STANDARD CHARTERED PLC

STANDARD CHARTERED BANK PLC

PARTICULARS OF AN ISSUE OF UPTO U.S.$300,000,000 UNDATED PRIMARY CAPITAL FLOATING RATE NOTES (SERIES 6) (THE "NOTES") OF WHICH U.S.$250,000,000 IS BEING ISSUED AS THE INITIAL TRanche (THE "INITIAL TRanche") Issue Price of the Initial Tranche of Notes: 100 per cent.

This document includes particulars given in compliance with the Regulations of the Council of The Stock Exchange of the United Kingdom and the Republic of Ireland ("The Stock Exchange") for the purpose of giving information with regard to Standard Chartered Bank PLC, the Company and its subsidiaries (the "Group") and the Notes. The Company is the person responsible for the information contained in this document. To the best of the knowledge and belief of the Company which has taken all due care and diligence to ensure that the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Company accepts responsibility accordingly.

A copy of this document, which comprises the particulars required by The Stock Exchange (Listing) Regulations 1984, has been delivered to the Registrar of Companies in England and Wales in accordance with such Regulations.

Application has been made to the Council of The Stock Exchange for the Notes to be admitted to the Official List.

DESCRIPTION OF THE NOTES

The Notes, which expression, where the context so permits or requires, shall include the temporary (Global) Note referred to under "form and description" below, will be constituted by a Second Supplemental Trust Deed (the "Second Supplemental Deed") to be entered into between the Company and The Law Debenture Trust Corporation p.l.c. (the "Trustee") as trustee for the holders of the Notes (the "Noteholders") and to be dated 5th January, 1987, together with a Trust Deed (the "Principal Deed") and a Supplemental Trust Deed (the "First Supplemental Deed") both made between the Company and the Trustee and dated 2nd November, 1986, and Second Supplemental Deed being hereinafter referred to as the "Trust Deed"). The Notes will have the benefit of a paying agency agreement to be entered into between the "Paying Agency Agreement" in the Company, the Trustee and the paying agents for the time being for the Notes (the "Paying Agreements").

The Notes are issued by the Company in accordance with a resolution of a Committee of the Board of Directors of the Company on 5th November, 1986 and by a resolution of the board of Directors of the Company passed on 11th November, 1986. The following statements (Include summaries of, and are subject to, the detailed provisions of the Trust Deed, which will include the forms of the Notes and of the Coupons (the "Coupons") relating to the definitive Notes. Copies of the Trust Deed, the PAying Agency Agreement and the agent bank agreement relating to the Notes to be dated 30th December, 1986, will be made available without charge to any person upon request to the undersigned office of the Trustee, being at the date hereof at Estates House, 86 Broad Street, E2 0HZ, and at the authorised offices of each of the Paying Agents for the time being of the Notes, the specified offices of the initial Paying Agents being listed below. The Noteholders, the holders of the Coupons (the "Couponholders") and the holders of the Coupons will be entitled to the benefit of, be bound by, and be deemed to have notice of, all the provisions of the Trust Deed.

Status and Subordination

(a) Status

The Notes and the Coupons will constitute unconditional obligations of the Company and will rank pari passu without any preference among themselves.

(b) Condition of Payment

The rights of the Noteholders and Couponholders will be subordinated to the claims of Senior Creditors (as defined below) in that no principal or interest shall be payable in respect of the Notes except to the extent that the Company could make such payments and still be solvent immediately thereafter. For this purpose the Company shall be required to be solvent if it is able to pay its debts to Senior Creditors as they fall due and (ii) its Assets exceed its Liabilities to Senior Creditors. A report as to the solvency of the Company by two directors of the Company or, in certain circumstances as provided in the Trust Deed, the auditors of the Company, or, if the Company is being wound up in England, its Liquidator will, unless the Company is proved, be treated and accepted by the Company, the Trustee and the Noteholders and Couponholders as correct and sufficient evidence thereof.

In this expression, "Senior Creditors" means creditors of the Company (i) who are unsecured creditors of the Company or (ii) whose claims are, or are expressible to be, subordinated to the claims of unsecured creditors of the Company but not fully or partially paid, or are subordinated creditors of the Company other than those whose claims rank, or are expressible to rank, pari passu with or junior to the claims of the Noteholders; "Assists" means the unsecured gross liabilities of the Company, as all shown by the latest published audited balance sheet of the Company but adjusted for subsequent events in such manner as directors, the auditors or the Liquidator (as the case may be) may determine.

(c) Payment of Interest

The Company will not be obliged to make payments of the interest accrued during any Interest Period (as defined in "Interest") below on the relevant Interest Payment Date (as defined in "Interest") below) if, within the six calendar months immediately preceding the relevant Interest Payment Date, no dividend or other distribution is declared, paid or made on any class of its shares capital and any interest not so paid shall, so far as the same remains unpaid, constitute "Arrears of interest". Subject to the foregoing and at its absolute discretion (without any liability to the Company) the Company may, at any time, declare an interest payment or Interest Period shall not be paid prior to that accrued during any earlier Interest Period. All Arrears of Interest (subject to paragraph (b) above) become due in full on the due date of the latest (i) the date upon which a dividend or other distribution is declared, paid or made on any class of its shares capital or (ii) the date set for any repayment (permitted as referred to in "Repayment" below) or (iii) the commencement of winding up of the Company. If notice is given by the Company of its intention to pay the whole or part of Arrears of Interest, the Company shall be obliged (subject to paragraph (b) above) to so upon the expiration of such notice. Arrears of Interest and otherwise overdue shall not bear interest. Interest in respect of which the condition referred to in paragraph (b) above is not satisfied on the Interest Payment Date relating thereon shall, so long as the same remains unpaid, constitute Arrears of Interest.

(d) Winding up

If an order is made or an effective resolution is passed for the winding up of the Company in England, the Company shall, subject to the condition set out in paragraph (e) below, in lieu of any other payment on the Notes and Coupons in respect of Arrears of Interest, be obliged to make payment in respect of the Notes and such Coupons such amounts as would have been payable if the holders of the Notes and such Coupons had, on the day preceding the commencement of the winding up, become holders of a proportion of the Company's capital on a pari passu basis to the holders of any other classes of shares in the capital of the Company and to entitle to receive in a winding up an amount equal to, in respect of the Notes, the principal amount of the Notes together with interest accrued to and including the date of repayment and, in respect of such Coupons, Arrears of Interest.

H.B. The obligations of the Company in respect of the Notes and the Coupons are conditional upon the Company being able to issue the Notes (as defined in "Exchangeable Date") which is 90 days after the completion of the distribution of the Notes (including the Notes to be issued in any subsequent tranches), as determined by Credit Suisse First Boston Limited and only upon presentation of a certificate in the form set out in the Trust Deed that the beneficial owner of the Note is not a U.S. person as defined below or a person who had acquired such Note for resale to any U.S. person.

