006 options be completely removed from the compensation arrangements for executive directors. Options are no longer used for other employees. As a result, the Company proposes to rebalance the current incentive arrangements so that awards can be made under the PSP with an equivalent expected value to those made previously under the Executive Share Option Schemes and PSP combined. In light of the above, we are seeking shareholder approval to increase the maximum annual level of awards which can be made to an executive through the PSP to 400 per cent of base salary. It is proposed that the target award level for executive directors will be 150 per cent of base salary per annum, but with the actual grant levels being dependent, as now, on individual and Company performance.

The Company also intends to make certain changes to the performance conditions under the PSP. Further details of the proposed changes are given on page 15 of this document.

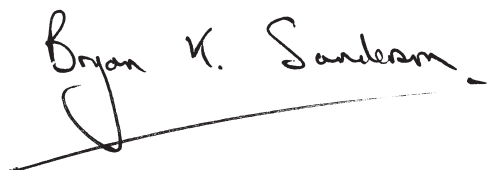
Shareholder approval is also sought for a new Restricted Share Scheme ("RSS") to replace the existing RSS which expires in May 2007. The RSS is an important tool for recruiting, motivating and retaining high performing and high potential staff at all levels of the organisation and plays an important part in the Company's ambition to increase employee share ownership at all levels across its operations internationally.

A summary of the proposed new scheme is set out on pages 16 to 18 of this document.

Explanatory notes on all the business to be considered at this year's AGM appear on pages 11 to 15 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.

If you would like a question or questions to be addressed at the AGM please fill in and return the form on page 19. We will endeavour to address any questions raised when the item of business to which the questions relate is under consideration by the Meeting. Any questions submitted that are not relevant to the business of the Meeting will be forwarded for the attention of an appropriate executive. Submitting a question in this way does not affect your rights as a shareholder to attend and speak at the meeting.

Yours sincerely



Bryan K Sanderson CBE
Chairman

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

The Standard Chartered PLC shareholder register is administered by Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8FB (telephone: +44 (0)870 702 0138).

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, Richard Henry Meddings, Kaikhushru Shiavax Nargolwala, Peter Alexander Sands; and
Independent Non-Executive Directors:	Sir CK Chow, James Frederick Trevor Dundas, Valerie Frances Gooding CBE, 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 and Wales 966425

Notice of Annual General Meeting 2006

This year's annual general meeting will be held at the Merchant Taylors' Hall, 30 Threadneedle Street, London EC2R 8JB on Thursday 4 May 2006 at 12 noon (London time) (7.00pm Hong Kong time). You will be asked to consider and pass the resolutions below. Resolutions 15 to 17 (inclusive) will be proposed as special resolutions. All other resolutions will be proposed as ordinary resolutions.

Ordinary Resolutions

1. To receive the annual report for the year ended 31 December 2005.
2. To declare a final dividend of 45.06 US cents per ordinary share for the year ended 31 December 2005.
3. To approve the directors' remuneration report for the year ended 31 December 2005, as set out on pages 49 to 61 of the annual report and on pages 39 to 51 of the annual review.
4. To re-elect Mr E M Davies, an executive director retiring by rotation.
5. To re-elect Mr M B DeNoma, an executive director retiring by rotation.
6. To re-elect Mr P A Sands, an executive director retiring by rotation.
7. To re-elect Sir CK Chow, a non-executive director retiring by rotation.
8. To re-elect Mr R H P Markham, a non-executive director retiring by rotation.
9. To re-elect Mr H E Norton, a non-executive director retiring by rotation.
10. To re-elect Mr B K Sanderson, the Group Chairman, a 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\$131,986,987 (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\$219,978,312 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; and
 - (ii) a scrip dividend scheme or similar arrangement implemented in accordance with the articles of association of the Company;

- (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,

such authorities to apply for the period from 4 May 2006 until the earlier of the end of next year's annual general meeting and 3 August 2007 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\$131,986,987 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\$32,996,746,

such power to apply from 4 May 2006 until the earlier of the end of next year's annual general meeting and 3 August 2007 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 131,986,987 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 the higher of (i) 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, and (ii) the price stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation (EC No. 2273/2003),

such authority to apply from 4 May 2006 until the earlier of the end of next year's annual general meeting and 3 August 2007 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 4 May 2006 until the earlier of the end of next year's annual general meeting and 3 August 2007 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.

