



Chairman's Governance Update

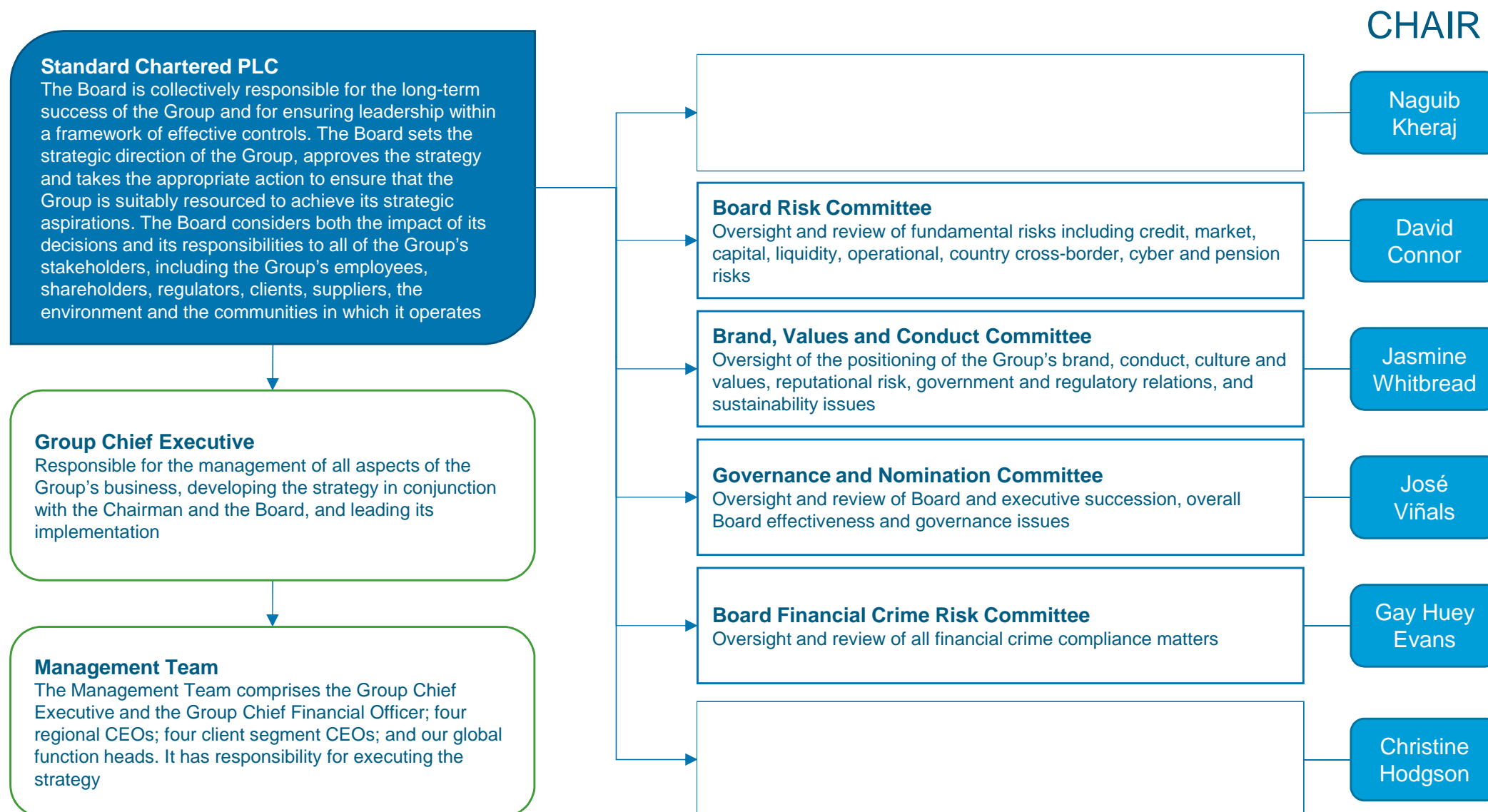
3 October 2017

- Standard Chartered is unique, operating in some of the World's most dynamic markets
 - We have the privilege, opportunity and responsibility to be a force for good in our markets
 - The Board is realistic concerning the challenges and risks that the Group faces
 - Maintaining the highest standards of corporate governance is critical to delivering our strategy
- The Board is experienced, diverse and engaged, and focused on a clear set of priorities
 - Effective governance is achieved through a culture of transparency and openness
 - The composition of Board Committees ensures appropriate oversight and challenge

