
DIRECTORS, SENIOR MANAGEMENT AND STAFF

BOARD OF DIRECTORS

The business affairs of the Company are administered by the Board. The business affairs of Standard Chartered Bank are administered by its Court of Directors (see subparagraph headed “Court of Directors” below).

The Board elects a Chairman from among its members. The roles of Chairman and Group Chief Executive are separate. The Board is made up of six executive Directors and ten non-executive Directors. All Directors are subject to periodic reappointment in accordance with the Articles of Association. All non-executive Directors are initially appointed for a specific term.

The full Board meets regularly, at least eight times a year. Two meetings a year are usually held in countries where Standard Chartered operates outside the United Kingdom. It has been the Company’s practice for at least one Board meeting every two years to be held in Hong Kong.

The Directors of the Company are as follows:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Sir Patrick John Gillam	69	Chairman
The Rt Hon Lord Stewartby	67	Senior (independent) non-executive Director, Deputy Chairman
Evan Mervyn Davies CBE	49	Group Chief Executive
Ronnie ChiChung Chan	52	Independent non-executive Director
Sir CK Chow	52	Independent non-executive Director
Barry Clare	49	Independent non-executive Director
Michael Bernard DeNoma	46	Executive Director
Ho KwonPing	50	Independent non-executive Director
Christopher Avedis Keljik	54	Executive Director
Rudolph Harold Peter Markham	56	Independent non-executive Director
David George Moir CBE	62	Non-executive Director
Kaikhushru Shiavax Nargolwala	52	Executive Director
Hugh Edward Norton	66	Independent non-executive Director
Sir Ralph Harry Robins	70	Independent non-executive Director
Peter Alexander Sands	40	Executive Director
Anthony William Paul Stenham	70	Independent non-executive Director

Of the six executive Directors, Mr. DeNoma and Mr. Nargolwala are based in Singapore.

The Hong Kong Stock Exchange has granted a waiver to the Company from strict compliance with Hong Kong Listing Rule 8.12. Under the terms of the waiver, there must be, at all times, senior executives based in Hong Kong.

Executive Directors

Sir Patrick John Gillam. Appointed to the Board on 1st August, 1988 and became Chairman on 6th May, 1993. He is the non-executive Chairman of Royal & Sun Alliance Insurance Group plc. From 1989 to 1998 he was Chairman of ICC United Kingdom. From 1991 to 1996 he was Chairman of Asda Group PLC and a non-executive director of

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Commercial Union PLC. From 1981 to 1991 he was a managing director (board member) of the British Petroleum Company Plc. He is one of the Foreign Office Ambassadors of British Business. He is a member of the Court of Governors and an Honorary Fellow of the London School of Economics and Political Science. Sir Patrick Gillam is scheduled to retire as Chairman in May 2003.

Evan Mervyn Davies CBE. Appointed to the Board on 16th December, 1997 and became Group Chief Executive Officer on 28th November, 2001. Formerly the executive Director responsible for North East Asia and for technology and operations globally, he retains corporate governance responsibility for Hong Kong, China and Taiwan. Mr. Davies joined Standard Chartered in October 1993 from Citibank and, prior to joining the Board, was in charge of Standard Chartered Bank's corporate and investment banking business. He is a member of the Exchange Fund Advisory Committee of Hong Kong and a Justice of the Peace.

Michael Bernard DeNoma. Appointed to the Board on 12th May, 2000. He is responsible for Consumer Banking worldwide and for corporate governance in Thailand, Indonesia, the Philippines and Brunei. He is based in Singapore. Mr. DeNoma joined Standard Chartered in July 1999 with specific responsibility for Consumer Banking in the main Asian markets. Prior to joining the Group, Mr. DeNoma was the founder, Chairman and CEO of Asia Foods Limited, a group of foreign-owned food technology companies in the People's Republic of China, the chief marketing and operations officer at Hutchison Whampoa Limited and Citibank's senior vice president for marketing and sales for Asia. Prior to joining Citibank, he held senior executive positions at PepsiCo, having started his career at Procter and Gamble.