Ordinary Resolutions

18. That in accordance with section 347C of the Companies Act 1985, as amended, the Company be authorised to make donations to EU political organisations and/or to incur EU political expenditure (as such terms are defined under section 347A of the Companies Act 1985, as amended) provided that:
- (a)
 - (i) such donations to EU political organisations shall not (when aggregated with any donations to EU political organisations made by Standard Chartered Bank in the relevant period) in total exceed the sum of £100,000 (or the equivalent in one or more other currencies translated at such rate(s) as the directors of the Company shall consider appropriate); and
 - (ii) such EU political expenditure shall not (when aggregated with any EU political expenditure incurred by Standard Chartered Bank in the relevant period) in total exceed the sum of £100,000 (or the equivalent in one or more other currencies translated at such rate(s) as the directors of the Company shall consider appropriate);
 - (b) such authority shall expire on the earlier of the end of the next year's annual general meeting and 3 August 2007, unless previously renewed, revoked or varied by the Company in general meeting; and
 - (c) the Company may enter into a contract or undertaking under this authority before its expiry which would or might be performed wholly or partly after its expiry and may make donations to political organisations and/or incur EU political expenditure pursuant to such contract or undertaking.
19. That in accordance with section 347D of the Companies Act 1985, as amended, Standard Chartered Bank be authorised to make donations to EU political organisations and/or to incur EU political expenditure (as such terms are defined under section 347A of the Companies Act 1985, as amended) provided that:

- (a) (i) such donations to EU political organisations shall not (when aggregated with any donations to EU political organisations made by the Company in the relevant period) in total exceed the sum of £100,000 (or the equivalent in one or more other currencies translated at such rate(s) as the directors of the Company shall consider appropriate), and;
 - (ii) such EU political expenditure shall not (when aggregated with any EU political expenditure incurred by the Company in the relevant period) in total exceed the sum of £100,000 (or the equivalent in one or more other currencies translated at such rate(s) as the directors of the Company shall consider appropriate);
 - (b) such authority shall expire on the earlier of the end of next year's annual general meeting and 3 August 2007, unless previously renewed, revoked or varied by the Company in general meeting; and
 - (c) Standard Chartered Bank may enter into a contract or undertaking under this authority before its expiry which would or might be performed wholly or partly after its expiry and may make donations to political organisations and/or incur EU political expenditure pursuant to such contract or undertaking.
20. That the rules of the Standard Chartered 2001 Performance Share Plan be amended to reflect the changes described on pages 3 and 4 of the Chairman's letter to shareholders dated 27 March 2006, page 15 in the explanatory notes and in the Appendix on pages 16 to 18 of the Notice of Annual General Meeting 2006 dated 27 March 2006 and that the Board (or any duly authorised committee of the Board) be authorised to do anything which it considers necessary or desirable to give effect to these changes.
21. That the Standard Chartered 2006 Restricted Share Scheme, the principal features of which are summarised on pages 3 and 4 of the Chairman's letter to shareholders dated 27 March 2006, page 15 in the explanatory notes and in the Appendix on pages 16 to 18 of the Notice of Annual General Meeting 2006 dated 27 March 2006 be approved and adopted and that the Board (or any duly authorised committee of the Board) be authorised to do anything which it considers necessary or desirable to carry the same into effect and to make such changes as it may consider appropriate for that purpose.

By order of the Board

C B Brown
Group Company Secretary
27 March 2006

Registered Office:
1 Aldermanbury Square
London EC2V 7SB

Notes

Audio Version of Notice of AGM

We have produced an audio version of our Notice of AGM. Copies are available (in limited numbers) on either audiocassette or CD. If you require an audio version, please contact our registrars, 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.