Form and Denomination

The Notes will initially be represented by a temporary Global Note, without interest coupons, which will be deposited on behalf of subscribers or other depositors on behalf of Morgan Guaranty Trust Company of New York, as operator of the Euro-clear system ("Euro-clear"), and CEDEL S.A. ("Cedel") on or about 5th January, 1987. The temporary Global Note will be exchangeable for definitive Notes in bearer form, serially numbered and in denominations of U.S.$10,000 and £9,000 (each with Coupons) and one tenth for further Coupons attached not earlier than the date (the "Exchangeable Date") which is 90 days after the completion of the distribution of the Notes (including the Notes to be issued in any subsequent tranches), as determined by Credit Suisse First Boston Limited and only upon presentation of a certificate in the form set out in the Trust Deed that the beneficial owner of the Note is not a U.S. person as defined below or a person who had acquired such Note for resale to any U.S. person.
Interest payable on the Notes while represented by the temporary Global Note will be paid to Euro-clear and CEDEL for credit in the accounts of the persons entitled thereto upon certification that the beneficial owner of the Notes in respect of which such interest is payable is not a U.S. person or (b) a person who has acquired such Note for resale to any U.S. person. If such a certificate is in respect of interest on any portion of the temporary Global Note is not received by Euro-clear or CEDEL prior to the Exchange Date or any earlier date fixed for redemption of such portion, the interest in respect of such portion on each Interest Payment Date (as defined below) falling before the Exchange Date or such earlier date as aforesaid shall be credited to the accounts of the persons who are entitled to the relevant definitive Notes on delivery or early redemption, as the case may be, without further certification other than the certification described above required to be provided by each such person in order to receive the relevant definitive Notes.

Interest

(i) Period of Accrual of Interest and Coupons

The Notes will bear interest from the date of issue thereof (the "Issue Date" which is expected to be 5th January, 1987), except for Notes comprising a subsequent tranche issued after an Interest Payment Date, which shall bear interest from the Interest Payment Date preceding their Issue. On issue, Coupons and a talon will be attached to each Note and interest payments will, subject as provided in "Status and Subordination" above, be made against surrender of the appropriate Coupon in accordance with the provisions of "Payments" below. After all the Coupons attached to or issued in respect of a Note have matured, further Coupons and a further talon will issue to the terms of the Trust Deed be issued against presentation of the relevant talon. Except as otherwise provided herein, interest on each Note shall cease to accrue from the due date for repayment of such Note unless upon due presentation thereof payment of principal is improperly withheld or refused or is not made by reason of the provisions referred to in "Status and Subordination" above. After such due date any unmatured Coupons and any talon relating to such Note (whether or not attached thereto) shall become void. If such due date is not an Interest Payment Date, the interest accrued from the preceding Interest Payment Date (or, in the absence thereof, the Issue Date) shall be payable only against presentation of such Note.

(ii) Interest Payment Dates and Interest Periods

Interest on the Notes will, subject as provided in "Status and Subordination" above, be payable on each date (an "Interest Payment Date") which (save as mentioned below) falls six calendar months after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, six calendar months after the Issue Date. If any Interest Payment Date would otherwise fall on a day which is not a business day, it shall be postponed to the next business day unless it would thereby fall into the next calendar month, in which event the Interest Payment Date shall be the immediately preceding business day and each subsequent Interest Payment Date shall be the last business day of the sixth calendar month after the calendar month in which the preceding Interest Payment Date shall have fallen. The period between one Interest Payment Date (or, in the case of the first such period, the Issue Date) and the next Interest Payment Date is referred to herein as an "Interest Period". As used herein, "business day" means a day on which banks and foreign exchange markets are open for business in both London and New York City.

(d) Rate of Interest

The rate of interest from time to time payable (in respect of the Notes (whether Rate of Interest") shall be established as provided in paragraph (ii) below on the basis of the following procedures:

(i) Subject to sub-paragraphs (ii) to (vi) below, the Rate of Interest will be calculated by the agent bank referred to in paragraph (ii) below (the "Agent Bank") in respect of each Interest Period as the rate per annum equal to 0.15 per cent. above the arithmetic mean (rounded upwards if necessary to the nearest whole multiple of 1/10 per cent.) of the rates offered to leading banks in the London Inter-Bank market by each of the Reference Banks (as defined in paragraph (ii) below) for the making of Euro-dollar deposits for the Interest Period concerned at or about 11.00 a.m. (London time) on the second business day prior to the beginning of such Interest Period (the "Interest Determination Date"), as so communicated to the Agent Bank.

(ii) If any Interest Determination Date at least two but not less than all of the Reference Banks communicate such rates to the Agent Bank, the Rate of Interest for the immediately succeeding Interest Period shall be determined as provided in sub-paragraph (i) above on the basis of the rates communicated by such Reference Banks.

(iii) If any Interest Determination Date less than two of the Reference Banks communicate such rates to the Agent Bank, the Rate of Interest for such succeeding Interest Period shall be:

(A) the Rate of Interest in effect for the last preceding Interest Period in respect of which the Rate of Interest was determined pursuant to the provisions of sub-paragraph (ii) or (iv) above; or if higher,

(B) the rate per annum which the Agent Bank certifies to be 0.15 per cent. per annum above the arithmetic mean (rounded upwards if necessary to the nearest whole multiple of 1/10 per cent.) of the offered rates, as communicated to the Agent Bank by the Reference Banks concerned, quoted to not less than two of the Reference Banks at or about 11.00 a.m. (New York time) on the relevant Interest Determination Date by the head offices of prime New York City banks for dollar deposits for such succeeding Interest Period or, if such rates are communicated by less than two Reference Banks, 0.15 per cent. per annum above the rate considered by the Agent Bank to be, in its opinion, representative of the offered rates as quoted at or about 11.00 a.m. (New York time) on the relevant Interest Determination Date by the head offices of prime New York City banks for dollar deposits for such succeeding Interest Period.

(iv) There shall be no minimum Rate of Interest.

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(b) Determination of Rate of Interest and Coupon Amounts

The Agent Bank will, as soon as practicable after 11:00 a.m. (London time) on each Interest Determination Date and on the basis of any applicable formulae, compute and provide to the Company, the Trustee and the Principal Paying Agent (the "Rate") the Rate of interest applicable to the Trustee and the Principal Paying Agent (the "Rate") the dollar amount payable on presentation of each Coupon ("Coupon Amounts") in respect of such Interest Period. Each Coupon Amount shall be calculated by applying the Rate of Interest to each denomination of Note, multiplying such sum by the actual number of days in the Interest Period divided by 360 and rounding the resultant figure to the nearest cent (half a cent being rounded upward).

(c) Publication of Rate of Interest and Coupon Amounts

The Agent Bank will cause the Rate of Interest and Coupon Amounts for each Interest Period and the relevant Interest Payment Date to be notified to The Stock Exchange and to be published in accordance with "Notices" below. The Coupon Amounts and Interest Payment Date so published may subsequently be amended with the consent of the Trustee or in substitution for alternative arrangements made with the consent of the Trustees by way of adjustment without notice in the event of an extension or shortening of the Interest Period.