Contents

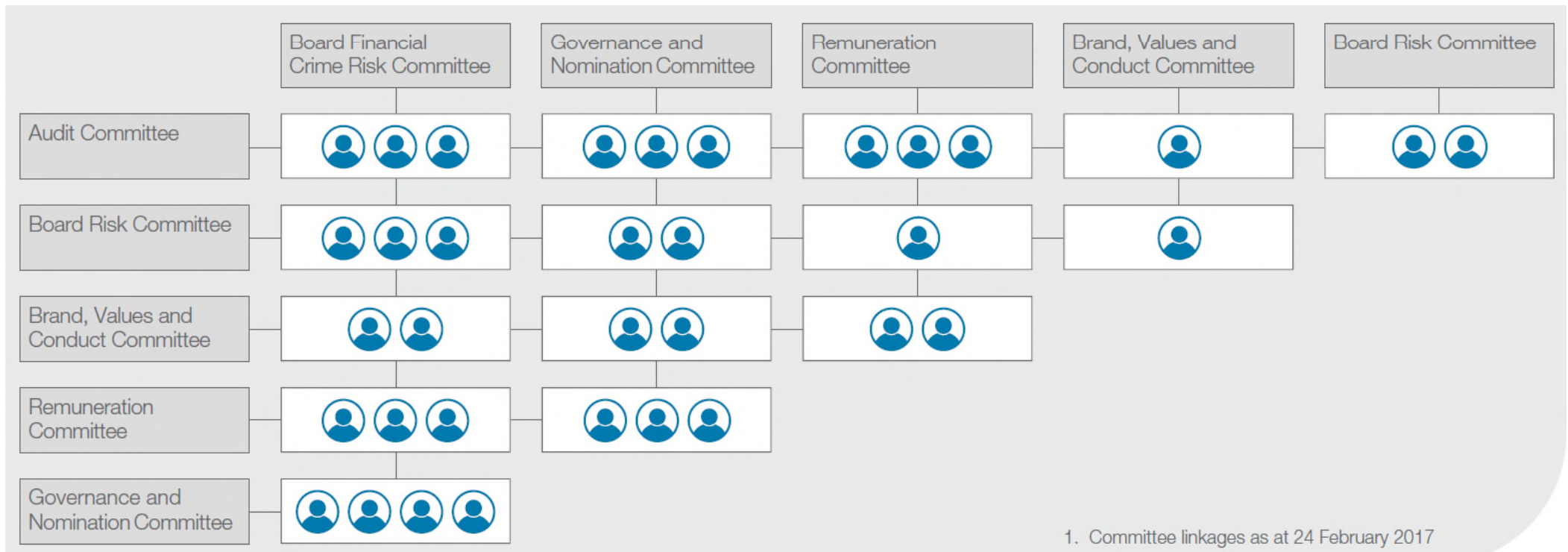
- Board and Committee structure
- Selected Board statistics
- Chairman priorities
- Continuing the fight against financial crime

Board and Committee structure: overview



Board and Committee structure: linkages

- All the Board Committees are made up of independent non-executive directors and play an important role in supporting the Board
 - The Governance and Nomination Committee, in keeping with the provisions of the UK Corporate Governance Code, is chaired by the Group Chairman
 - In addition to comprising five independent non-executive directors, the Board Financial Crime Risk Committee's membership now includes three independent external advisor members
- It is crucial that effective linkages are in place between the Committees and the Board as a whole, not least as it is impracticable for all independent non-executive directors to be members of all of the Committees



