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STANDARD CHARTERED PLC

渣打集團有限公司

(Incorporated as a public limited company in England and Wales with limited liability)

(Registered Number: 966425)

(Stock Code: 02888)

Statement on 2019 AGM Remuneration Policy Vote

Standard Chartered PLC Remuneration Committee Shareholder Consultation Update and Changes to Executive Director Remuneration

London November 8, 2019. As a result of the level of votes at the 2019 AGM opposing the directors' remuneration policy, Standard Chartered PLC's Remuneration Committee announced on 8 May 2019 that it would engage further with shareholders to listen to their views on specific areas of the policy. The Committee also committed to publish an update on that engagement in November.

The Chair and members of the Committee, and the Group Chairman engaged with shareholders representing approximately 60% of the Group's issued share capital, with the Investment Association that represents over 250 UK investment management firms, and with other major shareholder advisory bodies. There were a broad range of views and, in reaching a conclusion, we have sought to find a reasonable solution to reconcile these different opinions and resolve concerns.

The full update statement from the Committee, including core views expressed by shareholders, can be viewed here: [sc.com/en/media/press-release/standard-chartered-plc-remuneration-committee-update-statement-on-changes-to-executive-director-remuneration/](https://www.sc.com/en/media/press-release/standard-chartered-plc-remuneration-committee-update-statement-on-changes-to-executive-director-remuneration/)

Changes to current executive directors' remuneration, effective 1 January, 2020:

To respond to the concerns of shareholders and the guidance on pensions published by the Investment Association at the end of September, the Committee has made the following decisions:

- To change the contractual terms and conditions for Bill Winters and Andy Halford and reduce their pension allowance from 20% of salary to 10% of salary with effect from 1 January 2020
- To continue to pay executive directors' salaries as a mixture of cash and shares. The share-based component is released over five years to strengthen shareholder alignment and focus on long-term value creation. It is not variable or performance-related pay
- To improve the disclosure in the 2019 directors' remuneration report on the structure of fixed pay, and how it aligns with the wider workforce and complies with the UK Corporate Governance Code.

Both executive directors have accepted this change.

Specific decisions in relation to executive directors' remuneration:

- Bill Winters' pension allowance will reduce by 50% from £474,000 (20% of salary) to £237,000 (10% of salary)
- Andy Halford's pension allowance will reduce by 50% from £294,000 (20% of salary) to £147,000 (10% of salary)
- This will align their pension arrangement with UK employees from 1 January 2020
- This is a reduction of 8% in fixed pay (salary plus pension allowance)
- The variable pay opportunity for both executive directors is a maximum of 200% of fixed pay, in line with the regulatory requirement and definition
- The 8% reduction in fixed pay will therefore result in a reduction of 8% to the variable pay and total remuneration opportunity
- No compensation is being given to the executive directors for the reduction in their pension allowance.

Christine Hodgson, Chair of the Standard Chartered PLC Remuneration Committee, said:

"I would like to thank Bill and Andy for their willingness to agree to these changes and to thank our shareholders and their representatives for engaging constructively with the Remuneration Committee, and for the strong support that they share with the Board for our executive directors. The changes we are making will align the current executive directors' pension allowances with other UK employees with effect from 1 January 2020. This will result in a material change to Bill and Andy's pension allowances as well as an 8% reduction in their total remuneration opportunity."

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As at the date of this announcement, the Board of Directors of Standard Chartered PLC comprises:

Chairman:

José María Viñals Iñiguez

Executive Directors:

William Thomas Winters and Andrew Nigel Halford

Independent Non-Executive Directors:

Dr Louis Chi-Yan Cheung; David Philbrick Conner; Dr Byron Elmer Grote; Christine Mary Hodgson (Senior Independent Director); Gay Huey Evans, OBE; Naguib Kheraj (Deputy Chairman); Dr Ngozi Okonjo-Iweala; David Tang; Carlson Tong and Jasmine Mary Whitbread