(d) Determination or Calculation by Trustee

If the Agent Bank does not at any time for any reason determine the Rate of Interest or any Coupon Amount in accordance with paragraphs (a) and (c) above, the Trustee shall determine the Rate of Interest or such rate, having regard to such factors as it shall think fit for the purposes of determining the Rate of Interest (as above) or, as the case may be, shall calculate the Coupon Amount in such manner, as in its absolute discretion it shall deem fair and reasonable in all the circumstances and such determination or calculation shall be valid to have been made by the Agent Bank.

(e) Notifications to be final

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained or otherwise described under this heading "Interest", whether by the Reference Banks (or any of them), the Agent Bank or the Trustee, shall be final and binding on the Company, the Reference Banks, the Agent Bank, the Trustee, the Principal Paying Agent, the Paying Agents and all Noteholders and Couponholders and subject as aforesaid to no liability to the Noteholders or Couponholders shall attach to the Reference Banks, the Agent Bank or the Trustee in connection with the exercise or non-exercise by them of their powers, duties and discretions.

(f) Reference Banks and Agent Bank

The Company shall procure that as long as any of the Notes is outstanding there shall at all times be four Reference Banks and an Agent Bank. The initial Reference Banks shall be the principal London office of each of The Chase Manhattan Bank, N.A., Chemical Bank, Midland Bank plc and Swiss Bank Corporation, (the "Reference Banks") and the initial Agent Bank shall be Bank & Chemical Merchant Bank Limited but the Company may terminate the appointment of any of the Reference Banks or (with the prior approval of the Trustee) of the Agent Bank. The Agent Bank may in addition resign its duties as such provided that neither the resignation nor the removal of the Agent Bank shall take effect until a successor approved by the Trustee has been appointed.

Repayment

The Notes will be undated and accordingly will have no final maturity date and will only be repayable as provided under this heading and in "Status and Subordination" above.

Repayment for Taxation Reasons

If the Trustee is satisfied immediately prior to the giving of notice to Noteholders hereinafter referred to that, (i) on the occasion of the next payment due in respect of the Notes of Coupons, the Company would be required to pay additional amounts in connection with the calculation or payment of interest on the Notes or would be required to treat such amounts as additional interest, (ii) payments of additional amounts on the Notes would be treated as distributions within the meaning of the Taxes Acts for the time being of the United Kingdom, the Company may (subject as referred to in "Status and Subordination" above) repay the Notes to the Trustee and the Noteholders, repay any one Interest Payment Date all but not some only of the Notes at 100 per cent. of their principal amount together with all Arrears of Interest (if any).

Optional Repayment

On giving notice not more than 45 nor less than 30 days notice to the Trustee, the Company may, (subject as referred to in "Status and Subordination" above) repay not more than 45 nor less than 30 days notice to the Trustee and the Noteholders, repay any one Interest Payment Date all but not some only of the Notes at 100 per cent. of their principal amount together with all Arrears of Interest (if any).

Drawings

In the case of any partial repayment under the terms of paragraph (b) above, Notes to be called for repayment will be drawn in London by the Trustee which may approve, in a manner approved by the Noteholders, not more than 45 days before the Interest Payment Date fixed for such repayment and notice of the serial numbers of the Notes so drawn will be given to the Noteholders at least 30 days before the relevant Interest Payment Date together with notice of the date fixed for repayment.

Surcharges

The Company or any of its subsidiaries may at any time purchase Notes on The Stock Exchange in London or by tender (available to all Noteholders alike or by private treaty) in The Stock Exchange in London or by tender, the price, exclusive of interest, will not exceed the average of the market quotation of the Notes taken from The Stock Exchange Daily Official List for the time being before the purchase is made or, in the case of a purchase on The Stock Exchange in London, the market price provided that it is not more than 5 per cent. above such average. In the case of purchases by private treaty, the price, exclusive of expenses and accrued interest, will not exceed 110 per cent. of the mid-market quotation of the Notes on The Stock Exchange in London or, failing such quotation, by reference to such quotation as may be agreed between the Company and the Trustee at the close of business on the last dealing day preceding the date of purchase. In each case purchases will be made together with all unencumbered Coupons and the related interests thereof.

Cancellation

All Notes purchased or repurchased as aforesaid will be cancelled forthwith, together with all unencumbered Coupons and interests attached thereto, and may not be re-issued or re-sold.

Reference under this heading "Repayment" to Notes shall not include the purchase of Notes in the ordinary course of business as a dealer in securities (as defined in the Trust Deed) or the purchase of Notes otherwise than as beneficial owner.

Default and Enforcement

(a) Default

If the Company shall default in making any payment of principal or interest for a period of 15 days or more after the date on which it is obliged to make such payment, or would be so obliged but for the provisions of paragraph (b) of "Status and Subordination" above, the Trustees may institute proceedings in any English Court (but not elsewhere) for the winding up of the Company.

(b) Enforcement by the Trustee

The Trustees shall not be bound to institute the proceedings referred to in paragraph (a) above unless (i) it shall have been so requested by an Extra Noteholder or by writing to the holders of all Notes outstanding in principal amount of the Notes then outstanding and (ii) if it shall have been indemnified to its satisfaction.

(c) Enforcement by Noteholders or Couponholders

No Noteholder or Couponholder shall be entitled to proceed directly against the Company unless the Trustee, having become bound so to proceed, fails to do so in which case the Noteholder or Couponholder shall have only such rights against the Company as those which the Trustee is entitled to exercise. No Noteholder or Couponholder shall be entitled to institute proceedings against the Company or to prove in such winding up except that the Trustee having become bound to proceed against the Company as aforesaid, fails to do so, or, being able to prove in such winding up, fails to do so, any such holder or couponholder shall be entitled to institute proceedings in the winding up of the Company or to prove in such winding up to the same extent (but not further or otherwise) that the Trustee would have been entitled to do in respect of his Notes and Coupons.

(d) Remedies available

No remedy against the Company, other than the institution of proceedings for the winding up of the Company in England, shall prejudice the rights of any Noteholder or Couponholder to recover the amounts owing in respect of the Notes or the Coupons or under the Trust Deed or in respect of any breach by the Company of any of its obligations under the Trust Deed or the Notes or the Coupons (other than for recovery of the Trustee's remuneration or expenses).

Payments

Payments of principal and interest in respect of Notes and Coupons will, subject to "Status and Subordination" above, be made against surrender of such Notes or Coupons (as the case may be), at the specifie office of any Paying Agent by dollar drawn on, or at the option of the holder of the Notes, or against the delivery of a dollar account maintained by the payee with a bank in New York City, multicurrency or non-multicurrency and a dollar account maintained by the payee with a bank in London or other major financial centre outside the United Kingdom.
Without prejudice to the generality of the foregoing, the Company reserves the right to require a Noteholder or a Couponholder to provide a Paying Agent with such certification or information as may be required to enable the Company to comply with the requirements of the United States federal income tax laws.

