

Stock Exchange Announcement

9 January 2014

Standard Chartered Reorganisation of Business and Board Changes

- Standard Chartered announces a reorganisation to deliver the strategic and financial aspirations outlined at its Investor Day on 11 November 2013
- Wholesale Banking and Consumer Banking to be integrated from 1 April 2014
- Mike Rees to run these combined businesses and to be appointed Deputy Group Chief Executive, reporting to Peter Sands, Group Chief Executive
- Steve Bertamini, Group Executive Director and CEO Consumer Banking, to step down from the Board at the end of March 2014
- Richard Meddings, Group Executive Director and Group Finance Director, to step down from the Board by the end of June 2014

Standard Chartered PLC “the Group” announces the reorganisation of its Wholesale Banking and Consumer Banking businesses, and the appointment of Mike Rees as Deputy Group Chief Executive. In addition, the Group announces that Steve Bertamini and Richard Meddings will be stepping down from the Board and leaving the Group later this year.

The Group’s two businesses, Wholesale Banking and Consumer Banking, will be integrated to form one business, organised into three customer segment groups and serviced by five global product groups. Mike Rees (age 57) will take responsibility for this combined business, and will continue to report to Peter Sands, Group Chief Executive. Both Mike’s appointment as Deputy Group Chief Executive and the reorganisation will take effect on 1 April 2014.

Peter Sands said “The reconfiguration of our business is a critical next step as we implement our refreshed strategy and reinvigorate our growth momentum. At the Investor Day on 11 November 2013, we outlined our new strategic aspirations and revised financial performance framework. On 1 January 2014 we implemented our new, simplified regional structure. Today, we are announcing a new model for the organisation of our business. This will sharpen our focus on distinct customer segments, enabling us to deploy capital, liquidity and investment spend more effectively, and deliver both productivity gains and improvements in the quality of the service and products we offer our customers. Further changes will take place in the support and control functions as they adapt to the reshaping of the business and regions.

I would like to thank both Steve and Richard for their contribution to the success of the Group. Richard has played a key role in the transformation of Standard Chartered over the last decade. Under Steve’s leadership, our Consumer Banking business has made huge strides in developing its digital capabilities and in improving customer service. Steve and Richard are both outstanding leaders, good friends and will be missed. We wish them both well in their future careers.”

The Group outlined its strategic and financial performance aspirations in presentations to investors on 11 November 2013. In these presentations, the Group said that it had sharpened its strategy to focus on banking the people and companies driving investment, trade and the creation of wealth across Asia, Africa and the Middle East. Expanding on this statement of strategic purpose, the Group outlined a refreshed financial framework for delivering profitable growth and capital accretion, and set out five specific aspirations for growing the business. These covered client relationships, trade, wealth, investment, and building scale in priority markets.

The purpose of the reorganisation is to support these aspirations and will enable the Group to:

- Focus the deployment of resources more effectively across the whole organisation to capture the biggest growth opportunities in our markets and maximise returns
- Serve clients and customers better by grouping them more logically by their needs, while offering a broader and more consistent range of products to all segments, creating further income growth opportunities
- Achieve cost savings by removing the duplication that exists both in the two businesses' product teams and in the functions that support them, including Risk, Finance, Legal and Compliance, Human Resources, and Technology and Operations, and by creating consistent infrastructure and processes
- Strengthen its distinctive culture, enhancing collaboration across the Group, providing a stronger, more consistent brand experience and reinforcing the Group's framework and processes to ensure the highest standards of conduct across all aspects of our business

The three new customer segment groups are Corporate and Institutional Clients, Commercial and Private Banking Clients, and Retail Customers. To give a sense of relative scale, of the Group's 2012 income, Corporate and Institutional Clients represent approximately 60 per cent, Commercial and Private Banking Clients 10 per cent, and Retail Customers 30 per cent. The five global product groups are: Financial Markets, Corporate Finance, Transaction Banking, Wealth Products and Retail Products. View the appointments to head the new business groups - <https://www.sc.com/en/resources/global-en/pdf/media/organisation-09January2014.pdf>

The roles of CEO Consumer Banking and CEO Wholesale Banking will cease to exist under the new structure. As a result, Steve Bertamini will step down from the Board as Group Executive Director on 31 March 2014 and will leave the Group by 30 June 2014. Meanwhile, he will work closely with Peter Sands and Mike on the transition to the new structure.

Mike Rees joined the Group in 1990, was appointed to the Board as Group Executive Director in August 2009 and has been CEO Wholesale Banking since 2002. Steve Bertamini was appointed to the Board as Group Executive Director and CEO Consumer Banking in May 2008, and the business has made considerable strategic progress under his leadership. The Board recognises and appreciates the significant contribution Steve has made to the Group.

