

**STANDARD CHARTERED PLC**  
**(the Company)**  
**GOVERNANCE AND NOMINATION COMMITTEE**  
**(the Committee)**

**TERMS OF REFERENCE**

**1. Purpose**

The Committee is appointed by the Board to assist and advise the Board in fulfilling its oversight responsibilities in relation to the composition of, and appointments to, the Company's Board and its committees, the development of a diverse pipeline for succession, assessing director independence and subsidiary corporate governance of Standard Chartered PLC and its subsidiaries (the Group).

**2. Responsibilities**

The Committee shall:

**BOARD COMPOSITION, SUCCESSION PLANNING AND DIVERSITY**

- 2.1. Review and evaluate the structure, size and composition of the Board and its Committees (including the balance of skills, knowledge, experience and the promotion of diversity, inclusion and equal opportunity) as part of its succession planning, taking into account the Group's strategy and challenges;
- 2.2. Make recommendations to the Board with regard to any adjustments arising from paragraph 2.1;
- 2.3. Prepare a description of the role and capabilities required for a particular appointment, including assessment of the time commitment required;
- 2.4. Lead the process for appointments, identify and recommend suitable candidates based on merit and objective criteria (giving consideration to the promotion of diversity, inclusion and equal opportunity) for the approval of the Board, to fill Board vacancies as and when they arise;
- 2.5. Review and recommend to the Board any changes to the Board Diversity Policy and regularly review progress against any measurable objectives that the Board has set in respect to Board diversity;
- 2.6. Keep under review the leadership needs of the Company and at least annually, consider proposals for the succession of senior management within the Group, to ensure the continued ability to compete effectively in the marketplace;
- 2.7. Make recommendations to the Board for the appointment or removal of the Group Chair, Group Chief Executive, Senior Independent Director, Deputy Chair or any other director and the related terms (except for where the

consideration of such terms fall within the remit of the Board Remuneration Committee) for approval by the Board;

- 2.8. Make recommendations to the Board on the membership of the Board Committees following consultation with the relevant Committee Chair;
- 2.9. Monitor the induction process of newly appointed Directors;
- 2.10. Consider the skill sets of proposed new appointments to the boards of one of the regional hubs and approve, prior to their appointments, proposed chairs for appointment to these boards, and if referred by the Group Company Secretary, approve other appointments to the boards of these companies;

### **EXTERNAL BOARD AND COMMITTEE ADVISORS**

- 2.11. Make recommendations to the Board for the approval of the appointment, renewal of appointment and early termination of external Board and Committee advisors;

### **INDEPENDENCE OF DIRECTORS**

- 2.12. Assess the independence of each independent Non-Executive director;
- 2.13. Make recommendations to the Board on:
  - (i) the appointment or re-appointment of any independent Non-Executive director at the conclusion of the specified term of office; and
  - (ii) the annual re-election of directors by shareholders, setting out the reasons why their contribution continues to be important to the Company's long-term sustainable success;
- 2.14. In relation to directors' actual or potential conflicts of interest:
  - (i) consider and if appropriate authorise directors' conflicts of interest;
  - (ii) agree any terms to be imposed in relation to the authorisation of a director's conflict of interest; and
  - (iii) report any conflict decisions to the Board and conduct an annual review of the directors' conflicts of interest;

### **DIRECTOR TIME COMMITMENT AND CONTRIBUTION**

- 2.15. Assess individual directors' time commitment and contribution to the Board using impartial and consistent assessment criteria;

### **CORPORATE GOVERNANCE**

- 2.16. Oversee the annual evaluation of the performance, composition, diversity and effectiveness of the Board, its Committees and individual directors (including the use of an external facilitator at least every three years for the Board and its Committees) and make any recommendations to the Board;
- 2.17. Review the Group's approach to subsidiary corporate governance; and

- 2.18. Consider material trends, initiatives and proposals in relation to corporate governance of the Group and consider the impact and recommend any changes to the Group's overall corporate governance arrangements for approval by the Board.