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, UK or Hong Kong, as appropriate, by 12 noon (London time) (7.00pm Hong Kong time) on Tuesday 2 May 2006. 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 2 May 2006 or on the Company’s branch register of members in Hong Kong by 5.00am (Hong Kong time) on Wednesday 3 May 2006. 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 4 May 2006, 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, UK by 12 noon (London time) on Tuesday 2 May 2006. 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 noon (London time) on Tuesday 2 May 2006.

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 noon (London time) on Tuesday 2 May 2006. 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 5 May 2006. The results of the meeting will be announced to the UK Listing Authority and The Stock Exchange of Hong Kong Limited. A copy of that announcement will be published in the South China Morning Post and the Hong Kong Economic Journal and will appear on our website at www.standardchartered.com/investors on 5 May 2006.

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 end of the AGM and at the 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 and that of the Group Chairman.
- Copies of the 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 rules of the Standard Chartered 2001 Performance Share Plan, showing the changes proposed in resolution 20.
- The rules of the Standard Chartered 2006 Restricted Share Scheme to be adopted under resolution 21.

Interests in shares

The Company had not been notified before 28 February 2006 (the latest practicable date before the publication 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 Hong Kong Economic Journal dated 27 March 2006.

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) and Resolutions 18 to 21 (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 17 (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: Annual Report

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 45.06 US cents per ordinary share will be paid on 12 May 2006 to those shareholders registered on the UK register at the close of business (London time) on 10 March 2006 and to those shareholders registered on the branch register in Hong Kong at the opening of business (Hong Kong time) on 10 March 2006 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 “2005 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 49 to 61 of the annual report and on pages 39 to 51 of the annual review.

Resolutions 4 to 10: Re-election of directors

Under the Company’s articles of association, all directors who held office at the time of the two preceding annual general meetings and who did not retire at either of them must 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.

Mr B K Sanderson, Mr E M Davies, Mr P A Sands, Mr M B DeNoma and Mr R H P Markham are each retiring by rotation and will submit themselves for re-election at this AGM.

In accordance with the Combined Code and under the Company’s articles of association, 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. Sir CK Chow and Mr H E Norton have each served nine years or more on the Board of the Company as non-executive directors. They will therefore also be retiring by rotation and will submit themselves for re-election at this AGM. The Board Nomination Committee (the “Committee”) has carried out a rigorous review of the performance of these directors and their contribution to the deliberations and decisions of the Board during 2005. The Committee, as part of its review, has taken into account the need for progressive refreshing of the Board and it believes that Sir CK Chow and Mr H E Norton continue to be committed to the Company and independent in character and judgement. The Committee therefore fully supports the proposal to re-elect Sir CK Chow and Mr H E Norton as independent non-executive directors for a further year.

Mr Ho KwonPing has also served nine years on the Board. He will retire at the end of the AGM but will not submit himself for re-election.

Sir CK Chow, Mr H E Norton and Mr R H P Markham are all non-executive directors and therefore do not have contracts of employment.

Mr E M Davies, Mr M B DeNoma and Mr P A Sands each have a contract of employment with a notice period of one year.

Mr B K Sanderson has a contract of employment with similar terms to the executive directors’ contracts 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 their experience and performance, the Board considers that they will each continue to make a valuable contribution to the Company.

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

E Mervyn Davies CBE*

Group Chief Executive

Appointed to the Board on 16 December 1997 and as Group Chief Executive on 28 November 2001. Before his appointment as Group Chief Executive he was the executive director with responsibility for Hong Kong, China and North East Asia and for Group-wide Technology and Operations. He is a non-executive director of Tesco PLC and of Tottenham Hotspur plc and is Chairman of the Appeal Fundraising Board of Breakthrough Breast Cancer. Age 53 as at the date of the AGM.

Mike DeNoma*

Appointed to the Board on 12 May 2000. He is responsible for the Group's Consumer Banking business worldwide. He joined Standard Chartered in July 1999 with responsibility for Consumer Banking in Asia. He is a member of the board of Singapore Management University and a director of the International Center for Missing and Exploited Children. He is based in Singapore. Age 50 as at the date of the AGM.