Christopher Avedis Keljik. Appointed to the Board on 7th May, 1999. He is responsible for Africa, the Middle East and South Asia, risk management, audit, special assets management and corporate affairs. He is also on the Visa International Asia Pacific Regional Board of Directors. Since joining Standard Chartered in 1976, Mr. Keljik has held a number of senior positions, working in London, Hong Kong, New York and Singapore in corporate finance, treasury and general management. From 1993 to 1998, he was general manager, Africa, responsible for the Group's businesses in Africa. Before becoming an executive Director, Mr. Keljik was Group Head of External Affairs responsible for government relations, external and internal communications, and investor relations. He is a Chartered Accountant.

Kaikhushru Shiavax Nargolwala. Appointed to the Board on 7th May, 1999. He is responsible for Wholesale Banking worldwide and for corporate governance in the Americas, Singapore, Malaysia, India, Australia, Japan, South Korea and Indo China. He is based in Singapore. Mr. Nargolwala joined Standard Chartered in 1998 as Group Head of Sales, Corporate & Institutional Banking, responsible for Standard Chartered Bank's relationships with corporate & institutional customers in the Asia Pacific region, the U.S. and Europe. Prior to joining the Group, Mr. Nargolwala had worked at the Bank of America for 19 years, latterly as group executive vice president, head of Asia wholesale banking group. He is a Chartered Accountant.

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Peter Alexander Sands. Appointed to the Board on 14th May, 2002. He is responsible for finance and strategy. Prior to his appointment, he was a director with worldwide consultancy firm, McKinsey & Co. Mr. Sands was with McKinsey & Co. from 1988 and worked extensively in the banking and technology sectors in a wide range of international markets. He was elected as a partner of McKinsey & Co. in 1996 and became a director in 2000. Prior to joining McKinsey & Co., Mr. Sands worked for the U.K. Foreign and Commonwealth Office. Mr. Sands graduated from the University of Oxford and holds a Masters in Public Administration from Harvard University, where he was a Harkness Fellow.

Non-executive Director

David George Moir CBE. Appointed to the Board on 1st January, 1993 as an executive Director. He retired on 18th March, 2000 after 42 years of service with Standard Chartered Bank, but remains as a non-executive Director. Until May 1999, Mr. Moir was responsible for Corporate & Institutional Banking worldwide and for corporate governance for South East Asia, India, Australia, North and South America. At the invitation of Dr. Mahathir bin Mohamad, the Prime Minister of Malaysia and the Minister of Finance, Malaysia, Mr. Moir was, on 1st September, 2001, appointed to sit on the Board of Pengurusan Danaharta Nasional Berhad (Danaharta). This company, established by The Government of Malaysia, is a national asset management company and manages the country's non-performing loans.

Independent non-executive Directors

The Rt Hon Lord Stewartby. Appointed to the Board on 1st January, 1990, and became Deputy Chairman in 1993. He is currently Chairman of The Throgmorton Trust PLC, Deputy Chairman of Amlin plc and a non-executive director of other public companies. He was Economic Secretary to the U.K. Treasury from 1983 to 1987 and a member of the Board of the FSA (previously the Securities and Investments Board) from 1993 to 1997.

Ronnie ChiChung Chan. Appointed to the Board on 5th May, 1994. In 1980, he became an executive director of Hang Lung Group Limited, a publicly-held Hong Kong real estate development and holding company. He is currently Chairman of Hang Lung Group Limited and its subsidiaries, Hang Lung Properties Limited and Grand Hotel Holdings Limited. He is based in Hong Kong.

Sir CK Chow. Appointed to the Board on 24th February, 1997. He is Chief Executive Officer of Brambles Industries plc and Brambles Industries Limited. He is a Fellow of the Royal Academy of Engineering and a Fellow of the Institute of Chemical Engineering, as well as a member of the governing body of the London Business School.

Barry Clare. Appointed to the Board on 31st July, 2000. He is an executive director of The Boots Company PLC.