### **3. Committee Governance**

#### Authority

- 3.1. The Committee is concerned with the business of Standard Chartered PLC and its subsidiaries and is authorised by the Board to:
- (i) seek any information that it requires in connection with its purpose and responsibilities from any employee of the Group;
  - (ii) request the attendance of any employee at a meeting of the Committee as and when required; and
  - (iii) have access to sufficient resources to carry out its duties and to seek appropriate independent professional advice on any matters within its terms of reference at the Company's expense as and when it considers it necessary but should consult the Board before material expenditure is incurred.

#### Membership

- 3.2. Members shall be appointed by the Board.
- 3.3. The Committee shall comprise at least at least four members, one of whom should be the Board Chair. A majority of the members of the Committee shall be independent Non-Executive Directors.<sup>1</sup>

#### Committee Chair

- 3.4. The appointment of the Committee Chair shall be recommended by the Governance and Nomination Committee and approved by the Board. The Committee Chair shall be the Board Chair or an independent Non-Executive Director. The Chair should not chair the Committee when it is dealing with the appointment of a successor to the Chairship.
- 3.5. In the absence of the Committee Chair, meetings of the Committee shall be chaired by either the Committee Chair's nominee or, in the absence of such nomination, the remaining members present shall elect one of their number to chair the meeting. The Chair (or nominee) shall be an independent Non-Executive Director.

#### Quorum

- 3.6. The quorum for the transaction of business shall be any two members, one of whom must be the Committee Chair or his/her nominee.

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<sup>1</sup> Membership should include at least one member of a different gender to the other members.

### Committee Secretary

- 3.7. The Group Company Secretary or his/her nominee shall act as the Committee Secretary and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.
- 3.8. The Secretary shall minute the proceedings and decisions of all Committee meetings and draft minutes of Committee meetings shall be circulated to all members of the Committee.

### Meetings

- 3.9. The Committee shall meet at least two times each year and on such other occasions as the Committee Chair deems necessary.
- 3.10. Any member may make a request to the Committee Chair that a meeting be held if they consider that one is necessary.
- 3.11. Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Group Chief Executive, Group Head, Human Resources and other relevant or expert persons would normally be invited to attend all or part of any meeting by invitation from the Committee Chair.

### Reporting and Shareholder Engagement

- 3.12. The Committee shall report to the Board on the Committee's activities and will make recommendations as necessary.
- 3.13. The Committee shall review any reports required or recommended on areas within the Committee's responsibilities for inclusion in documents for public disclosure by the Company and provide a description of its activities in the Company's annual report.
- 3.14. The Committee Chair shall attend the Annual General Meeting and answer any shareholder questions, through the Board Chair, on the Committee's activities and responsibilities. In addition, the Committee Chair should make themselves available when requested by shareholders to discuss significant matters related to the Committee's areas of responsibility.

### Other Matters

- 3.15. The Committee shall:
  - (i) consider such other matters as the Board requires and make recommendations or reports to the Board as appropriate;
  - (ii) give due consideration to applicable laws, regulations and the requirements of the London and Hong Kong Stock Exchanges as appropriate;
  - (iii) be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
  - (iv) liaise and collaborate with other Board Committees as necessary and the respective Committee Chairs shall have discretion to agree the most appropriate Board Committee to fulfil an obligation in the event of a

perceived overlap; with the obligation being deemed fulfilled by the Board irrespective which Board Committee fulfilled the obligation.

#### **4. Review of Operations**

The Committee shall annually:

- 4.1. conduct a performance evaluation of the Committee's work and effectiveness, including the quality of the information it receives, with the results and action plan to address any issues raised submitted to the Board; and
- 4.2. conduct a review of these Terms of Reference, including performance against the Terms of Reference and recommend any proposed changes to the Board for approval.