Peter Sands*

Appointed to the Board on 14 May 2002. He is responsible for Finance, Risk, Strategy and Technology and Operations. Prior to his appointment he was a director with worldwide consultants McKinsey & Co. He had been with McKinsey since 1988, where he worked extensively in the banking and technology sectors in a wide range of international markets. Age 44 as at the date of the AGM.

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. He is a member of the Hong Kong Tourism Board, the Council of the Chinese University of Hong Kong and the Council of the Hong Kong Institute of Certified Public Accountants. Previously he was Chief Executive Officer of GKN plc and Brambles Industries plc. He was formerly a president of the Society of British Aerospace Companies. He is based in Hong Kong. Age 55 as at the date of the AGM.

Rudy Markham†

Appointed to the Board on 19 February 2001. He is Chief Financial Officer of Unilever. Age 60 as at the date of the AGM.

Hugh Norton†

Senior Independent Director

Appointed to the Board on 7 August 1995. He was formerly a Managing Director of British Petroleum. Age 69 as at the date of the AGM.

Bryan Sanderson CBE

Chairman

Appointed to the Board on 9 December 2002 and as Chairman on 8 May 2003. He spent most of his career with British Petroleum, rising to become a main board director and Chief Executive of BP Chemicals before he retired in 2000. He is Chairman of BUPA, and joint Chairman of the Asia Task Force with the British Secretary of State for Trade and Industry. He is also a non-executive director of Sunderland Limited and of Durham County Cricket Club Holdings Limited and is on the board of directors of the Asian University for Women Support Foundation and the Commonwealth Business Council. Age 65 as at the date of the AGM.

* Executive director

† Independent non-executive director

None of the directors standing for re-election has any relationship with any other director, member of senior management or substantial or controlling shareholder of the Company. The 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 no other details pursuant to these listing rules need to be disclosed.

The directors standing for re-election have the following interests in the ordinary shares of the Company as at 28 February 2006, the latest practicable date for determining such information:

Director	Personal interests	Family interests	Other interests	Total
E M Davies	109,291	0	51,602	160,893
M B DeNoma	85,607	0	24,941	110,548
P A Sands	15,641	0	30,961	46,602
Sir CK Chow	15,664	0	0	15,664
R H P Markham	2,302	0	0	2,302
H E Norton	7,500	0	0	7,500
B K Sanderson	147,448	16,159	26,062	189,669

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

Current basic annual fees for non-executive directors are US\$100,111 (£55,000) with additional fees for ordinary membership or chairmanship of a Board committee as follows:

Committee	Ordinary membership		Chairmanship	
Audit and Risk	US\$18,202	(£10,000)	US\$63,707	(£35,000)
Board Nomination	US\$5,461	(£3,000)		N/A*
Board Remuneration	US\$18,202	(£10,000)	US\$45,505	(£25,000)
Corporate Responsibility and Community	US\$9,101	(£5,000)		N/A*

*B K Sanderson is chairman of the Board Nomination Committee and the Corporate Responsibility and Community Committee. He does not receive any additional fees in his capacity as a member of either Committee.

An additional annual fee of US\$36,404 (£20,000) is payable to Mr H E Norton as the Senior Independent Director to reflect the further workload that is associated specifically with this role.

Sir CK Chow is also Chairman of Standard Chartered Bank (Hong Kong) Limited. He receives an all-inclusive fee for his Hong Kong and Standard Chartered PLC Board duties of US\$257,159 (HK\$2,000,000) per annum.

The Group policy is that base salary levels are set with reference to the median of the FTSE 350 and the Group's key international competitors. Salary levels are reviewed annually by the Board Remuneration Committee taking account of the latest available market data. Any increases in annual base salary are effective from 1 April of the relevant year. The average sterling salary increase for executive directors in 2005 (effective 1 April 2005) was 5.6 per cent. The increases in base salary were intended to align salary levels to those within the market. The annual base salary levels of executive directors as at 1 January 2005 and 31 December 2005 were as follows:

	1 January 2005	31 December 2005	Increase as a % of base salary
E M Davies	US\$1,365,150 (£750,000)	US\$1,456,160 (£800,000)	6.67%
M B DeNoma	US\$755,383 (£415,000)	US\$782,686 (£430,000)	3.61%
P A Sands	US\$864,595 (£475,000)	(US\$955,605 (£525,000)	10.5%

In addition, the executive directors are eligible to receive a discretionary annual bonus and a long term incentive award as more fully described on page 51 of the Annual Report and page 41 of the Annual Review.