If the Company becomes subject to certain information reporting requirements under such laws, it may be required to obtain the name, address and United States taxpayer identification number, if any, from each Noteholder or Couponholder with respect to any interest payment. If U.S. Internal Revenue Service regulations yet to be published reflect existing regulations not applicable to the Notes, paying agents shall obtain certain Noteholders and Couponholders that are corporations, including certain banks and other financial institutions, from such requirements provided that they provide evidence of their corporate status.

The Company reserves the right at any time to vary or terminate the appointment of any Paying Agent subject, in the case of the principal Paying Agent, to the prior approval of the Trustee and to appoint additional or other Paying Agents, provided that it will at all times maintain a Paying Agent in London and a city in Western Europe outside the United Kingdom. The Company will, if so required by the Trustee, appoint a Paying Agent having a specified office in New York City if (i) the Company shall have appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents would be able to make payments of the full amount of interest on the Notes if persons so entitled under applicable local laws in dollars when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions, (iii) the Company does not within a reasonable period (as determined by the Trustee) appoint a Paying Agent in a jurisdiction where such payment is not illegal or so precluded, and (iv) such payment is then permitted by United States law. Notice of any such termination or appointment and of any changes in the specified offices of the Paying Agents will be published in accordance with "Notices" below.

**Taxation**

All payments of principal and interest will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of the United Kingdom, or any authority in the United Kingdom having power to tax, unless the withholding or deduction of such taxes or duties is required by law. In that event, the Company will pay such additional amounts as may be necessary in order that the net amounts receivable by the holders after such withholding or deduction shall equal the respective amounts of principal and interest which would have been receivable in respect of the Notes or Coupons, as the case may be, in the absence of such withholding or deduction, except that no such additional amount shall be payable with respect to any Note or Coupon presented for payment—

(i) by or on behalf of a holder who is liable to such taxes or duties in respect of such Note or Coupon by reason of his having some connection with the United Kingdom other than the mere holding of such Note or Coupon;

(ii) in the United Kingdom; or

(iii) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amount on presenting the same for payment on such thirtieth day.

As used herein the "Relevant Date" means whichever is the later of (a) the date on which such payment first becomes due and (b) if the full amount of the money payable has not been received by the Principal Paying Agent or the Trustee on or prior to such due date, the date on which the full amount of such money having been so received, notice of such effect shall have been duly published. Any reference herein to principal or interest in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under the undertakings referred to in this paragraph or any undertakings given in addition thereto or in substitution therefor pursuant to the Trust Deed.

*Subject to the conditions specified in Section 35 of the Finance Act 1984, payments in respect of the Notes may be made in the United Kingdom without withholding or deduction for or on account of United Kingdom taxation—see "United Kingdom Taxation" below.

**Prepayment**

Notes and Coupons will become void unless presented for payment within a period of 12 years in the case of Notes and six years in the case of Coupons from the Relevant Date (as defined under "Taxation" above) relating thereto.

**Indemnification of Trustee**

The Trust Deed will contain provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee will be entitled to deal in business transactions with the Company and/or any of its subsidiaries without accounting for any profit resulting therefrom.

**Meetings of Noteholders, Modification, Waiver and Substitution of Principal Debtor**

The Trust Deed will contain provisions for convening meetings of Noteholders to consider any matter affecting their interests, including any modification of the terms and conditions of the Notes and the provisions of the Trust Deed, provided that certain provisions (including, inter alia, as to status, subordination, the currency of payment, due dates for payment and amounts of principal) may only be modified at a meeting of Noteholders for which special quorum provisions will apply. Any resolution duly passed at a meeting of Noteholders shall be binding on all the Noteholders whether present or not at the said meeting. The Trust Deed will contain provisions for an Extraordinary Resolution to take the form of an instrument or instruments in writing signed by the holder or holders of not less than three-fourths of the Notes for the time being outstanding. The Trustee may also (without the consent of the Noteholders or the Couponholders)

Continued on Card 2
CARD 2 (See also Cards 1 and 3)

THIS CARD IS CIRCULATED TO GIVE DETAILS OF AN ISSUE BY THE COMPANY AND SHOULD BE RETAINED FOR REFERENCE PURPOSES.

ST 89 STANDARD CHARTERED PLC

(incorporated with limited liability in England, registered number 966425)

(i) agree to any modification of the Trust Deed which is of a formal, minor or technical nature or is made to correct a manifest error or, except as aforesaid, is not considered by it to be materially prejudicial to the interests of the Noteholders or the Couponholders;

(ii) waive or authorise any breach or proposed breach by the Company of the conditions of the Notes or the provisions of the Trust Deed, in so far as considered by the Trustee not to be materially prejudicial to the interests of the Noteholders or the Couponholders; or

(iii) agree to the substitution of the successor in business (as defined in the Trust Deed) of the Company or of a subsidiary of the Company in place of the Company as principal debtor under the Trust Deed and the Notes, subject to such conditions as the Trustee may require and (in the case of the substitution of a subsidiary of the Company) to the unconditional and irrevocable guarantee of the Company or of such successor in business, provided that the obligations of such substitute and such guarantee may be subordinated on a basis considered by the Trustee to be equivalent to that in respect of the Company’s obligations in respect of the Notes.

In the case of any proposed substitution, the Trustee may agree, without the consent of the Noteholders or Couponholders, to a change of the law governing the Notes, the Coupons and/or the Trust Deed provided that such change would not, in the opinion of the Trustee, be materially prejudicial to the interests of the Noteholders.

In connection with the exercise of its powers, trusts, authorities or discretions (including but not limited to those in relation to any proposed modification, waiver, authorisation or substitution as aforesaid) the Trustee shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Company any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders.

Replacement of Notes, Coupons and Talons

If any Note, Coupon or talon is mutilated, defaced, lost, stolen or destroyed, it may be replaced at the specified office of the Principal Paying Agent (or such other place of which notice shall be given) on payment of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Company may require. Mutilated or defaced Notes, Coupons or talons must be surrendered before replacements will be issued.

Title

Title to the Notes, Coupons and talons will pass by delivery.

To the extent permitted by applicable law, the Company, the Trustee and the Paying Agents may treat the holder of any Note, Coupon or talon as the absolute owner thereof (whether or not such Note or Coupon shall be overdue and notwithstanding any notice of ownership or writing thereon or on any talon or any notice of previous loss or theft or of trust or other interest therein or in any talon) for the purpose of making payment and for all other purposes.

Further issues

The Company shall be at liberty from time to time without the consent of the Noteholders to create and issue further bonds or notes either (in the case of notes) so as to form a single issue with the Notes or, in either case, upon such terms as to interest, conversion, premium, repayment and otherwise as the Company may at the time of issue thereof determine. Any such further bonds or notes may (with the consent of the Trustee) be constituted by a deed supplemental to the Trust Deed (and shall, in the case of notes to form a single issue with the Notes, only be so constituted). The Trust Deed will contain provisions for convening a single meeting of the Noteholders and the holders of bonds and notes of other series in certain circumstances where the Trustee so decides.

