MiFID II CONFLICTS OF INTEREST DISCLOSURE STATEMENT

The Standard Chartered Bank Group (the “Group”, the “Bank,” “we” or “our”) provides a wide-range of products and services for personal and business clients, putting them at the heart of our business. Potential, perceived or actual conflicts of interest may arise when providing such products and services. Managing such conflicts of interest is fundamental to the running of our business, in line with our Codes of Conduct and commitment to be Here for good.

The Group has adopted a conflicts of interest framework to help safeguard client interests. Conflicts are managed through various mechanisms and where organizational and administrative arrangements are insufficient to prevent client detriment, we expect to either disclose the nature and details of the potential conflict in writing before undertaking the business or decline to act for you.

This disclosure statement is not intended to be the only source of disclosure or a complete enumeration of all potential conflicts that may arise. These conflicts are generic and may not apply in all circumstances or impact all clients. Client, transactional or business specific disclosures could be made available or communicated to you through other means.

The term “Client Segments” is used throughout the statement and they refer groups of client facing staff who are dedicated to servicing different segment of client types and their needs.

CONFLICTS OF INTERESTS FRAMEWORK

The Group considers a conflict of interest to be a situation where there is an incentive and an opportunity for someone to act to the detriment of a client. Such situations can arise between the Group and our clients, our employees and our clients, two or more of our clients, and / or other third parties and our clients. The existence of a conflict of interest does not mean that the opportunity is necessarily acted upon but simply that the opportunity exists and client detriment is possible.

As part of our commitment to maintain a culture of the highest ethics and comply with our Code of Conduct, the Group has implemented a framework to systematically and methodically identify record and manage conflicts of interest. The Group has referenced industry best practices in implementing a methodology for establishing a detailed and comprehensive understanding of the activities in which the Group engages, and challenging whether the intersection of various activities and responsibilities, can give rise to conflicts of interest.

Primary responsibility for identifying, recording and managing conflicts of interest rests with each Group business or function that is engaging in activities which could give risk to conflict of interest situations. Each Group business or function must implement the necessary governance, organizational or administrative controls to manage conflicts of interest. In addition, all employees are responsible for managing conflicts of interest in the performance of their roles.

Each function and business is supported in meeting this responsibility by various functions, including the Compliance, Operational Risk, and Legal departments.

Conflicts management is a continuous act. It necessitates an active deliberation on whether a situation presents a potential conflict of interest. All potential, perceived and actual conflict of interest situations identified under this framework are documented in a centralised register of those conflict situations (“Conflict of Interest Register”). The Group has implemented certain minimum standards in relation to situations where a change to operating practices is considered sufficiently material to present a potential increased risk of conflicts, and so as to require a review of the applicable portions of the Conflicts of Interest Register. These include the assessment of new products, the launch of a new business or an organizational restructuring. Each Group business and function is also required to periodically review its operations to consider conflicts of interests.

MANAGEMENT OF CONFLICTS OF INTEREST

The Group manages its business, and where necessary the conflicts of interest arising from those business activities, in various manners. A summary of key methods for conflicts management is outlined below.

Policies and Education

We have adopted various policies, procedures and educational materials across Group, business and jurisdictional levels, to manage our business and navigate day to day activities. These materials may explicitly or inherently address or mitigate conflicts of interest. Key internal policies include the:

- Group Code of Conduct, which holds employees responsible for identifying, assessing and managing conflicts of interest (whether actual, potential, or perceived) that arise.
- Group Conflicts of Interest Policy, which requires employees to act with independence and integrity, especially when faced with potential, actual or perceived conflicts.
- Group Speaking Up Policy, which encourages employees to raise potential non-compliance with our Codes of Conduct, Group, business or country policies or procedures, including independent and anonymous reporting options.

Segregation

The broad range of services and products we offer to our clients has led us to organize our business and functions around both the client segments and the product lines. Our client centric business model seeks to ensure that our clients receive tailored and quality services and products by experienced personnel. As a general rule the Group seeks to organize itself such that staff involved in different business activities which could give rise to conflicts of interest, carry on those activities at a level of independence that is appropriate to the nature and scale of those activities. While interactions between different businesses do occur, the various businesses are managed and supervised separately and independently of one another. Where client segments or product lines inherently create potential conflicts of interest, they have been segregated.