The compensation arrangements for the Chairman were reviewed in 2004. Following the review, the arrangements were restructured to take effect from 1 January 2005. Mr B K Sanderson, the Chairman, receives a base salary of US\$682,575 (£375,000) and an award of shares equal in value, based on the share price at the end of 2004. The share component is delivered in two tranches each year in April and October. He is no longer eligible to participate in the Group's annual bonus and discretionary share plans. The current compensation arrangements for the Chairman will remain unchanged for two years, after which they will be reviewed against prevailing market practice for roles of this type.

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 authority to do so. The authority given to the directors at last year's annual general meeting to allot shares or rights to shares will expire at the end of this year's annual general meeting. Accordingly, this resolution seeks shareholders' approval to renew this authority.

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\$131,986,987, being approximately 20 per cent of the issued ordinary share capital of US\$659,934,937 as at 28 February 2006 (which is the latest practicable date before publication 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 but only up to a maximum aggregate nominal amount (when combined with any allotments made under the general authority) of US\$219,978,312. This is approximately 33.3 per cent of the issued ordinary share capital as at 28 February 2006 (which is the latest practicable date before publication of this notice).

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, and, if resolution 21 is passed by shareholders at the annual general meeting, pursuant to the 2006 Restricted Share Scheme.

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 annual general meeting and 3 August 2007.

The directors have no specific plans to allot shares, except as scrip dividends instead of cash dividends and following the exercise of options and awards under the Company's share schemes. However, the authority gives the directors flexibility to take advantage of business opportunities as they arise.

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 under 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 under 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\$32,996,746, which was equal to approximately 5 per cent of the Company’s issued ordinary share capital as at 28 February 2006 (which is the latest practicable date before the publication of this notice) and represents 65,993,493 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 131,986,987 ordinary shares until the annual general meeting in 2007 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 28 February 2006 (which is the latest practicable date before the publication of this notice). 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 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 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 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 on 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 Company held no shares in treasury as at 28 February 2006 (which is the latest practicable date before the publication of this notice).

The total number of options to subscribe for ordinary shares outstanding at 28 February 2006 was 45,693,296, which represented 3.5 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 28 February 2006 would represent approximately 3.8 per cent of the issued ordinary share capital.

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 US dollar preference shares and up to 195,285,000 sterling preference shares. No dollar or 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.

Resolutions 18 and 19: Authority to make donations to EU political organisations and incur EU political expenditure

It is the Company’s policy and that of its principal subsidiary, Standard Chartered Bank, not to make donations to political parties and there is no intention of changing this policy.

The law governing political donations was changed in 2000 and as a result, payments and activities which were not previously regulated are, in certain circumstances, prohibited without shareholder approval. UK companies must obtain shareholder approval in advance before they, or any of their wholly owned subsidiaries, can make “political donations” or incur “EU political expenditure” of over £5,000 in aggregate over any 12 month period. Routine commercial activities that fall within the Company’s ordinary course of business could unintentionally breach the current law, the penalties for which can be severe. To avoid inadvertent infringement of the law, the Board is seeking to renew this authority for the Company and Standard Chartered Bank to make “donations” to “EU political organisations” up to an annual limit of £100,000 and incur “EU political expenditure” up to an annual limit of £100,000 (each as defined by this law), such authority to be effective from 4 May 2006 until the earlier of the end of next year’s annual general meeting and 3 August 2007 unless previously renewed, revoked or varied by the Company in general meeting.

Resolution 20: Performance Share Plan

As explained in the Chairman's letter, the Company is keen to ensure that it has the right incentive tools through which it can incentivise senior executives.