Notices

All notices regarding the Notes will be deemed duly given if published in English in the Financial Times in London or another leading London daily newspaper or, if in the opinion of the Trustee this is not practicable, in one leading English language daily newspaper with general circulation in Europe. If published more than once, such notice will be deemed duly given on the occasion of the first publication.

Governing Law

The Second Supplemental Deed, the Notes, the Coupons and the talons will be expressed to be, and the First Supplemental Deed and the Principal Deed are, governed by, and each of them shall be construed in accordance with, English law.

USE OF PROCEEDS

The net proceeds of the issue of the Initial Tranche of Notes estimated to amount to approximately U.S.$199 million will be used to repay existing listed indebtedness of the Group in due course.
THE COMPANY AND THE GROUP

The Company was incorporated in 1969 to effect the merger between The Standard Bank Limited and The Chartered Bank. The Company is the holding company for the Group which provides a wide range of banking and financial services through a network of branches, offices and subsidiaries in over 60 countries.

Capitalisation of the Company and its Subsidiaries

The consolidated capitalisation of the Company and its subsidiaries at close of business on 31st October, 1986, as adjusted for the Initial Tranche of Notes now being issued, is as follows:

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</tr>
<tr>
<td>(see Note (d)</td>
<td></td>
</tr>
<tr>
<td>Authorised</td>
<td>155.6</td>
</tr>
<tr>
<td>- 150,000,000 Ordinary Shares of £1 each</td>
<td></td>
</tr>
<tr>
<td>Issued and fully paid</td>
<td>1,084.7</td>
</tr>
<tr>
<td>Total</td>
<td>1,240.3</td>
</tr>
</tbody>
</table>

LOAN CAPITAL

The Company

- DM 125m 6½% Capital Bonds due 1988 (see Note (d))
- £100m 12½% Subordinated Unsecured Loan Stock 2002/2007
- U.S.$400m Undated Primary Capital Floating Rate Notes
- U.S.$300m Undated Primary Capital Floating Rate Notes (Series 2)
- U.S.$400m Undated Primary Capital Floating Rate Notes (Series 3)
- £150m Subordinated Floating Rate Notes due 1996 (see Note (d))
- The Initial Tranche of Notes now being issued

Standard Chartered Finance B.V.

- U.S.$200m Guaranteed Floating Rate Notes 1984
- U.S.$150m 11¼% Guaranteed Bonds 1994 (see Note (c))
- U.S.$12% Guaranteed Bonds due 1996 (see Note (c))
- £11½% Guaranteed Bonds due 1996 (see Note (c))

Union Bank

- U.S.$25m 4½% Subordinated Capital Notes 1988
- U.S.$30m 7½% Subordinated Capital Notes 2001

Union Bancorp

- U.S.$100m Floating Rate Subordinated Notes 1986

Chartered Financial Services Singapore Limited

- Singapore $50m 10½% Guaranteed Bonds 1987

Total

1,779.0

Total Capitalisation

3,019.3

Notes:

(a) Share Capital and Reserves are shown as at 31st December, 1986.
(b) Notice has been given to redeem the issue of DM 125m 6½% Capital Bonds due 1988 on 1st January, 1987.
(c) These issues represent Bonds issued on the exercise of warrants. In respect of the Guaranteed Bonds due 1996, the warrants entitle the holders, at their option, to subscribe up to U.S. $180 million or up to £144 million, subject to exercise of warrants by 7th November, 1987.
(d) Standard Chartered Finance B.V. has issued 150,000 warrants which entitle the holders to subscribe up to £150 million 5% Subordinated Bonds due 1996 of the Company, subject to exercise of warrants by 15th May, 1989.
(e) Between 1st January and 31st October, 1986 a total of 101,192 shares of £1 each have been issued under the staff profit sharing scheme at a price of £6.12 per share and a further 28 shares have been issued under the terms of the staff savings related share option scheme. There has been no material change in the authorised or issued share capital of the Company since 31st December, 1985.
(f) The loan capital of the Company, Union Bank and Union Bancorp is subordinated; that of Standard Chartered Finance B.V. is guaranteed by the Company on a subordinated basis and that of Chartered Financial Services Singapore Limited is guaranteed on a like basis by Standard Chartered Bank, a wholly owned subsidiary of the Company.
(g) Loan Capital denominated in currencies other than sterling has been translated into sterling at exchange rates prevailing at the close of business on 31st October, 1986, namely:

<table>
<thead>
<tr>
<th>Currency</th>
<th>Exchange Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.$</td>
<td>1.4050</td>
</tr>
<tr>
<td>DM</td>
<td>2.9027</td>
</tr>
<tr>
<td>SS</td>
<td>3.0889</td>
</tr>
</tbody>
</table>

(h) There has been no other material change in the loan capital of any member of the Group since close of business on 31st October, 1986.
Extract from the Interim Results

The unaudited financial statements of the Group in respect of the six months ended 30th June, 1986 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Six months ended 30th June 1986</th>
<th>Six months ended 30th June 1985</th>
<th>Twelve months ended 31st December 1985</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
</tr>
<tr>
<td><strong>Group results</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating profit</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share of profits of:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Standard Bank Investment Corporation (&quot;SBIC&quot;)</td>
<td>12.6</td>
<td>18.8</td>
<td>25.6</td>
</tr>
<tr>
<td>Associated companies</td>
<td>4.8</td>
<td>17.5</td>
<td>20.9</td>
</tr>
<tr>
<td></td>
<td>131.0</td>
<td>133.8</td>
<td>267.9</td>
</tr>
<tr>
<td>Profit before taxation</td>
<td>56.6</td>
<td>68.4</td>
<td>125.6</td>
</tr>
<tr>
<td>Taxation</td>
<td>74.4</td>
<td>65.4</td>
<td>142.3</td>
</tr>
<tr>
<td>Profit after taxation</td>
<td>4.2</td>
<td>5.2</td>
<td>9.6</td>
</tr>
<tr>
<td>Minority interests</td>
<td>70.2</td>
<td>60.2</td>
<td>122.7</td>
</tr>
<tr>
<td>Profit before extraordinary items</td>
<td>(5.3)</td>
<td></td>
<td>15.7</td>
</tr>
<tr>
<td>Extraordinary items</td>
<td></td>
<td>60.2</td>
<td>148.4</td>
</tr>
<tr>
<td>Profit attributable</td>
<td>19.5</td>
<td>16.3</td>
<td>47.4</td>
</tr>
<tr>
<td>Dividends</td>
<td>45.4</td>
<td>43.9</td>
<td>101.0</td>
</tr>
<tr>
<td>Profit retained</td>
<td>45.1p</td>
<td>38.7p</td>
<td>85.3p</td>
</tr>
<tr>
<td>Earnings per share</td>
<td>12.5p</td>
<td>10.5p</td>
<td>30.5p</td>
</tr>
<tr>
<td>Dividends per share</td>
<td>(Interim)</td>
<td>(Interim)</td>
<td>(Total)</td>
</tr>
</tbody>
</table>

