

STANDARD CHARTERED PLC
(the “Company”)

REMUNERATION COMMITTEE
TERMS OF REFERENCE

- APPOINTED BY:** The Board of Standard Chartered PLC (the “Board”)
- MEMBERS:** The Remuneration Committee (the “Committee”) shall be appointed by the Board and comprise at least three members. All members of the Committee shall be independent Non-Executive Directors. The Chairman of the Board shall not be a member of the Committee.
- CHAIRMAN:** The Committee Chairman shall be one of the members of the Committee, nominated by the Board.
- ATTENDANCE:** Only members of the Committee have the right to attend committee meetings. The Group Chairman, Group Chief Executive, Director, Compliance, People and Communication and Global Head, Performance, Reward and Conduct shall normally be in attendance except when issues regarding their own remuneration are discussed. The Committee’s remuneration advisors may attend meetings as requested by the Committee Chairman. The Group Finance Director and / or Group Chief Risk Officer may be invited to attend key meetings during the course of year in such circumstances as the Committee Chairman decides.
- SECRETARY:** The Group Company Secretary or their nominee.
- QUORUM:** Two
- MEETINGS:** The Committee shall meet at least five times each year and on such other occasions the Committee Chairman deems necessary.
- TRAINING:** The Committee members shall be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.
- PURPOSE:** The Committee shall review and be responsible for, on behalf of the Board, setting the principles parameters and governance framework of Standard Chartered PLC and its subsidiaries’ (the “Group”) remuneration policy and more specifically for determining executive remuneration and establishing the remuneration policy to be approved by shareholders.

- AUTHORITY:**
- i. The Committee is authorised by the Board to seek any information it requires from any employee or officer of the Company or any other third party in order to perform its duties.
 - ii. In connection with its duties the Committee is authorised by the Board, at the Company's expense to obtain any outside legal or other professional advice within any budgetary restraints imposed by the Board, to appoint remuneration advisors, and to commission or purchase any relevant reports, surveys or information which it deems necessary to help fulfil its duties.

RESPONSIBILITIES

The responsibilities of the Committee are to:

1.
 - (i) determine and agree with the Board the framework and policies for the remuneration of the Group's Chairman, Group Chief Executive, the executive directors and such other senior executives as it is designated to consider;
 - (ii) approve any proposal to award a remuneration package to any new employee to the Group in excess of an amount to be specified by the Committee from time to time;
 - (iii) approve any proposal for individual variable compensation awards to an employee of the Group in excess of an amount to be specified by the Committee from time to time.

The Committee may delegate the responsibilities contained in (ii) and (iii) above provided that the Committee will receive adequately detailed reports of all exercises of such delegated authority regularly as and when necessary and formally at the Committee meeting immediately following;

2. review the ongoing appropriateness and relevance of the remuneration policy ensuring that they are consistent with effective risk management taking advice from the Board Risk Committee through the Group Chief Risk officer.
3. approve annually the aggregate total variable compensation pool for the Group, including determination of any relevant risk adjustment to the pool;
4. review the design of all share incentive plans including any material amendments to existing plans for approval by the Board and shareholders. For any such plans, exercise the discretion granted to it and determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to executive directors and other senior executives, the performance targets to be used and whether any awards

formally vest. In addition, ensure that all share plans operate within the relevant dilution limits stated in any plan rules;

5. the Committee may delegate to a separate committee, the Employee Share Schemes Committee (“ESSC”), any matters of detail relating to the Group’s employee share plans, which are considered appropriate including, but not limited to, the approval of awards to individual participants in the plans, determination of the participating companies in the schemes and approval of routine amendments to the rules of the plans. The Committee will be updated on the activity of the ESSC twice a year (although the Committee Chairman may wish to receive more frequent updates);
6. the Committee may delegate to the Committee Chairman or any other member, any matters of detail relating to the award of a remuneration package to any new employee to the Group in excess of an amount to be specified by the Committee from time to time, including but not limited to the approval of any proposal to award such a package. The Committee will note any such approved remuneration packages at the next meeting;
7. determine the policy for, and scope of, pension and benefits arrangements for each executive director and other designated senior executives;
8. ensure in relation to executive directors and other designated senior executives that contractual terms on termination, and any payments made are appropriate in all the circumstances and the Company, that failure is not rewarded and that the duty to mitigate loss is fully considered;
9. within the terms of the agreed policy and, in consultation with the Group Chairman and / or Group Chief Executive as appropriate, determine the total individual remuneration package of the Group Chairman, Group Chief Executive and each executive director and other designated senior executives including base salary, any fixed allowances, pension and variable compensation. In addition, consider the cost implications associated with any changes in total compensation, especially increases in base salaries;
10. in determining such packages and arrangements, give due regard to relevant legal requirements and rules and guidance published by regulatory authorities, including the provisions and recommendations in the UK Corporate Governance Code, the Remuneration Rules contained within the Financial Conduct Authority and Prudential Regulation Authority handbooks, the UK Listing Authority and Stock Exchange of Hong Kong’s Listing Rules and associated guidance and any European Union legislation;
11. review the approach to risk adjustment and approve application of individual ex-post risk adjustment to executive directors and other designated senior executives;
12. review annually the remuneration trends across the Company or Group including relationship between executive remuneration and the remuneration of other Group employees;

13. be responsible for selecting, appointing, reviewing and setting the terms of reference for any remuneration advisor who advise the Committee: and to obtain reliable, up-to-date information about remuneration in other companies;
14. to review the terms of reference of the Committee annually and propose any changes it considers necessary to the Board for approval;
15. to review and approve the terms of reference for the ESSC as and when it is considered necessary;
16. to undertake an annual review of the effectiveness of the Committee; and
17. Reporting Procedures:
 - (a) report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities;
 - (b) produce an annual report of the Company's remuneration policy and practices which will form part of the Directors' Remuneration Report ("DRR") in the Company's Annual Report. The DRR, will be put to shareholders for approval at the AGM with a binding shareholder vote on the forward looking remuneration policy at least every three years and an annual advisory shareholder vote on the historic remuneration report. The DRR should be prepared so that all provisions on the disclosure of remuneration including pensions comply with the requirements of Statutory Instrument 2013 No. 1981 the Large and Medium Sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 and other relevant statutes; and
 - (c) require the Chairman of the Committee or other designated members of the Committee to attend the Annual General Meeting and answer any questions, through the Chairman of the Board, on the Committee's activities and responsibilities.

The Committee shall not deal with remuneration of non-executive directors which shall be a matter for the Group Chairman and executive members of the Board. No director or manager shall be involved in any decisions as to their own remuneration.