Ho KwonPing. Appointed to the Board on 22nd October, 1996. He is Chairman of the Wah-Chang Group, a regional conglomerate of listed and private companies engaged in hotel development and management, property development, agriculture and food products. Mr. Ho

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is also Chairman of Banyan Tree Holding Pte Ltd, Singapore Management University and co-chairman of the Thailand-Singapore Business Council. He is based in Singapore.

Rudolph Harold Peter Markham. Appointed to the Board on 19th February, 2001. He is finance director of Unilever PLC and Unilever NV.

Hugh Edward Norton. Appointed to the Board on 7th August, 1995. He was a managing director (board member) of British Petroleum Company Plc between 1989 and 1995. He is a non-executive director of Inchcape plc. He is also a member of the Chancellor's Court of Benefactors, Oxford University.

Sir Ralph Harry Robins. Appointed to the Board on 1st October, 1988. He is Chairman of Rolls-Royce plc and non-executive Chairman of Cable and Wireless plc. He is a non-executive director of Cooper Industries Limited. He is also Chairman of the Defence Industries Council and a former President of the Society of British Aerospace Companies.

Anthony William Paul Stenham. Appointed to the Board on 1st October, 1991. He is Chairman of Telewest Communications plc, Whatsonwhen plc and IFonline Group plc and a non-executive director of Jarrold & Sons Ltd. and Altnamara Shipping Plc. He is also an advisory director of The Management Consulting Group plc.

Court of Directors

The Court of Directors of Standard Chartered Bank is the *de facto* board reflecting the terms of the Royal Charter establishing Standard Chartered Bank in 1853. The Court of Directors currently consists of all of the executive Directors of the Company and Peter Tung Shun Wong, the Chief Executive Officer of Hong Kong.

COMMITTEES

The Board has appointed two committees of non-executive Directors with specific delegated authorities.

Board Remuneration Committee

The Board Remuneration Committee consists of Hugh Norton (Committee Chairman), Barry Clare, Ho KwonPing, Sir Ralph Robins, Anthony Stenham and Lord Stewartby. The Board Remuneration Committee considers and recommends to the Board the pay and benefits of the executive Directors, including the Chairman. The remuneration of all Directors is subject to regular monitoring to ensure that levels of remuneration and compensation are appropriate.

The Board Remuneration Committee also acts as the Board's Nomination Committee to consider the appointment of new Directors, before seeking the final approval of the whole Board. The Board Remuneration Committee meets at least three times a year.

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Audit and Risk Committee

The Audit and Risk Committee consists of Lord Stewartby (Chairman), Rudy Markham, Hugh Norton and Sir Ralph Robins. The Audit and Risk Committee receives reports on the findings of internal and external audits and on action taken in response to these audits. It meets with Standard Chartered's auditors when appropriate and reviews the scope, findings and cost effectiveness of the audit and the independence and objectivity of the external auditors. It also considers changes to Standard Chartered's accounting policies and examines the annual and interim financial statements before the Board approves them. Ultimate responsibility for the approval of the annual and interim financial statements rests with the Board. In addition, the Audit and Risk Committee regularly reviews and reports to the Board on the effectiveness of Standard Chartered's systems of internal control and risk management processes.

DIRECTORS' REMUNERATION

The following description of the Directors' remuneration is derived from a report proposed by the Board Remuneration Committee and approved by the Board on 20th February, 2002.

Remuneration Policy

Standard Chartered's remuneration policy is to:

- ensure that individual rewards and incentives relate directly to the performance of the individual, the operations and functions for which they are responsible, Standard Chartered as a whole and the interests of shareholders; and
- maintain competitive awards that reflect the international nature of Standard Chartered and enable it to attract and retain executives of the highest quality.

The Board Remuneration Committee monitors and compares Standard Chartered's performance against the financial performance of comparable groups of companies and determines the competitiveness of Directors' and senior executives' remuneration against that reported for those groups. The comparable groups are made up of financial institutions headquartered in Europe, the United States and Asia, the majority of which have significant operations in Standard Chartered's principal markets.