Selected Board statistics: diversity

Board diversity

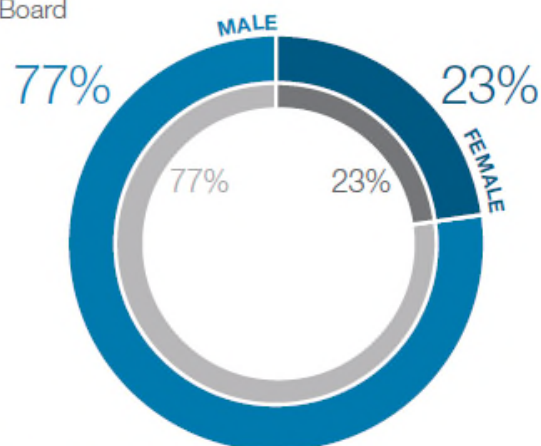
We have a distinctive footprint and a long history of diverse board membership. This mix of skills, knowledge, experience and cultural difference enriches the Board discussion and contributes towards a high performing and effective Board. Good progress continues to be made in the area

of gender diversity, since we set our ambition to increase the proportion of women to 25 per cent by 2017. This commitment was further strengthened during the year with the introduction of the Board Diversity policy. It sets out the Board's broad ambitions and objectives

in this area and remains supportive and engaged in further increasing the representation of women on the Board to 33 per cent.

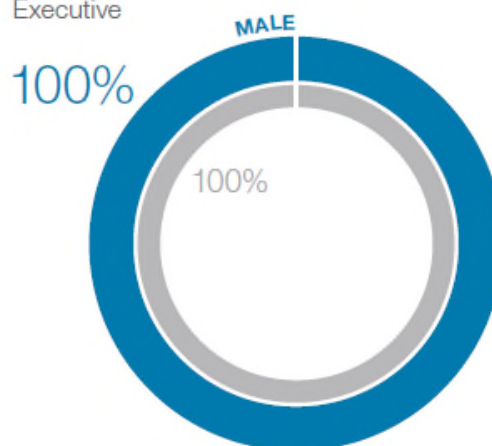
Gender diversity

Board

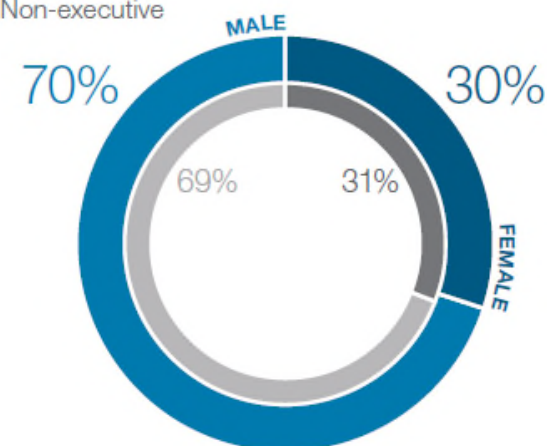


As at end 2016
As at end 2015

Executive



Non-executive

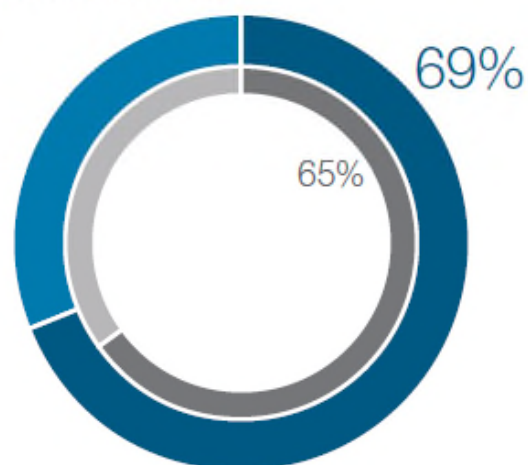


Selected Board statistics: experience

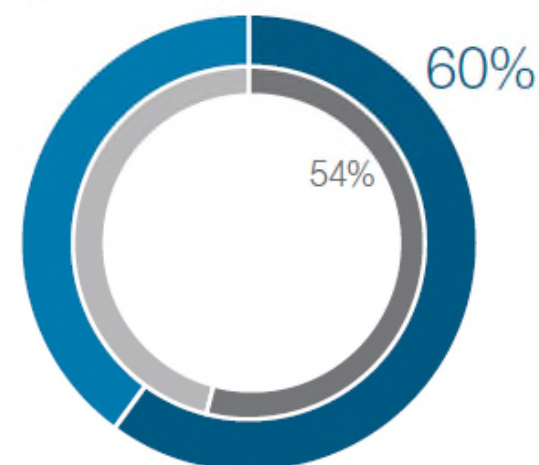
Experience

Our Board comprises directors with a broad range of skills, experience, backgrounds and perspectives. As at the end of December 2016, nine directors on the Board have lived and/or worked across our key markets of Asia, Africa or the Middle East and over half of the independent non-executive directors have some combination of banking, finance, risk and accounting experience.