Information Barriers

The Group has also established and designed internal arrangements and controls such as physical and logical segregation, information barriers, and through the use of the Control Room's Watch/Grey and Restricted lists to regulate and restrict the flow of information. These barriers seek to regulate and restrict the flow of information between and within businesses. This is also to prevent inadvertent or inappropriate leakage of information. The Watch and Restricted Lists identify where the Group holds material, non-public information and restricts activities when our duties to a client require us to limit or restrict our own activities or activities that we undertake for other clients. They are also used to record and monitor wall-crossing activities. Data privacy and bank secrecy controls also result in the segregation of sensitive and confidential information. Infrastructure functions that support client segments and product lines may also be subject to similar controls.

Governance & Oversight

The Group governs its operations through various committees, forums and other organizational bodies which feed into the Global Board of Directors, board level committees, and the Boards of Directors for various group entities. These organizational bodies cover key operations such as Enterprise and Operational risk management, compliance and financial crime, new products, rewards and compensation, information management, stress testing, reputational risk, business governance, jurisdictional governance and legal entity governance.

As part of our governance and oversight, we have adopted a global operational risk framework that aims to anticipate and control material risks, including conduct related risks. Controls are regularly monitored and assessed under this framework.

We also have an independent Compliance function that identifies, assesses, advises, monitors and reports on regulatory risks associated with failure to comply with applicable laws, regulations, rules, related self-regulatory organization standards and Codes of Conduct.

All of our employees are subject to individual line management or supervision, which requires managers to ensure that their employees understand how key policies apply, reinforce the Group Code of Conduct, and implement appropriate controls.

Processes and Controls

We have implemented multiple processes and controls to address conflicts of interest, including, but not limited to:

- Execution/ Client Instruction handling: The Group requires employees to act honestly, fairly and professionally in accordance with the best interests of a client including when we receive, transmit, and execute client instructions. These processes are designed in a client-centric manner and seek to prevent improper conduct by our employees, as well as to prevent market abuse. There are also controls with respect to suitability, appropriateness, and allocations.
- Research conflicts management: The Group has policies, procedures, processes and controls to promote the integrity and independence of Research. Key provisions include prohibitions on improperly influencing Research analysts; dealing ahead of such research publications, standards and requirements for Research content, controls relating to Research compensation, independent reporting lines, and specific disclosures made on a report by report basis.
- Transactional conflict clearance: This process reviews all relevant transactions before receiving any confidential information or agreeing to act on behalf of a client. This process also requires “no-conflict” attestations from employees working on material client transactions.
- Segregation of Duties: Maker/Checker controls are embedded within certain processes, to ensure that a single individual does not have end to end responsibility for key activities so that the opportunity for error or improper activity is reduced. Reporting lines may be separated to prevent or limit employees from exercising inappropriate influence over how others carry out services or activities for their clients of their business areas
- Inducement: The Group has established monetary thresholds and pre-approval requirements for the offering and receipt of gifts, entertainment and other items or services of value. There are additional provisions with respect to rebates, fees or commissions received from vendors, service providers, and trading venues.
- Personal account dealing: Relevant employees may not deal in securities without obtaining the prior approval of Compliance, and in certain businesses areas their line managers. These processes and controls are designed based on the responsibilities of employees, their access to client and Group information, and the nature of the information held.

- Outside business interests: This requires review and approval of outside interests, including secondary employment, certain active or passive investments, and directorships. The roles and responsibilities of the individual as well as constraints on our ability to act on behalf of our clients are considered as part of this process.
- Vendors and Third party arrangements: The Group has implemented processes to manage engagement with partners, services providers and vendors on an arm's length basis and in adherence Inducement guidelines. Client interests and regulatory requirements must be considered and adhered to when using vendors or any third party providers.

Monitoring

We monitor compliance with and the effectiveness of our policies, procedures, processes controls through a broad range of surveillance, monitoring, testing and assurance processes, including, but not limited to:

- Post trade surveillance, including surveillance against our Watch and Restricted Lists, review of client order handling, and trading activity against market benchmarks
- Electronic communications surveillance, including instant messaging, chatrooms and emails, and review of recorded phone conversations
- Data Leakage reviews to identify potentially inappropriate disclosure of confidential information
- Regularly reviewing conflicts cleared transactions for new potential conflicts arising from business changes
- Pre-publication review of research to ensure content is appropriate and adheres to Research standards
- Ongoing systems access reviews to ensure employees do not have unnecessary access to systems including those containing sensitive information
- Personal account dealing surveillance against executed trades
- Ongoing review of vendor relationships and vendor performance
- Business and compliance led assurance reviews of organizational controls
- Ongoing audit of our businesses and support functions

The above practices help to facilitate the detection and remediation of any errors, irregularities or mismanagement of conflicts of interest.