Remuneration Structure

The remuneration arrangements for Standard Chartered's executive Directors consist of base salaries and benefits, a variable annual bonus award, long-term share incentives and retirement benefits.

Base Salaries and Benefits

These are reviewed annually by the Board Remuneration Committee in relation to latest available market data for the comparable groups referred to above.

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Variable Annual Bonus Award

This is a cash sum payable immediately on award. The maximum annual bonus award is 150% of base salary at the time of the award. 2001 awards were determined by reference to Standard Chartered's performance and individual performance. The criteria for Standard Chartered's performance included earnings per share, total income, absolute costs, bad debts, pre-tax profits and cost to income ratio. The link to individual performance reflects Standard Chartered's culture of pay for performance, with the larger awards being made to the better performers.

Long-term Share Incentives

Standard Chartered operates a share incentive programme designed to provide competitive long-term incentives. Details of the Employee Share Schemes (including the Executive Schemes) are contained in paragraph 6 of Appendix VIII to this prospectus.

Retirement Benefits

All of the executive Directors, excluding the Chairman, are eligible for post retirement benefits through an executive Directors' retirement compensation scheme. This comprises a variety of different arrangements reflecting individual service with Standard Chartered, arrangements with previous employers and with external pension providers. Generally, Standard Chartered aims to provide a pension of two thirds salary based on at least 20 years of service with Standard Chartered at a retirement age of 60.

Service Agreements

The executive Directors' service agreements are terminable by either party giving one year's notice to the other party. It is anticipated that, in the absence of exceptional circumstances, new Directors will also be on similar notice periods for termination of one year. In the year following a change of control, Mr. Davies, Mr. DeNoma, Mr. Keljik, Mr. Nargolwala and Mr. Sands are entitled to two years' notice. The Board Remuneration Committee will continue to monitor the appropriateness of this policy in the light of market practice to allow Standard Chartered to attract and retain executive Directors of the highest quality with commensurate experience.

Throughout 2001, Standard Chartered has complied with the provisions on remuneration that are set out in the Principles of Good Governance and Code of Best Practice which form part of the U.K. Listing Rules.

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Remuneration of Executive Directors

The remuneration of the Chairman and executive Directors for the six months ended 30th June, 2002 and each of the three years ended 31st December, 2001 is set out below.

<u>Director</u>	<u>Six months ended 30th June, 2002</u>			
	<u>Salary</u>	<u>Bonus</u>	<u>Benefits</u>	<u>Total</u>
	(in U.S.\$ thousands)			
Sir Patrick Gillam.....	358	—	17	375
E.M. Davies ⁽¹⁾	422	—	9	431
M.B. DeNoma ⁽¹⁾⁽²⁾	271	—	39	310
C.A. Keljik.....	271	—	12	283
K.S. Nargolwala ⁽¹⁾	271	—	10	281
P.A. Sands ⁽³⁾	81	—	9	90
P.N. Kenny ⁽⁴⁾	271	—	12	283
Total.....	1,945	—	108	2,053
Expatriate Benefits ⁽¹⁾				313
Total.....				2,366

<u>Director</u>	<u>Year ended 31st December, 2001</u>			
	<u>Salary</u>	<u>Bonus</u>	<u>Benefits</u>	<u>Total</u>
	(in U.S.\$ thousands)			
Sir Patrick Gillam.....	693	698	11	1,402
E.M. Davies ⁽¹⁾	588	720	38	1,346
M.B. DeNoma ⁽¹⁾⁽²⁾	529	490	48	1,067
C.A. Keljik.....	529	562	22	1,113
P.N. Kenny.....	529	432	22	983
K.S. Nargolwala ⁽¹⁾	529	634	19	1,182
C.N.A. Castleman ⁽⁵⁾	277	288	14	579
G.S. Talwar ⁽¹⁾⁽⁶⁾	877	—	33	910
Total.....	4,551	3,824	207	8,582
Expatriate Benefits ⁽¹⁾				1,774
Total.....				10,356

