

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.



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)

WAIVERS FROM STRICT COMPLIANCE WITH RULES 17.03A, 17.03B(1), 17.03E AND NOTE (1) TO 17.03(18) IN RELATION TO THE EMPLOYEE SHARE SCHEMES

1. INTRODUCTION

Standard Chartered PLC (**the "Company"**) has applied for, and The Stock Exchange of Hong Kong Limited (**the "Stock Exchange"**) has granted, certain waivers to the Company from strict compliance with Rules 17.03A, 17.03B(1), 17.03E and note (1) to 17.03(18) of the amended Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange (**the "Rules"**) (such amendments took effect on 1 January 2023).

The amendments expand the application of Chapter 17 of the Rules to all share schemes operated by an issuer (rather than only to share option schemes) and introduce various new requirements relating to share schemes. All references in this announcement are to the Rules as amended.

Rule 17.03A states that the participants of a scheme may only comprise employee participants, related entity participants or service providers (**known as "eligible participants"**). Former employees are not considered eligible participants under Rule 17.03A.

Rule 17.03B(1) requires that a scheme mandate limit must not exceed 10% of the relevant class of shares of the Company in issue as at the date of approval of the scheme.

Rule 17.03E requires that the exercise price of share options must be at least the higher of (i) the closing price of the shares as stated on the Stock Exchange's daily quotations sheet on the date of grant (which must be a business day); and (ii) the average closing price of the shares as stated on the Stock Exchange daily quotations sheets for the five business days immediately preceding the date of grant.

Note (1) to Rule 17.03(18) sets out that any alterations to the terms and conditions of a share scheme relating to matters contained in Rule 17.03 which are to the advantage of participants or any alterations to the terms and conditions of a share scheme of a material nature must be approved by shareholders in a general meeting.

2. WAIVER FROM STRICT COMPLIANCE WITH RULE 17.03A

2.1 Background

Under the 2021 Standard Chartered Share Plan (**the "2021 Plan"**), the Company is able to grant share awards to former employees of the Company and its subsidiaries (**the "Group"**) in various circumstances to comply with legal and regulatory requirements.

One example would be the UK's Prudential Regulation Authority's (**the "PRA"**) requirements under their remuneration rules (**the "Remuneration Rules"**) relating to the deferral of variable remuneration. Under the Remuneration Rules, the Company must deliver variable remuneration in the form of deferred share awards for certain individuals. As the Remuneration Rules do not make a distinction between current and former employees, the Company needs the flexibility to grant awards to employees who may have left the Company.

2.2 Reasons for the waiver

Rule 17.03A does not allow for grants of awards under share schemes to former employees. Awards can only be granted to the eligible participants referred to above. The Company would not be allowed to grant awards to former employees under the 2021 Plan to meet legal and regulatory requirements without the grant of a waiver from strict compliance with Rule 17.03A.

2.3 Terms of the waiver

The Stock Exchange has granted the waiver from strict compliance with Rule 17.03A such that the Company can grant options and awards under the 2021 Plan to former employees of the Group in tightly defined circumstances, meaning grants for the purpose of ensuring compliance with various legal and/or regulatory requirements that the Group may be subject to from time to time.

3. WAIVER FROM STRICT COMPLIANCE WITH RULE 17.03B(1)

3.1 Background

Reference is made to the notice of annual general meeting of the Company dated 28 March 2023 (**the "Notice of Annual General Meeting"**), which contains, among other things, information on the proposed Standard Chartered 2023 Sharesave Plan (**the "2023 Sharesave Plan"**).

Under Rule 17.03B(1), as set out above, the scheme mandate limit shall be calculated with reference to the date of approval of the scheme. In a waiver granted by the Stock Exchange in 2012 (**the "2012 Waiver"**) in relation to the Standard Chartered 2013 Sharesave Plan (**the "2013 Sharesave Plan"**), the Company was allowed to adopt a scheme mandate limit which referred to 10% of the issued share capital of the Company from time to time (i.e. in a rolling period of 10 years), rather than as at the date of approval of the 2013 Sharesave Plan.

3.2 Reasons for the waiver

As the 2013 Sharesave Plan will expire in May 2023 and the 2023 Sharesave Plan, which will have broadly the same terms as the 2013 Sharesave Plan, is being proposed to be adopted to replace the 2013 Sharesave Plan at the annual general meeting of the Company scheduled to be held on Wednesday, 3 May 2023 (**the "AGM"**), the Company requested a new waiver from strict compliance with Rule 17.03B(1) for the 2023 Sharesave Plan on the same terms as the 2012 Waiver.