International
(lived and/or worked across
Asia, Africa, Middle East)



Banking/Finance/Risk/Accounting
(experience among independent
non-executive directors)

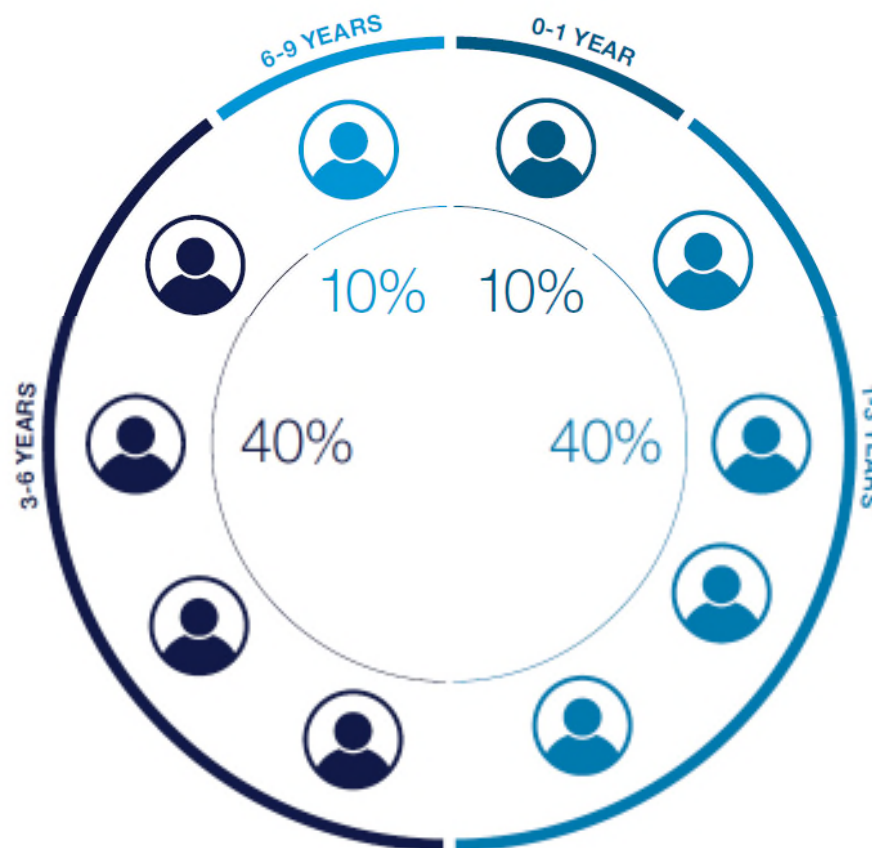


■ As at end 2016
■ As at end 2015

Selected Board statistics: tenure

Non-executive director tenure

We remain mindful of the need to ensure that the tenure of our non-executive directors is well balanced.



Selected Board statistics: network engagement



INDEPENDENT NON-EXECUTIVE DIRECTOR, BOARD FINANCIAL CRIME RISK COMMITTEE EXTERNAL ADVISOR MEMBERS AND CHAIRMAN'S VISITS TO OUR MARKETS IN 2016

Europe & Americas

Destination	Visits
San Francisco	1
Houston	2
New York	7
Paris	1
Boston	1
Washington DC	1
Sao Paulo	1
Newark	1
Toronto	1

Africa & Middle East

Destination	Visits
Nairobi	13
Dubai	6
Abu Dhabi	2
Accra	1
Port Louis	1
Kampala	1
Lagos	1
Lusaka	2