<u>Director</u>	<u>Year ended 31st December, 2000</u>			
	<u>Salary</u>	<u>Bonus</u>	<u>Benefits</u>	<u>Total</u>
	(in U.S.\$ thousands)			
Sir Patrick Gillam.....	685	855	59	1,599
G.S. Talwar ⁽¹⁾	919	1,182	49	2,150
C.N.A. Castleman.....	531	659	27	1,217
E.M. Davies ⁽¹⁾	564	644	35	1,243
M.B. DeNoma ⁽¹⁾⁽²⁾	238	553	27	818
F.C. Enlow ⁽¹⁾⁽⁷⁾	385	425	42	852
M.J. Green ⁽⁸⁾	170	—	11	181
C.A. Keljik.....	480	629	23	1,132
P.N. Kenny.....	462	660	21	1,143
D.G. Moir ⁽¹⁾⁽⁹⁾	152	—	12	164
K.S. Nargolwala ⁽¹⁾	500	690	55	1,245
P.A. Wood ⁽¹⁰⁾	155	—	9	164
Total.....	5,241	6,297	370	11,908
Expatriate Benefits ⁽¹⁾				2,201
Total.....				14,109

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Director	Year ended 31st December, 1999			
	Salary	Bonus	Benefits	Total
	(in U.S.\$ thousands)			
Sir Patrick Gillam.....	680	744	34	1,458
G.S. Talwar ⁽¹⁾	886	874	44	1,804
C.N.A. Castleman.....	526	542	31	1,099
E.M. Davies ⁽¹⁾	526	542	21	1,089
F.C. Enlow ⁽¹⁾	537	566	21	1,124
M.J. Green.....	501	405	34	940
C.A. Keljik.....	286	429	52	767
P.N. Kenny.....	104	388	5	497
D.G. Moir ⁽¹⁾	598	607	21	1,226
K.S. Nargolwala ⁽¹⁾	318	485	21	824
P.A. Wood.....	599	631	24	1,254
Total.....	5,561	6,213	308	12,082
Expatriate Benefits ⁽¹⁾				2,490
Total.....				14,572

Notes:

- (1) Expatriate Directors carrying out their duties overseas have their remuneration adjusted to take local living costs into account. This adjustment is to put them in a position, after taxation differentials, where they are no worse off as a result of carrying out their duties overseas. Additional benefits, such as allowances for working overseas or the provision of accommodation are also granted to Directors working overseas. For Messrs Davies, DeNoma, Enlow, Moir, Nargolwala and Talwar, these allowances and benefits amounted to U.S.\$18,231 in 2002 (2001: U.S.\$653,532; 2000: U.S.\$591,522; 1999: U.S.\$831,652), U.S.\$145,882 in 2002 (2001: U.S.\$296,368; 2000: U.S.\$166,242; 1999: U.S.\$nil), U.S.\$nil in 2002 (2001: U.S.\$nil; 2000: U.S.\$541,001; 1999: U.S.\$382,534), U.S.\$nil in 2002 (2001: U.S.\$nil; 2000: U.S.\$204,283; 1999: U.S.\$515,390), U.S.\$149,151 in 2002 (2001: U.S.\$441,104; 2000: U.S.\$535,272; 1999: U.S.\$83,817) and U.S.\$nil in 2002 (2001: U.S.\$382,856; 2000: U.S.\$480,255; 1999: U.S.\$559,427) respectively.
- (2) Mr. DeNoma was appointed as an executive Director on 12th May, 2000.
- (3) Mr. Sands was appointed as an executive Director on 14th May, 2002.
- (4) Mr. Kenny ceased to be Director on 30th April, 2002. Mr. Kenny's service contract specified the amount he would be paid in the event of termination. This amount was a single termination payment of U.S.\$788,205 and has been paid. He will also receive a pro-rata bonus for 2002, which is yet to be determined.
- (5) Mr. Castleman retired as an executive Director on 30th June, 2001, and as a non-executive Director on 31st July, 2001. During July 2001, Mr. Castleman received U.S.\$14,400 for advisory services (included in the same table).
- (6) Mr. Talwar ceased to be a Director on 28th November, 2001. In recognition of the terms of his service contract, it was agreed that Mr. Talwar would receive an initial compensation payment of U.S.\$851,724 on 15th May, 2002 and thereafter five further instalments of U.S.\$569,441, with the last instalment due on 31st August, 2003. Any emoluments received by Mr. Talwar from other employment in the period to 31st August, 2003 will be fully offset against the payments made by Standard Chartered Bank. Were Mr Talwar not to find alternative employment, the maximum compensation payable would be U.S.\$4.62 million, which includes allowances paid to him as an expatriate employee. This figure represents an amount less than the full value of his contract. In addition, Mr. Talwar was paid a bonus of U.S.\$288,720 in respect of his work during 2001.
- (7) Mr. Enlow retired on 31st August, 2000.
- (8) Mr. Green ceased to be a Director on 11th May, 2000. In recognition of the duration of his service contract Mr. Green was paid additional amounts of U.S.\$489,668, U.S.\$24,256 and U.S.\$184,952 covering his salary, benefits and pension contributions for the period up to 7th April, 2001.
- (9) Mr. Moir retired as an executive Director on 18th March, 2000, when he became a non-executive Director.
- (10) Mr. Wood retired on 24th February, 2000.