Shareholder approval is sought to increase the maximum award level under the 2001 Performance Share Plan ("PSP"). The Company is essentially rebalancing the current incentive arrangements so that awards can be made under the PSP with an equivalent expected value to those made previously under the Executive Share Option Schemes and the PSP combined. However, it is intended that from 2006, share options will be completely removed from the incentive arrangements for executive directors. Options are no longer used for other employees. It is the Board Remuneration Committee's intention that the overall level of incentives awarded under the Company's discretionary share schemes remains broadly level.

The proposal is to increase the maximum value of shares which may be awarded under the PSP in any year to any individual from 200 per cent to 400 per cent of their base salary. It is important to emphasise that this is a maximum limit and awards to this level will only be granted in exceptional circumstances. The Company remains committed to linking awards to performance of both the Company and the individual and will continue to differentiate the levels of awards to executives on this basis. It is proposed that the target award level for executive directors will be 150 per cent of base salary per annum.

The Company also intends to amend the performance conditions under the PSP, with selected changes to the vesting schedule for both Total Shareholder Return ("TSR") and Earnings Per Share ("EPS") elements. In particular, under the proposed TSR vesting schedule:

- (a) 15 per cent of the award will vest for median TSR performance over the three year measurement period rather than 20 per cent as is currently the case; and
- (b) full vesting will occur if the Company's TSR performance is ranked at least third against the comparator group, rather than at least fourth as is currently the case.

Under the EPS performance condition, 15 per cent of the award will vest for threshold EPS performance (i.e. 15 per cent EPS growth over the three year measurement period) rather than 20 per cent as is currently the case.

A summary of the PSP, including the proposed changes, is set out in the Appendix.

Resolution 21: Restricted Share Scheme

Shareholder approval is sought for the adoption of the Standard Chartered 2006 Restricted Share Scheme (the "2006 RSS").

The existing Restricted Share Scheme (the "1997 RSS") is an important tool for recruiting, motivating and retaining high performing and high potential staff at all levels of the organisation. However, executive directors do not generally receive awards under the 1997 RSS except in exceptional circumstances (for example, on recruitment).

It is expected that the 2006 RSS will play a significant part in the Company's ambition to increase employee share ownership at all levels across its operations internationally. Similar plans can be found in many commercial sectors but they are particularly common in the financial services industry in the UK and internationally.

A summary of the proposed share scheme is set out in the Appendix.

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 shareholders as a whole.

Appendix

Summary of the Standard Chartered 2001 Performance Share Plan (the “PSP”) and the Standard Chartered 2006 Restricted Share Scheme (the “RSS”), collectively referred to as the “Plans”

A. Common features of the Plans

(i) Administration

The Plans operate through the Standard Chartered 1995 Employee Share Ownership Plan (the “ESOP”). As the executive directors and the Chairman are within the class of beneficiary of the ESOP, they are deemed to have an interest in the shares held in the ESOP.

(ii) Eligibility

The Company's Employee Share Schemes Committee (“ESSC”) may invite any employee of the Company or any of its subsidiaries (together the “Group”) to participate.

(iii) Awards

An award may take the form of a conditional right or a nil price option to acquire a specified maximum number of ordinary shares at no cost to the participant. However, for US tax reasons, an award made to a US taxpayer must take the form of a conditional right to acquire shares. Awards are subject to the limits in paragraph (v) and the individual limits under each Plan set out in sections B (ii) and C (iii) below. PSP awards are also subject to the performance conditions in section B (i) below. RSS awards are not subject to performance conditions.

Awards are normally made during the six weeks following the approval of the Plans by shareholders and otherwise during the period of six weeks from the announcement by the Company of its interim or final results for any financial year (and at other times in exceptional circumstances). No awards may be made more than ten years after the Plans are adopted. Awards are personal to the participant and, except on the death of a participant, may not be transferred.

(iv) Exercise of Awards

Participants may normally exercise PSP awards between three and ten years after the date of grant to the extent that the performance conditions have been met.