Remuneration and Employee Evaluation

Our Board has a separate Remuneration Committee responsible for ensuring that the remuneration policy is appropriate and consistent with the Conduct Management Framework as well as to periodically review and approve related policies. Our employee evaluation and promotion processes consider both business competencies as well as performance in the context of the Group's values and general conduct. Similarly variable compensation is intended to reward performance and behaviors that support our business strategy and reinforce our values. Any award of variable compensation is subject to management deliberation and challenge.

TYPES OF CONFLICTS OF INTEREST

General

When identifying conflicts of interest that may arise in the course of providing products and services to our clients, the Group seeks to give consideration to the types of situation which could commonly give rise to conflicts of interest, as prescribed by applicable regulation. These types of scenario could include the situations where the Group:

- is likely to make a financial gain, or avoid a financial loss, at the expense of a client;
- has an interest in the outcome of a service provided to a client, or of a transaction carried out on behalf of a client, which is distinct from that client's interest in that outcome;
- has a financial or other incentive to favour the interest of another client or group of clients over the interests of the client;
- carries on the same business as a client; or
- receives or will receive from a person other than a client, an inducement in relation to a service provided to that client, in the form of monies, goods or services, other than the standard commission or fee for that service.

The following section is not intended to cover all conflicts of interest that may arise. The following are those conflicts of interest situations which have been identified through the Group's conflicts of interest governance framework and which we feel are particularly relevant to enable you to make an informed decision with respect to the products and services that the Group provides to you. The fact that a potential conflict of interest situation is referenced below, does not mean that the Group feels that the manifestation of improper conduct in response to the conflict of interest situation is likely. Similarly, the fact of inclusion below does not mean that the Group does not seek to mitigate the risk of such improper conduct resulting in a detriment to our clients. Clients who require additional information regarding conflicts of interest or this disclosure should contact their usual relationship manager.

Acting in Multiple Roles

Standard Chartered Bank a multi- service banking group providing a broad range of services and products to clients who are individuals, corporations, financial institutions, other institutional investors, non-profit organizations and government agencies. We may provide several products and / or services to a client, including to its subsidiaries, branches, partners, affiliates or associates. As a market marker, we participate in industry forums/groups and may participate in submitting reference information, including to financial benchmarks that can impact markets. The diversified nature of our operation means cross selling can occur between different parts of the organization and pricing levels provided by one business could impact pricing during the cross referral. As such, Conflicts of interest could arise in certain circumstances including where:

- Providing reference price information for a benchmark or index where the information provided is based on the opinion and experience of the individuals calculating the information. The Bank may directly or indirectly impact the specific price provided to the benchmark or index.
- Market commentary, market colour, trade ideas and conviction lists could be perceived to be independent or produced by the Group's research function. Such mmaterials are produced by non-research employees and thus are not subject to the associated controls that aim to maintain the same levels of independence, as operated by the Group's research function. Such materials could also be biased due to the Group's own interests, including "house-views", or to increase visibility to clients by emphasising more on the upsides/ positive aspects of the investments or without analysis.
- An individual acting as trustee or director in special purpose vehicles we create for our clients may cause that individual to be conflicted with respect to his or her duties to the Group.
- When providing ancillary advisory, depository, administrative, custodial, accounting or other services as part of a primary transaction, the need for and cost of these services may present a conflict of interest.

- Clients are classified into various segments or tiers based on their needs, risk appetites, sophistication and levels of business with us. The different level of access to resources, products and services made available is dependent on the classification which clients fall within. Clients might in consequence be precluded from accessing certain resources, products and services for which they are otherwise eligible.
- When providing pricing and execution services, the Bank obtain knowledge of trading interests and may execute orders and hedges to / for our own inventory, ahead of receiving an order, or in anticipation of an order.
- Providing advisory to clients who have competing interests when acquiring an asset, favourable fee structures may be offered to some but not all clients.