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### Summarised Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th>30th June 1985</th>
<th>31st December 1985</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets employed:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and short term funds</td>
<td>4,885</td>
<td>5,185</td>
</tr>
<tr>
<td>Investments</td>
<td>1,479</td>
<td>1,434</td>
</tr>
<tr>
<td>Advances and other accounts</td>
<td>22,105</td>
<td>21,338</td>
</tr>
<tr>
<td>Investment in SBIC</td>
<td>146</td>
<td>136</td>
</tr>
<tr>
<td>Associated companies and trade investments</td>
<td>112</td>
<td>135</td>
</tr>
<tr>
<td>Premises and equipment</td>
<td>595</td>
<td>605</td>
</tr>
<tr>
<td></td>
<td>28,622</td>
<td>27,957</td>
</tr>
</tbody>
</table>

| **Financed by:**     |                |                   |
| Shareholders’ funds  | 1,224           | 1,240             |
| Minority interests   | 106             | 52                |
| Equity capital employed | 1,329           | 1,292             |
| Undated primary capital notes | 869             | 911               |
| Undated subordinated loan capital | 232             |                   |
| Permanent capital employed | 2,198           | 2,203             |
| Dated subordinated loan capital | 658             | 581               |
| Capital resources    | 2,856           | 2,784             |
| Public liabilities   | 26,456          | 26,049            |
|                      | 29,312          | 28,833            |

### Recent developments

In September 1985 Union Bancorp, a wholly owned subsidiary of the Company, signed a definitive agreement for the acquisition of United Bancorp of Arizona, the holding company for United Bank of Arizona. The purchase, which was approved by the stockholders of United Bancorp of Arizona in December 1985, is subject to the approval of state and federal regulators and to certain other conditions. Subject thereto, this transaction will be completed in the first quarter of 1987 for a cash consideration of approximately U.S. $335 million.

On 15th April, 1986, Lloyds Banl PLC announced the terms of an offer to be made on its behalf for the whole of the issued share capital of the Company. This offer subsequently lapsed.

On 14th July, 1986, the Company increased its interest in Mocatta Holding Company Limited, Mocatta Metals Corporation and Mocatta Overseas Limited to 80 per cent. for a consideration of U.S. $118 million paid in cash. These interests were subsequently further increased on 30th October, 1986 to 100 per cent. in Mocatta Holding Company Limited and Mocatta Overseas Limited and to 95 per cent. in Mocatta Metals Corporation for a consideration of U.S. $63 million paid in cash.

The Company announced on the 28th November, 1986 that it had approved in principle an issue by Standard Chartered Bank of approximately Swiss Francs 300,000,000 subordinated Bonds guaranteed on a subordinated basis by the Company with a maturity of approximately 10 years, such Bonds to be issued with warrants carrying the right over approximately five years to procure the issue of shares in the Company in an amount not exceeding 5.49 per cent. of the Company’s current issued share capital.
Directors of the Company

The Directors of the Company, the business address of each of whom is 38 Bishopsgate, London EC2N 4DE, their respective functions within the Group and their respective principal outside activities, where significant to the Company and its subsidiaries, are as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>Function within the Group</th>
<th>Principal Outside Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Rt Hon Lord Barber</td>
<td>Group Chairman</td>
<td>Director The British Petroleum Company plc</td>
</tr>
<tr>
<td>Sir Yue-Kong Pao, CBE, LLB, JP</td>
<td>Group Deputy Chairman</td>
<td>Chairman Crown Agents for Overseas Governments and Administration</td>
</tr>
<tr>
<td>Peter Alfred Graham, OBE</td>
<td>Senior Deputy Chairman</td>
<td>Chairman Glynded International plc</td>
</tr>
<tr>
<td>Sir Leslie Fletcher, DSO, FCA</td>
<td>Deputy Chairman, Chairman Standard Chartered Merchant Bank Limited</td>
<td></td>
</tr>
<tr>
<td>Michael Douglas McWilliam</td>
<td>Group Managing Director, Deputy Chairman Standard Chartered Merchant Bank Limited</td>
<td></td>
</tr>
<tr>
<td>Robin Alexander MacDonald Baillie</td>
<td>Executive Director</td>
<td>Principal Outside Activity</td>
</tr>
<tr>
<td>David Lindsay Millar, OBE</td>
<td>Executive Director</td>
<td></td>
</tr>
<tr>
<td>Richard Jonathan Beaver Stein</td>
<td>Group Finance Director</td>
<td></td>
</tr>
<tr>
<td>Sir Charles Denis Hamilton, DSO, TD</td>
<td>Director</td>
<td></td>
</tr>
<tr>
<td>John Frederick Harrigan</td>
<td>Director, Chairman and Chief Executive Officer Union Bank</td>
<td></td>
</tr>
<tr>
<td>Michael Robert Hamilton Holmes à Court</td>
<td>Director</td>
<td></td>
</tr>
<tr>
<td>The Rt Hon The Earl of Inchcape</td>
<td>Director</td>
<td></td>
</tr>
<tr>
<td>James Louden</td>
<td>Director</td>
<td></td>
</tr>
<tr>
<td>David Ronald Mitchell</td>
<td>Director</td>
<td></td>
</tr>
<tr>
<td>Sir Derek Mitchell, KCB, CVO</td>
<td>Director</td>
<td></td>
</tr>
<tr>
<td>John Brangwyn Page</td>
<td>Director</td>
<td></td>
</tr>
<tr>
<td>The Lord Pennock</td>
<td>Director</td>
<td></td>
</tr>
<tr>
<td>Sir Idwal Vaughan Pugh, KCB</td>
<td>Director, Chairman Chartered Trust plc</td>
<td>Chairman The Bell Group Limited</td>
</tr>
<tr>
<td>Philip Henry Robinson</td>
<td>Director</td>
<td>Life President and Director</td>
</tr>
<tr>
<td>Peter Kwong-Ching Woo</td>
<td>Director</td>
<td></td>
</tr>
</tbody>
</table>

Alternate Directors

Alternate to:—

Stephen Pan
Sir Yue-Kong Pao and Peter Kwong-Ching Woo

Alan Leslie Newman
Michael Robert Hamilton Holmes à Court
UNITED KINGDOM TAXATION

The Company has been advised that under current United Kingdom law and practice the taxation position of Noteholders who are the absolute beneficial owners of Notes can be summarised as follows:—

1. The Notes will constitute "quoted Eurobonds" within the terms of Section 35 of the Finance Act 1984, provided they remain in bearer form and continue to be quoted on a recognised stock exchange within the meaning of Section 33 of the Income and Corporation Taxes Act 1970. Accordingly, payments of interest may be made without withholding or deduction for or on account of United Kingdom income tax where:—

(a) the person by or through whom the payment is made is not in the United Kingdom. The Company has been advised that in accordance with current Inland Revenue practice no withholding or deduction for or on account of United Kingdom income tax will be required where the payment of interest is made by an overseas paying agent, notwithstanding that the Company is resident in the United Kingdom and will appoint a principal paying agent in the United Kingdom; or

(b) the payment is made by or through a person who is in the United Kingdom and:—

(i) it is proved, on a claim in that behalf made to the Commissioners of Inland Revenue, that the person who is the beneficial owner of the Note and entitled to the interest is not resident in the United Kingdom, or, where the interest is by virtue of any provision of the United Kingdom Taxes Acts attributable to income of a person other than the person who is the beneficial owner of the Note, on a claim in that behalf made to the Commissioners of Inland Revenue by that other person that such other person is not resident in the United Kingdom. Under current Inland Revenue practice an appropriate form of declaration of non-residence will be provided to the paying agent if sufficient proof; or

(ii) the Note and Coupon are held by one and the same person in a "recognised clearing system". Euro-clear and CEDEL have each been designated as a "recognised clearing system" for this purpose.