Greater China & North Asia

Destination	Visits
Seoul	1
Beijing	17
Tianjin	3
Hong Kong	3
Shanghai	3
Taipei	1

ASEAN & South Asia

Destination	Visits
Chennai	1
Mumbai	2
Delhi	1
Singapore	7
Bangkok	1
Karachi	1

Selected Board statistics: 2016 attendance

- We expect our independent non-executive directors to commit sufficient time to discharge their responsibilities
- In general, we estimate that each independent non-executive director spent approximately 35 to 50 days on Board-related duties, and considerably more for those who chair or are members of multiple committees

BOARD AND AGM ATTENDANCE				
Name of director	AGM	Scheduled	Ad hoc	Attendance
Chairman				
J Viñals (appointed Chairman Designate 3 October 2016 and Chairman 1 December 2016)	N/A	2/2	N/A	100%
Deputy Chairman				
N Kheraj (appointed Deputy Chairman on 1 December 2016)	1/1	8/8	1/1	100%
Group Chief Executive and Executive Director				
W T Winters	1/1	8/8	1/1	100%
A N Halford	1/1	8/8	1/1	100%
Independent Non-Executive Directors				
O P Bhatt	1/1	8/8	1/1	100%
Dr K M Campbell	1/1	7/8 ¹	1/1	89%
Dr L Cheung	1/1	8/8	1/1	100%
D P Conner (appointed 1 January 2016)	1/1	8/8	1/1	100%
Dr B E Grote	1/1	8/8	1/1	100%
Dr Han Seung-soo, KBE	1/1	8/8	1/1	100%
C M Hodgson	1/1	8/8	1/1	100%
G Huey Evans, OBE	1/1	7/8 ²	1/1	89%
J M Whitbread	1/1	8/8	1/1	100%
Directors who stepped down during 2016				
Sir John Peace (stepped down 1 December 2016)	1/1	7/7	1/1	100%
A M G Rees (stepped down 30 April 2016)	N/A	2/2	N/A	100%
S J Lowth (stepped down 31 July 2016)	1/1	4/5 ³	0/1 ³	67%
L Thunell (stepped down 31 January 2016)	N/A	1/1	N/A	100%

1. Kurt Campbell was unable to attend one scheduled Board meeting due to a prior commitment.

2. Gay Huey Evans was unable to attend one scheduled Board meeting due to a prior commitment.

3. Simon Lowth was unable to attend one scheduled Board meeting due to illness and the ad hoc Board meeting due to a prior commitment.

In 2016, the Group held one general meeting, our Annual General Meeting, on 4 May 2016, which was attended by all of the directors. All directors were proposed for annual re-election and all were successfully re-elected.

Chairman priorities

Unlock true potential

- Encouraging start to 2017, making steady progress against our strategic objectives
- No shortcuts: it takes time to deliver fundamental change, there is still much work to be done
- Culture – how we act and behave consistently – will determine how much potential we can unlock

Improve resilience to external shocks

- Foundations are now much stronger following the actions we have taken to execute on our strategy
- We have a strong and liquid balance sheet and are becoming more efficient
- We are investing in our technological capacity and improving the management of risks

Ensure excellent governance and the highest ethical standards

- Creating an environment that encourages accountability, collaboration, and continuous improvement
- Strongly committed to being at the forefront of the fight against financial crime
- Refreshing the Board where appropriate (e.g. Dr Ngozi Okonjo-Iweala) and re-tendering audit

Carry out Board and Committee effectiveness review

- Independent effectiveness review supports view that Board structure ensures appropriate challenge
- We are implementing an action plan incorporating recommendations at a Board and Committee level
- Will report in detail on conclusions and progress in the 2017 Annual Report

Continuing the fight against financial crime

Fighting financial crime matters

- ✓ Investing in people, processes and systems
- ✓ New Cyber Financial Intelligence team, combining cyber and FCC expertise
- ✓ De-risking through education
- ✓ FinCEN Law Enforcement award letter (3rd consecutive year)
- ✓ Working in partnership with regulators, law enforcement and other global banks on potentially transformational initiatives

➔ sc.com/fightingfinancialcrime