Participants may normally exercise 50 per cent of RSS awards between two and seven years after the date of grant and the remaining 50 per cent between three and seven years after the date of grant.

Normally, a participant must remain employed by the Group in order to receive their shares. Awards under the RSS will lapse if the participant is adjudged bankrupt. However, in respect of PSP awards, if their employment ceases in certain specified circumstances, such as ill-health, injury, disability, retirement at normal contractual retirement age, redundancy, the sale of the relevant employing company or the transfer of the business in which the participant is employed, they will normally only receive a time apportioned number of shares and to the extent that any applicable performance conditions are met. If a participant ceases employment for any other reason, their awards will normally lapse, unless the Board Remuneration Committee (“BRC”) decides otherwise.

If a participant dies, their personal representative may receive a time apportioned number of shares and, where relevant, the performance conditions may be waived at the discretion of the Committee.

(v) Limits of the Plans

The ESOP may subscribe for or purchase shares for the Plans. However, the Board may not issue shares to the ESOP at a price less than the higher of (i) the average of the middle market quotation for a share on the Daily Official List of the London Stock Exchange on the dealing day (or the average for the five dealing days) before they are issued or (ii) (if an option is granted to the ESOP to subscribe for shares), the average of the middle market quotation for a share on the Daily Official List of the London Stock Exchange on the dealing day (or the average for the five dealing days) before the grant of the option. In addition, the following limits, which are consistent with those contained in the other schemes operated by the Group, apply to the Plans:

- (a) in any ten year period, the number of shares which may be issued or awarded under either of the Plans and any discretionary share scheme established by the Company may not exceed 5 per cent of the issued share capital of the Company from time to time; and
- (b) in any ten year period, the number of shares which may be issued or awarded under either of the Plans and any employee share scheme established by the Company may not exceed 10 per cent of the issued share capital of the Company from time to time.
- (c) pursuant to the terms of a waiver from strict compliance with the relevant requirements of the Hong Kong Listing Rules the total number of shares which may be issued or awarded under either of the Plans and any employees share schemes established by the Company may not in aggregate exceed 10 per cent of the share capital from time to time.

It is not considered feasible or appropriate to disclose the value of all options that can be granted under the scheme as the limits set out above do not apply to any one plan in isolation.

(vi) Change of control

If there is a change of control, scheme of arrangement, reconstruction or amalgamation or winding-up of the Company, participants may receive their shares subject to the consent of the BRC, taking into account, in respect of PSP awards only, the extent to which the performance conditions have been satisfied at that time and, in respect of both Plans, the time that has passed since the award was made and any other relevant criteria.

(vii) Pension rights

Awards of shares under the Plans will not form part of pensionable earnings.

(viii) Variation in share capital

If the share capital of the Company is varied, the ESSC may adjust the number of shares which a participant may acquire and, where relevant, the performance conditions to which an award is subject.

(ix) Amendments

The ESSC may amend the Plans at any time. However, the prior approval of the Company in general meeting will be required for amendments to the advantage of participants relating to eligibility, individual and overall limits, rights to exercise awards and variations of capital except for minor amendments to benefit the administration of the Plans, to take account of any changes in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for any member of the Group.

However, subject to shareholder approval at the AGM in the case of the RSS, the Plans permit the adoption, without further shareholder approval, of corresponding schemes for the benefit of non-UK employees of the Group.

(x) Cash equivalent

Following the exercise of an award, the ESSC may decide that in lieu of a right to receive ordinary shares, a participant shall be paid a cash sum equivalent to the market value of the ordinary shares at that time.

The cash equivalent provisions are intended to be operated in those jurisdictions where, due to securities laws or other regulatory issues, there are difficulties in allotting shares to participants.

B. Key features of the PSP

(i) Performance conditions

The BRC sets appropriate performance conditions each time that awards are made under the PSP. The conditions that apply to the awards are disclosed in the Company's Annual Report for the year concerned.

The BRC may amend the performance conditions which apply to any award if the amended condition would provide a more appropriate measure of performance, as long as the amended condition would be no less demanding to satisfy. In particular, the BRC may increase the earnings per share ("EPS") growth targets if inflation rises significantly.