In all other cases, interest will be paid under deduction of United Kingdom income tax subject to such relief as may be available under the provisions of any relevant double taxation treaty

2. A collecting agent in the United Kingdom obtaining payment of interest elsewhere than in the United Kingdom on behalf of a holder of a Note or Coupon may be required to withhold or deduct for or on account of United Kingdom income tax unless it is proved, on a claim in that behalf made to the Commissioners of Inland Revenue, that the beneficial owner of the Note or Coupon is not resident in the United Kingdom.

3. The interest has a United Kingdom source and accordingly will be chargeable to United Kingdom tax by direct assessment even if the interest was paid without withholding or deduction. However, under long-standing Inland Revenue practice, the interest will not be assessed to United Kingdom tax in the hands of Noteholders who are not resident in the United Kingdom, except where such persons:

(a) are chargeable in the name of an agent in the United Kingdom; or

(b) have a branch in the United Kingdom which has the management or control of the interest; or

(c) seek to claim relief in respect of taxed income from United Kingdom sources; or

(d) are chargeable to corporation tax on the income of a United Kingdom branch or agency to which the interest is attributable.

4. Noteholders should note that the provisions relating to additional payments referred to under "Description of the Notes — Taxation" above would not apply if the Inland Revenue sought to assess the person entitled to the relevant interest directly to United Kingdom tax on interest. However, exemption from or reduction of such United Kingdom tax liability might be available under an appropriate double taxation treaty.

5. The Company has been advised that payments of interest on the Notes will not be treated as distributions within the meaning of the Taxes Acts for the time being of the United Kingdom.

6. Noteholders may be subject to United Kingdom taxation on a disposal of Notes if they are resident or ordinarily resident in the United Kingdom or if they carry on a trade in the United Kingdom through a branch or agency to which the Notes are attributable. The exemptions from United Kingdom taxation on capital gains for "qualifying corporate bonds" does not apply to the Notes.

7. No United Kingdom inheritance tax will be charged on the death of a person who is a Noteholder or who made a gift of Notes within 7 years prior to death if such person is neither domiciled nor deemed to be domiciled in the United Kingdom provided that the relevant Notes are held outside the United Kingdom at the time of death or gift respectively.

The above summary reflects current law and practice in the United Kingdom. It is general in nature and will not apply to certain classes of taxpayer (such as dealers). Persons who are in any doubt as to their tax position or who are subject to tax in any jurisdiction other than the United Kingdom should consult their professional advisers.

SUBSCRIPTION AND SALE

Standard Chartered Merchant Bank Limited, Credit Suisse First Boston Limited, Bank of China, Bank of Montreal Capital Markets Limited, Bank of Yokohama (Europe) S.A., Bankers Trust International Limited, Banque Bruxelles Lambert S.A., Banque Nationale de Paris, Banque Paribas Capital Markets Limited, Barclays de Zoete Wedd Limited, Chemical Bank International Limited, Credit Commercial de France, Daiwa Europe Limited, Dresdner Bank Aktiengesellschaft, Goldman Sachs International Corp., E Hutton & Company (London) Ltd., Morgan Stanley International, Samuel Brothers International Limited, Sanwa International Limited, J. Henry Schroder Wagg & Co. Limited, Societe Generale, Sumitomo Finance International, Sumitomo Trust International Limited, Swiss Bank Corporation International Limited, Takugin International Bank (Europe) S.A., Tokai International Limited and Yamaiichi International (Europe) Limited (the "Managers") have, pursuant to a Subscription Agreement dated 2nd December, 1986, jointly and severally agreed with the Company, subject to the satisfaction of certain conditions, to procure subscribers and in default thereof to subscribe for the Initial Tranche of Notes at 100 per cent. of their principal amount for a selling commission of 0.30 per cent. of such principal amount (plus United Kingdom Value Added Tax ("VAT") where applicable). The Company has agreed to pay to the Managers a combined management and underwriting commission of 0.20 per cent. of the principal amount of the Initial Tranche of Notes (plus VAT where applicable). In addition, the Company has agreed to reimburse the Managers for certain of their expenses in connection with the issue of the Initial Tranche of Notes. The Subscription Agreement entitles the Managers to terminate it in certain circumstances prior to payment being made to the Company.

Continued on Card 3
The Managers, on behalf of the Company, have invited certain banks, brokers and dealers (the "Selling Group") to subscribe the initial Tranche of Notes at a price of 100 per cent. of such principal amount for a selling commission of 0.30 per cent. of such principal amount (plus VAT where applicable).

The Notes have not been and will not be registered under the Securities Act of 1933 of the United States of America as amended (the "Securities Act") and may not be offered, sold, resold or delivered, directly or indirectly, in the United States or to any U.S. person as part of the distribution thereof. Any offers, sales, resales or deliveries of the Notes in the United States or to any U.S. person may constitute a violation of United States law unless made in compliance with the registration requirements of the Securities Act or pursuant to an exemption therefrom. Neither the Company nor the Managers makes any representation in respect of nor do they assume any responsibility for, the availability of any such exemption, nor do they make any representation as to when, if ever, the Notes may be lawfully sold in the United States or to U.S. persons.

Each Manager and each member of the Selling Group will represent that it is not purchasing any Notes for the account of any U.S. person and will further represent and agree that it has not offered, sold, resold or delivered, and will not offer, sell, resell or deliver, directly or indirectly any of the Notes in the United States or to any U.S. person as part of the distribution of the Notes. Each Manager and member of the Selling Group will also agree not to make, as principal or agent, any offers, sales, resales or deliveries of any Notes otherwise acquired, directly or indirectly, in the United States or to any U.S. person prior to the Exchange Date.

Each Manager and member of the Selling Group will also agree that it will deliver to each purchaser from it of Notes acquired in connection with the distribution contemplated hereby a written confirmation setting forth the restrictions on offers, sales, resales and deliveries of the Notes in the United States or to U.S. persons, including a provision requiring each such purchaser that a dealer to deliver a copy of such confirmation to any other person to whom it sells any Notes.