Steve Bertamini, CEO Consumer Banking, said "I am very proud of what the Consumer Banking teams have accomplished across the world over the last five years and wish my friends and colleagues at the Bank all the best in the future."

As of 1 January 2014, the Group has also implemented a simplified structure of eight geographic regions to enable greater efficiency and effectiveness. Greater China, ASEAN, North East Asia, and South Asia will continue to report to Jaspal Bindra, Group Executive Director and CEO Asia. Middle East, North Africa and Pakistan (MENAP), Africa, Europe and the Americas will continue to report to V. Shankar, Group Executive Director and CEO MENAP, Africa, Europe and the Americas. Both Jaspal and Shankar will continue to report to Peter Sands.

The Group's global support and control functions have already been reconfigured to align to the new regional structure and will undergo further change in response to the reorganisation of the business. They will continue to report to Peter Sands.

These changes to the Group's organisational structure represent components of a programme of management actions to execute the refreshed and sharpened strategy, deliver

the growth and return aspirations embedded in the Group's five performance metrics, and adapt to the changes in the regulatory and market environment.

Richard Meddings, Group Finance Director and Group Executive Director has decided that this is an appropriate time to step down from the Board after a long and distinguished career with the Group. During his eleven-year tenure as a Director, and the last seven as Group Finance Director, Richard has played a critical role in the Group's growth and transformation. The Board recognises and appreciates his significant leadership contribution. He will step down from the Board and leave the Group by 30 June 2014, enabling a smooth transition to his successor. Richard joined the Group and Board in 2002, was appointed Group Finance Director in November 2006 and is responsible for Finance and Group Treasury.

Richard Meddings, Group Finance Director, said "It's been a real privilege to work at Standard Chartered and an honour to have served on its Board since I joined the Group in 2002. It's an excellent bank, staffed by great people and operating in the growth markets of the world. However, after eleven years – seven as Finance Director – and as the Group now evolves into its next phase, this is a natural point for me to step away, which I have announced I will do by 30 June. I look forward to helping Peter, Mike and the team with the transition over the next six months."

The Board Nomination Committee will lead the process to appoint a new Group Finance Director and an announcement on his successor will follow in due course.

Sir John Peace, Chairman, said "The appointment of Mike, to work closely with Peter in leading the newly integrated business, will deliver benefits for clients, customers and shareholders. On behalf of the Board and the Group, I would like to thank both Steve and Richard for the enormous contribution they have made and wish them well for the future."

The Group will announce its Full Year 2013 results on 5 March 2014 with financial data based on the current Group structure. Prior to the Half Year results in August 2014, the Group will restate its 2013 financials according to the reorganisation announced today.

For further details on the Group's strategic aspirations and reorganisation, see www.sc.com, and for its investor presentations given on 11 November 2013, see <http://investors.standardchartered.com/en/presentation.cfm>.

REMUNERATION STATEMENTS IN RELATION TO BOARD CHANGES

Remuneration statement in relation to Steve Bertamini

Steve will cease to be a director of Standard Chartered PLC "the Group" and its subsidiaries on 31 March 2014. The Remuneration Committee "the Committee" has determined that the following arrangements are fair and reasonable, consistent with its approach to termination arrangements, in line with his contractual entitlements and recognise Steve's proposed involvement in the transition to the new model for the organisation of our business:

- Steve is entitled to 12 months' notice under his service contract, with notice commencing on 9 January 2014. Accordingly, for the period to 8 January 2015 Steve will continue to receive his current salary, a pension allowance and other contractual benefits
- He will be eligible to receive variable compensation in respect of the already completed 2013 performance period and this will be calculated by the Committee in accordance with the normal process and be based on Group and business performance. Details of the award will, as normal, be set out in the remuneration disclosures in the Annual Report and Accounts to be published in March 2014. Any such variable award will potentially contain an element of deferral which would be subject to malus* and/or contingent on the future performance of the Group

- Steve will be eligible to be considered for a variable compensation award for the 2014 financial year for the period up to 30 June 2014 – any amount will be determined by the Committee in February 2015 based on Group and individual performance and be subject to malus and/or contingent on future performance and deferral
- The Group and Steve can mutually agree to terminate employment prior to 8 January 2015, in which case the Group can, in accordance with his service contract, deliver any unserved notice through one or more payments in lieu of notice subject to his duty to mitigate
- In line with his contract, Steve and his family are entitled to relocation benefits at the end of employment, including flights back to the United States

The Committee has also decided, given the nature of his departure, to confer good leaver status to allow Steve to retain any unvested share awards. All unvested awards will continue to vest over the original vesting periods i.e. there is no acceleration of vesting, and each award will remain subject to malus and/or the future satisfaction of any applicable performance conditions.