Current conditions

All awards made under the PSP to date have been subject to the following performance conditions:

First, the Company's total shareholder return ("TSR") is compared to that of a group of other major UK and international banks (the "Comparator Group") over a period of three years. The Comparator Group currently comprises ABN Amro, Bank of America, Bank of East Asia, Barclays, Citigroup, DBS Group, Deutsche Bank, HBOS, HSBC, JP Morgan Chase, Lloyds TSB, Overseas Chinese Banking Corporation, RBS Group and United Overseas Bank.

If the Company's TSR performance is equal to that of the median ranking company in the Comparator Group, participants may exercise 20 per cent of their award. They are not able to exercise any of their award if the Company's TSR is below that of the median ranking company. They are able to exercise 50 per cent of their award if the Company's TSR performance is equal to or greater than that of the Company ranked fourth in terms of TSR performance. The proportion of any award which they may exercise for TSR ranking between these points is calculated on a straight line basis.

Secondly, awards are subject to the following EPS growth targets applied over the same three year performance period. Participants are not able to exercise their award unless the Company's EPS has increased by at least 15 per cent, when they may exercise 20 per cent of the award. They may exercise 50 per cent of their award if the Company's EPS has increased by at least 30 per cent. The proportion of the award which they may exercise for EPS growth between 15 per cent and 30 per cent is calculated on a straight line basis.

Future conditions

The following amendments are to be made to the performance conditions attached to future awards under the PSP. All other aspects of the performance conditions will remain unchanged.

If the Company's TSR performance is equal to that of the median ranking company, participants may exercise 15 per cent of their award. They will be able to exercise 50 per cent of their award if the Company's TSR performance is equal to or greater than that of the Company ranked third in terms of TSR performance. The proportion of any award which they may exercise for TSR ranking between these points will be calculated on a straight line basis.

Further, if the Company's EPS has increased by 15 per cent over the three year performance period, participants may only exercise 15 per cent of their award rather than 20 per cent as is currently the case. If the Company's EPS has increased by at least 30 per cent, 50 per cent of their award is exercisable with the proportion of the award which they may exercise for EPS growth between 15 per cent and 30 per cent calculated on a straight line basis.

(ii) Individual limits

Current limit

The value of shares awarded under the PSP in any financial year to any individual may not exceed 200 per cent of their annual base salary, or such lesser percentage as may be set for any individual or class of participants.

Proposed limit

Shareholder approval is sought to increase the individual limit such that the value of shares awarded under the PSP in any financial year to any individual may not exceed 400 per cent of their annual base salary.

C. Key features of the RSS

(i) General

The RSS will replace the existing 1997 Restricted Share Scheme, under which no further awards will be made.

(ii) Eligibility

Executive directors will only receive awards under the RSS in exceptional circumstances, for example on recruitment.

(iii) Individual limits

The value of shares awarded under the RSS in any financial year to any individual may not exceed 200 per cent of their annual base salary, or such lesser percentage as may be set for any individual or class of participants.

Annual General Meeting – 4 May 2006

If there is a question or questions you would like to have addressed at the Annual General Meeting (the “AGM”) on 4 May 2006, please write your question(s) here and return this form as indicated below:

Question(s)

[illegible]

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

Submitting a question in advance of the AGM does not affect your rights as a shareholder to attend and speak at the AGM.

Signed: _____

Full Name: _____

Shareholder/ShareCare Reference Number: _____

Please return this form to the Company's registrars along with your proxy form/voting instruction form using the prepaid envelope. Shareholders registered in the United Kingdom should return their form to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8FB, United Kingdom **no later than 12 noon on Tuesday 2 May 2006**. Shareholders registered in Hong Kong should return their form to Computershare Hong Kong Investor Services Limited, Hopewell Centre, 46th Floor, 183 Queen's Road East, Wan Chai, Hong Kong **no later than 7.00pm on Tuesday 2 May 2006**.

© **Standard Chartered PLC**

March 2006

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