As used herein "United States" means the United States of America, its possessions, its territories and other areas subject to its jurisdiction and "U.S. person" means a citizen or resident of the United States, a corporation, partnership or other entity created or organised in or under the laws of the United States or any political subdivision thereof (including foreign branches of U.S. banks) or an estate or trust the income of which is subject to United States federal income taxation regardless of its source.

Each Manager and member of the Selling Group will represent and agree that (i) it has not offered or sold, and will not offer or sell, any Notes acquired by it in Great Britain other than to persons whose ordinary business it is to buy or sell shares or debentures (whether as principal or agent) (except in circumstances which do not constitute an offer to the public within the meaning of the Companies Act 1985 or by means of this Extel Card or a document which indicates from where copies of this Extel Card may be obtained or inspected), and (ii) unless it is a person permitted to do so under the securities laws of Great Britain, it has not distributed or caused to be distributed, and will not distribute or cause to be distributed, in or from Great Britain, any offering material relating to the Notes (other than this Extel Card) otherwise than to persons whose business involves the acquisition and disposal, or the holding, of securities (whether as principal or as agent). Each Manager and member of the Selling Group will also agree that it will procure that any purchaser from it of any Notes undertakes to comply with the provisions of this paragraph.

SUBSEQUENT TRANCHES

The Company has appointed Standard Chartered Merchant Bank Limited and Credit Suisse First Boston Limited (the "Lead Managers") to act in relation to the issue, not later than the Interest Payment Date for the Notes falling in January 1988, of the whole or any part of the balance of the U.S.$100,000,000 of the Notes and the Lead Managers will be entitled to reimbursement of their expenses in connection with any such issue. The subscription price for Notes comprising any subsequent tranche will be determined by the Lead Managers and the Company.
LISTING AND GENERAL INFORMATION

The listing of the Notes on The Stock Exchange will be expressed in dollars as a percentage of their principal amount (excluding accrued interest). Subject to and in accordance with the arrangements referred to under "Description of the Notes - Form and Denomination" and "Subscription and Sale" above, transactions in the Notes on The Stock Exchange will normally be effected for settlement in dollars and, under current practice, for delivery on the fifth business day in London after the date of the transaction. It is expected that the listing of the Notes will be granted on 2nd December, 1986 subject only to the issue of the temporary Global Note. Pending such issue, however, dealings will be permitted by the Council of The Stock Exchange in accordance with its rules.

The Notes have been accepted for clearance through Euro-clear and CEDEL under the following reference numbers:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Euro-clear</td>
<td>CEDEL</td>
</tr>
<tr>
<td>18542</td>
<td>189973</td>
</tr>
</tbody>
</table>

Standard Chartered Merchant Bank Limited ("SCMB") is a wholly-owned subsidiary of the Company and Sir Leslie Fletcher and Mr. M. D. McWilliam are both Directors of the Company and of SCMB.

Neither the Company nor any of its subsidiaries is involved in any legal or arbitration proceedings which may have or have had during the twelve months preceding the date of this document a significant effect on the financial position of the Company and its subsidiaries, nor, so far as the Company is aware, are any such proceedings pending or threatened against the Company or any of its subsidiaries.

Save as disclosed herein, since 31st December, 1985, the date to which the latest audited consolidated published accounts of the Company and its subsidiaries were made up, there has been no significant change in the financial or trading position of the Company and its subsidiaries, taken as a whole, nor has there been any material adverse change in the financial position or prospects of the Company.

The annual consolidated published accounts of the Company and its subsidiaries for the three financial years ended 31st December, 1985 were audited jointly by Peat, Marwick, Mitchell & Co and Deloitte Haskins & Sells, each Chartered Accountant. The address of Peat, Marwick, Mitchell & Co is 1 Puddle Dock, Blackfriars, London EC4V 3PD and the address of Deloitte Haskins & Sells is 128 Queen Victoria Street, London EC4V 4JX.

Under current Bank of England requirements, no repayment, purchase or cancellation of the Notes at the option of the Company may be made without the consent of the Bank of England.

The obligations of the Company in respect of the Notes and the Coupons are conditional upon the Company being able to make payments in respect of the Notes and Coupons and remain solvent immediately thereafter. The terms and conditions of the Notes do not provide any remedy for non-payment of interest thereon so long as no dividend or distribution has been declared, paid or made in respect of any class of capital of the Company in the Interest Period preceding the relevant Interest Payment Date as defined in "Description of the Notes — Interest" above.

Copies of the audited Annual Report and Accounts of the Company for the year ended 31st December, 1985 and of these Listing particulars are available until 16th December, 1986 in the case of the Company Announcements Office of The Stock Exchange from:

(a) Cazenove & Co., 12 Tokenhouse Yard, London EC2R 7AN;
(b) the Company, 38 Bishopsgate, London EC2N 4DE; and
(c) Standard Chartered Bank, 73-79 King William Street, London EC4N 7AB.

Copies of the following documents may be inspected during usual business hours on any weekday (Saturdays and public holidays excepted) at the offices of Slaughter and May at 35 Basinghall Street, London EC2V 5DB for a period of 14 days from the date hereof:

(a) the Memorandum and Articles of Association of the Company;
(b) the Annual Reports and Accounts of the Company for the two financial years ended 31st December, 1984 and 31st December, 1985;
(c) the Interim Results of the Company in respect of the six month period ended 30th June, 1986;
(d) the form of the Subscription Agreement; and
(e) drafts (subject to amendment) of the Trust Deed to constitute the Notes (incorporating the text thereof), the Paying Agency Agreement and the Agent Bank Agreement.

Copies of the Trust Deed, the Paying Agency Agreement and the Agent Bank Agreement and copies of the latest Annual Report and Accounts of the Company will, so long as any of the Notes is outstanding, be available for inspection during usual business hours at the specified offices of the Trustee and the Paying Agents.
REGISTERED OFFICE OF
STANDARD CHARTERED PLC
38 Bishopsgate
London EC2N 4DE

THE TRUSTEE
The Law Debenture Trust Corporation p.l.c.
Estates House
66 Gresham Street
London EC2V 7HX

PRINCIPAL PAYING AGENT
Standard Chartered Bank
73-79 King William Street
London EC4N 7AB

PAYING AGENTS
Morgan Guaranty Trust Company
of New York
35 Avenue des Arts
Brussels 1040

Banque Générale du Luxembourg S.A.
14 rue Aldringen
Luxembourg

Standard Chartered Bank AG
Bleicherweg 62
CH-8002 Zürich

AGENT BANK
Standard Chartered Merchant Bank Limited
33-36 Gracechurch Street
London EC3V 0AX

LEGAL ADVISERS

To the Managers and the Trustee
Linklaters & Paines
Barrington House
59-67 Gresham Street
London EC2V T1A

To the Company
Slaughter and May
35 Basinghall Street
London EC2V 5OB

BROKERS
Cazenove & Co.
12 Tokenhouse Yard
London EC2R 7AN

Dated 2nd December, 1986

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