Remuneration statement in relation to Richard Meddings

Richard will cease to be a director of Standard Chartered PLC and its subsidiaries no later than 30 June 2014. The Remuneration Committee (“the Committee”) has determined that the following arrangements are fair and reasonable, consistent with its approach to termination arrangements, in line with his contractual entitlements and enable Richard to support the transition of responsibilities to a successor in due course.

- Richard is entitled to 12 months’ notice under his service contract, with notice commencing on 9 January 2014. Accordingly, for the period to 8 January 2015 Richard will continue to receive his current salary, pension contribution and other contractual benefits
- He will be eligible to receive variable compensation in respect of the already completed 2013 performance period and this will be calculated by the Committee in accordance with the normal process and be based on Group and business performance. Details of the award will, as normal, be set out in the remuneration disclosures in the Annual Report and Accounts to be published in March 2014. Any such variable award will potentially contain an element of deferral which would be subject to malus and/or contingent on the future performance of the Group
- Richard will be eligible to be considered for a variable compensation award for the 2014 financial year for the period up to 30 June 2014 reflecting the period under which he is likely to be on the Board – any amount will be determined by the Committee in February 2015 based on Group and individual performance and be subject to malus and/or contingent on future performance and deferral
- The Group and Richard can mutually agree to terminate employment prior to 8 January 2015, in which case the Group can, in accordance with his service contract, deliver any unserved notice through one or more payments in lieu of notice subject to his duty to mitigate

The Committee has also decided, given Richard’s track record of performance over more than ten years, to confer good leaver status to allow him to retain any unvested share awards. All unvested awards will continue to vest over the original vesting periods i.e. there is no acceleration of vesting, and each award will remain be subject to malus and/or the future satisfaction of any applicable performance conditions.

Remuneration statement in relation to Mike Rees

The key terms of his appointment with Standard Chartered PLC are set out below and disclosed in accordance with the rules of the Hong Kong Stock Exchange.

Effective 1 April 2014, Mike's annual base salary will increase from GBP735,000 to GBP975,000. He remains eligible to participate in the Group's discretionary Annual Performance Award Plan and the 2011 Standard Chartered Share Plan. In light of the remuneration changes under the Capital Requirements Directive IV, the Committee is reviewing how Mike and other directors' variable remuneration is delivered going forward. As part of the role change it is anticipated that his maximum earnings potential under the Group's remuneration policy would reduce by forty per cent. More details will be set out in the remuneration disclosures in the 2013 Annual Report and Accounts. Mike will continue to receive standard benefits including a car allowance, pension provision, medical cover and life assurance.

His service agreement remains similar to other Group Executive Directors in that it has provisions including a normal 12 month notice period and, in the event of termination, phased payment of any notice entitlement, with a duty to mitigate the loss. The Committee comprising independent non executive directors, sets directors' remuneration with reference to individual experience as well as the compensation levels for similar roles among the Group's international banking peers.

*Malus: the ability to claw-back unvested share awards

Additional information required by the Hong Kong Listing Rules

None of these directors has any relationship with any other director, member of senior management or substantial or controlling shareholder of Standard Chartered PLC

Mr Mike Rees has the following interests in the ordinary shares of Standard Chartered PLC as at 8 January 2014:

	Personal Interests	Family Interests	Totals
Ordinary shares:	169,835		169,835
Shares under option:	960,984		960,984

Mr Mike Rees is a member of the International Advisory Board of Mauritius and the Mayor of Rome's business advisory council. Mike graduated in 1978 from the University of Aston, Birmingham (B.Sc. Hons.) and is a member of the Institute of Chartered Accountants in England and Wales and the UK Institute of Directors.

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. There are no matters that need to be brought to the attention of shareholders in respect of Richard Meddings or Steve Bertamini stepping down from the Board.

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Standard Chartered

Standard Chartered is a leading international banking group. It has operated for over 150 years in some of the world's most dynamic markets and earns around 90 per cent of its income and profits in Asia, Africa and the Middle East. This geographic focus and commitment to developing deep relationships with clients and customers has driven the Bank's growth in recent years. Standard Chartered PLC is listed on the London and Hong Kong stock exchanges as well as the Bombay and National Stock Exchanges in India.

With 1,700 offices in 70 markets, the Group offers exciting and challenging international career opportunities to over 88,000 staff. It is committed to building a sustainable business over the long term and upholding high standards of corporate governance, social responsibility, environmental protection and employee diversity. Standard Chartered's heritage and values are expressed in its brand promise, 'Here for good'.

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