Employees with Multiple Roles

Given the wide-range of products and services provided by the Group as well as our extensive geographic footprint, from time to time, we may have employees who act in two or more capacities for us, presenting a potential for conflicts of interest, including:

- Employees may hold both product or client segment business roles and jurisdictional roles such as Branch Manager or Country, Regional or Global Head. In such situations, an individual could have conflicting responsibilities when acting in either role. In some instances, this could also occur with respect to roles on different sides of information walls. In some cases, access to certain information in one role could prevent an employee from discharging his or her duties in another role.
- An employee could hold a management role or Board of Directors position for an external entity, either in a personal capacity or as part of their employment with the Group. Access to non-public information of the entity, as a result of such a role, may prevent the employee from discharging his or her obligations to clients in the other roles.

Working with Multiple Clients

We offer our products and services to multiple clients. Conflicts of interest could arise in certain circumstances including when:

- The Group provides advisory or financing services to multiple clients with respect to the same asset; the nature of advice and/or terms of financing will vary based on the client relationship but may be perceived as providing more favourable advice or terms to one client over another.
- Allocating instruments during offerings – allocation levels are based on several factors including nature of the investor, levels and timing of interest, history of holding such instruments, geographic location of the investor, regulatory requirements, and issuer preferences. The nature and weight of factors will vary based on the business making the allocation determination.
- The Group provides advice on the timing of bond or loan issuance that may result in clients not achieving the best price available.
- The Bank may partner with external organizations and product providers to offer third party ancillary programs as part of deposit services (e.g. airline loyalty schemes). In some instances these ancillary programs could partially replace the interest rate offered to clients. In such situations, Group staff could inappropriately influence clients to select such ancillary programs related products which may not be in their best interest to maximize the Bank's profitability.
- The Bank may receive, place and clear trades for multiple clients simultaneously, especially under volatile market conditions. The sequencing of trades could appear to favour one client over another.

- The Bank provides certain clients with the access to sponsored or over-subscribed events where such clients may receive more detailed or up to date market insights or research information over others.

Managing our Own Interests

As a financial institution, we conduct activities to manage our own interests to align to our strategic priorities, sustain profitability and ensure operational effectiveness. We will consider our interests including in the event a client experiences financial difficulties or becomes distressed. Where we hold interests, we aim to maximize our returns in a manner consistent with our Group Code of Conduct and in compliance with all legal and regulatory requirements. Conflicts of interest exist when we manage our own interests, including when we:

- Provide advisory servicing to a client whom we have an equity interest in, lending to or trading exposure against.
- Engage in trading activities to manage our own capital and liquidity requirements, to ensure appropriate levels of inventory to meet client demand, to hedge against client related trade activity or credit exposures to clients. Such activities could impact market price or be perceived to negatively impact clients or portfolio companies, including where we make decisions to manage our own concentration, market or credit risk and exposures. Additionally, our knowledge of client orders and our internal assessment of clients' credit standing could potentially influence how we manage our own trading. Advice and recommendations could appear to be based on our own exposures, positions, and capital and liquidity interests.
- From time to time the Group develops its own proprietary indices. While the Group typically employs the services of external administrators for those indices, in part to help manage the associated conflicts of interest, the external parties are remunerated for those services by the Group. Such external parties could therefore be susceptible to undue influence from Group staff, in order to inappropriately amend the calculation of index values to benefit the Group and to the detriment of our clients.

Client Transactions

When executing transactions for clients, Conflicts of interest could arise in certain circumstances including when:

- The provision of ancillary services and products to clients in circumstances where the Bank places it's interest ahead of the client's interests.
- The bank may recommend product solutions to more than one clients at one time and could be perceived to display artificial demand.
- Market information, market commentary, conviction lists, trade ideas or term sheets provided could include an element of organizational or individual bias, including with respect to the identification of comparable investments / services and sources relied on. Advice, recommendations and opinions may also consider laws, regulatory expectations, internal requirements and market practice.
- The Bank may conduct price stabilisation activities for an issuer of a security while concurrently engaging in principal trading activities in the relevant security. Issuers and market participants have different expectations; stabilising trades could be perceived inappropriately impacting market price or as proprietary trading.
- Receipt, routing, execution and other aspects of order handling:
    - The sequencing of transactions in the same instrument for multiple clients could appear to benefit us or favour one client over another;
    - The Bank has the discretion to move clients between its E-commerce platform and other dealers' platforms when required. Such manual override is in place to enable traders to obtain a more favourable price which exists outside the

