

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.
- CHAIR:** The Committee Chair 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, Group Head, Human Resources 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 Chair. The Group Chief Financial Officer and Group Chief Risk Officer may be invited to attend key meetings during the course of year in such circumstances as the Committee Chair decides.
- SECRETARY:** The Group Company Secretary or his/her nominee.
- QUORUM:** Two.
- MEETINGS:** The Committee shall meet at least five times each year and on such other occasions as the Committee Chair 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. Also, more specifically for determining executive remuneration and recommending the remuneration policy to be approved by the Board and then 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 the Committee deems appropriate;
 - (ii) approve and have oversight of the implementation of 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 and have oversight of the implementation of any proposal for individual discretionary variable remuneration 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 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. ensure the Group's remuneration policy is appropriate and consistent with i. the Group's Conduct Management Framework; and ii. Effective risk management taking advice from the Board Risk Committee, through the Group Chief Risk Officer. Periodically review and approve the design, implementation and application of remuneration-related risk adjustment policies;
3. approve annually the aggregate total incentives for the Group, including determination of any relevant risk adjustment to the pool;
4. review the design of all long term 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, the performance targets to be used and whether any awards formally vest;

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 individuals, determination of the participating companies in the plans and approval of routine amendments to plan rules. The Committee will be updated on the activity of the ESSC twice a year (although the Committee Chair may wish to receive more frequent updates);
6. within the terms of the agreed policy and, in consultation with the Group Chairman and / or Group Chief Executive as appropriate, determine and approve the Group Chairman, Executive Directors and other designated senior executives
 - overall market positioning of the remuneration package
 - individual fixed pay (including salaries, fixed pay allowances, pensions and benefits, and other components, if any) and increases
 - annual and long-term incentive arrangements
 - shareholding and retention requirements
 - service contracts
 - ex-post risk adjustment
 - termination arrangements

The Committee shall oversee decisions on fixed and variable remuneration for the most senior executive in the risk and compliance functions;

7. 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 Financial Conduct Authority and Prudential Regulation Authority’s Remuneration Rules handbooks, the UK Listing Authority and Stock Exchange of Hong Kong’s Listing Rules and associated guidance and any relevant European Union legislation;
8. ensure in relation to Executive Directors and other designated senior executives that contractual terms on termination, and any payments made are fair to the individual and the Company, that failure is not rewarded and that the duty to mitigate loss is fully considered;
9. review annually the remuneration trends across the Company or Group including relationship between executive remuneration and the remuneration of other Group employees. Review relevant information about remuneration in other companies and best practice;
10. be responsible for selecting, appointing, reviewing and setting the terms of reference for any remuneration advisor;
11. to review the terms of reference of the Committee annually and propose any changes it considers necessary to the Board for approval;

12. to review and approve the terms of reference for the ESSC as and when it is considered necessary;
13. to undertake an annual review of the effectiveness of the Committee; and
14. 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 Annual General Meeting ("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 consistent with prevailing statutes; and
 - (c) require the Chair of the Committee or other designated members of the Committee to attend the AGM 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.