3.3 Terms of the waiver

The waiver was granted on the condition that the total number of shares under the 2023 Sharesave Plan and any other share schemes of the Company will not exceed 10% of the issued share capital of the Company from time to time.

4. WAIVER FROM STRICT COMPLIANCE WITH RULE 17.03E

4.1 Background

Reference is made to the Notice of Annual General Meeting. Under Rule 17.03E, as explained above, the exercise price of share options shall be calculated with reference to the Stock Exchange's daily quotations sheet. The 2012 Waiver allowed the Company to use the price or prices of shares (discounted by up to 20%) on the London Stock Exchange ("**LSE**") in relation to the 2013 Sharesave Plan, subject to certain conditions.

4.2 Reasons for the waiver

Due to the proposed adoption of the 2023 Sharesave Plan in replacement of the 2013 Sharesave Plan, the Company applied for a waiver from Rule 17.03E for the 2023 Sharesave Plan, on the same conditions as the 2012 Waiver.

4.3 Terms of the waiver

The waiver was granted subject to the condition that the exercise price can be set at least the higher of 80%: of (a) the average of middle-market quotations on the LSE for the five business days immediately before the date on which invitations to apply for options are given; and (b) the middle-market quotation on the LSE on the date immediately before the date on which the invitations to apply for options are given. Further, the Stock Exchange made it a condition of the waiver that the restriction on the timing of the grant of options under Rule 17.05 is extended to cover the date on which the Company announces its results or any price-sensitive information.

5. WAIVER FROM STRICT COMPLIANCE WITH NOTE (1) TO 17.03(18)

5.1 Background

Reference is made to the Notice of Annual General Meeting. As set out above, note (1) to Rule 17.03(18) requires the approval of shareholders for certain alterations to the terms and conditions of a share scheme. The 2023 Sharesave Plan gives the Company the power to make limited alterations without approval by the shareholders. The Stock Exchange previously granted a waiver to the Company in relation to the 2021 Plan for note (1) to Rule 17.03(18), which allowed the Company to make the same alterations without approval by the shareholders, subject to certain conditions (**the "2021 Waiver"**). The Company applied for a waiver from note (1) to Rule 17.03(18) for the 2023 Sharesave Plan, on the same conditions as the grant of the 2021 Waiver.

5.2 Reasons for the waiver

The waiver was sought for consistency of methodology, as well as administrative convenience, to align the approach to alterations across the Company's share schemes.

5.3 Terms of the waiver

The waiver was granted subject to the following conditions:

- (i) the board of the Company (**the "Board"**) may only exercise its discretion in favour of participants where, in the directors' bona fide judgement, it is necessary to avoid injustice or hardship or otherwise is in the interests of the Company;
- (ii) the Board may only exercise its discretion in respect of options granted to participants for the following:
 - a. the period of exercise (provided that the period of exercise must not be more than the maximum period as stated in the scheme documents);
 - b. the minimum period during which an option must be held;
 - c. automatic lapse; and
 - d. transferability;

- (iii) the Board's decision to exercise its discretionary power in each specific case applied to any executive directors should be opined by independent non-executive directors;
- (iv) the Company shall (a) notify the Stock Exchange of the Board's decision to exercise its discretionary power in each specific case applied to executive directors, the circumstances under which the Board has decided to exercise its discretions; and (b) confirm that the conditions for granting the waiver have been fulfilled;
- (v) the Company shall include in its annual report (a) particulars of the Board's decision to exercise its discretionary power in each specific case applied to executive directors; (b) the circumstances under which the Board has decided to exercise its discretion; and (c) confirmation that the conditions for granting the waiver have been fulfilled;
- (vi) the alterations to the terms and conditions of the 2021 Plan and the 2023 Sharesave Plan shall comply with the Rules; and
- (vii) the Stock Exchange reserves its right to retract the waiver should it come to the Stock Exchange's attention that such discretionary power has been abused by the Board.

The aforementioned waivers are granted on the conditions that the Company discloses details of the waivers in an announcement and/or its annual report.

By Order of the Board
Adrian de Souza
Group Company Secretary

Hong Kong, 30 March 2023

As at the date of this announcement, the Board of the Company comprises:

Chairman:

José María Viñals Iñiguez

Executive Directors:

William Thomas Winters, CBE and Andrew Nigel Halford

Independent Non-Executive Directors:

Shirish Moreshwar Apte; David Philbrick Conner; Gay Huey Evans, CBE; Jacqueline Hunt; Robin Ann Lawther, CBE; Maria da Conceicao das Neves Calha Ramos (Senior Independent Director); Philip George Rivett; David Tang; Carlson Tong; Jasmine Mary Whitbread and Linda Yi-chuang Yueh, CBE