platform to help achieve best execution, intervene in the event of volatile markets, or in event of a failure of the platform.
    - The Bank has the ability to divert client flow from the ePlatform to the voice desks for instances where auto-pricing becomes unavailable or unreliable. However this may give rise to potential conflicts where employees could manipulate the process to benefit their own interests thereby impacting clients
- The Bank is able to add a mark-up, margin or bid-ask spread to client transactions. The Bank could add such a mark-up, margin or bid-ask spread that may not be justifiable in the circumstances, given the nature of the transaction or the level of service provided to the client. In addition the Bank may have some discretion over the platform on which a client transaction is executed. In such circumstances the Bank could execute a client trade on one platform rather than another, which may not be in the best interests of the client.
- The Bank could represent market prices or demand levels that may not be commensurate with the services provided or demand for the instrument. As such, it may not always result in the best overall price provided to clients.
- The Bank has discretion over the pricing charged to clients in different tiers. This may give rise to potential conflicts where the Bank charge clients at the tail end of the pricing range to benefit from the known/ predicted client flows.
- Sales margins or pricing vary across markets and instruments and could be altered ahead of anticipated client demand.
- When structuring products, algorithms or portfolios for clients, the Bank may:
    - Select assets, reference products or benchmarks which may include own assets, products for which we have performance information or in which we have an interest
    - Design or recommend Structured products to clients may not align with or otherwise be in a client's best interests
    - Select or advise on the selection of service providers associated with the product such as a trading platform or master servicer
- When hedging or unwinding derivative transactions with counterparties, the nature and timing of our executions as well as information held by various businesses at any given time could be perceived as prioritising our own interests.
- The Bank may engage in risk management activity which may be executed close to Stop Loss trigger levels and the transactional activity may impact the reference price and result in Stop Loss orders being triggered.
- Some products and orders such as Binary options or Stop Loss orders are handled on a principal to principal basis; the Group does not segregate the management of such orders from its core market making operations.
- When providing investment recommendations and trade ideas to clients, which could impact investment decisions, our staff could have interests in the instruments to which the recommendations and ideas relate.
- When handling client instructions, factors such as timing, price, execution venue and market demands may influence the trading decision made. This may appear to benefit the Bank through price movements and impacting client outcome.

Information Sharing

The Group requires or receives access to client and market information as part of our product and service offerings. The receipt and access of such information could give rise to potential conflicts of interest, including:

- When disseminating information regarding the performance, valuation, availability or standing of a product, the method and timing of communications could impact a client, including the possibility that the relevant information is not shared.

Please also refer to the Group's Order Execution Policy (OEP) and the supplementary Additional Disclosures document.

Employee Related Conflicts

We use best efforts to ensure we only engage employees of the highest caliber who share the Group's values. Nonetheless, all employees have personal considerations that could give rise to conflicts of interest, including:

- Our employees are compensated for their service and performance through career progression and/or remuneration. While individual conduct and adherence to the Code of Conduct are key factors in our employee evaluation and assessment, some businesses also consider revenue generation and individual targets. Conflicts of interest arise where employees place inappropriate significance on compensation and career progression.
- Our employees may have familial or personal relationships with other employees, clients, competitors, counterparties, businesses, vendors or other third parties and these relationships may give rise to conflicts of interest with respect to personal account dealing, information sharing, client order handling or execution of products and services.
- The Group may extend credit to various related parties. In the event that relevant Group staff do not properly declare their personal interests, as required under Group policies and procedures, and then participate in the decisions to grant such credit facilities, this could be perceived as creating a conflict of interest, to promote decisions which are beneficial to their own or related interests, at the expense of our clients.
- Personal account dealing, where an employee could be biased by, uses or seeks information gained through employment in making personal trading decisions. The offer and execution of products and services could be impacted.
- Employees may receive gifts, entertainment, training or other items of value from third parties, including vendors and service providers, which could impact decision making with respect to the provision, utilisation and quality of services received.

Version Control Table

Changes made	**Version number**	**Date**
Initial issuance	V.1	12 December 2017
2018 annual refresh – CIB and PvB related Disclosure changes	V.2	13 December 2018
Updated for remaining businesses	V.3	9 April 2019