The information set out in the above tables includes the five highest paid employees.

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Retirement Benefits of Executive Directors

The retirement benefits of the executive Directors for the six months ended 30th June, 2002 and each of the three years ended 31st December, 2001 are set out below.

Director ⁽²⁾	Six months ended 30th June, 2002		
	Defined contribution plans: contribution during the period	Defined benefit plan: increase in accrued pension during the period ⁽³⁾ (in U.S.\$ thousands)	Defined benefit plan: total accrued pension at the end of the period ⁽⁴⁾
Sir Patrick Gillam	—	—	—
E.M. Davies	89	1	20
M.B. DeNoma	75	—	—
C.A. Keljik	—	14	352
K.S. Nargolwala	75	—	—
P.A. Sands	29	—	—
P.N. Kenny	63	3	44
Total	<u>331</u>	<u>18</u>	<u>416</u>

Director ⁽²⁾	Year ended 31st December, 2001		
	Defined contribution plans: contribution during 2001	Defined benefit plan: increase in accrued pension during 2001 ⁽³⁾ (in U.S.\$ thousands)	Defined benefit plan: total accrued pension at 31st December, 2001
Sir Patrick Gillam	—	—	—
E.M. Davies	137	3	19
M.B. DeNoma	146	—	—
C.A. Keljik	—	58	338
P.N. Kenny	172	6	42
K.S. Nargolwala	143	—	—
C.N.A. Castleman	62	1	6
G.S. Talwar	398	—	—
Total	<u>1,058</u>	<u>68</u>	<u>405</u>

Director ⁽²⁾	Year ended 31st December, 2000		
	Defined contribution plans: contribution during 2000	Defined benefit plan: increase in accrued pension during 2000 ⁽³⁾ (in U.S.\$ thousands)	Defined benefit plan: total accrued pension at 31st December, 2000
Sir Patrick Gillam	—	—	—
G.S. Talwar	418	—	—
C.N.A. Castleman	214	3	5
E.M. Davies	123	3	17
M.B. DeNoma	67	—	—
F.C. Enlow	91	—	—
M.J. Green	73	—	15
C.A. Keljik	—	76	293
P.N. Kenny	141	3	38
D.G. Moir ⁽⁶⁾	—	—	421
K.S. Nargolwala	153	—	—
P.A. Wood ⁽⁷⁾	60	23	39
Total	<u>1,340</u>	<u>108</u>	<u>828</u>

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<u>Director⁽²⁾</u>	Year ended 31st December, 1999		
	Defined contribution plans: contribution during 1999	Defined benefit plan: increase in accrued pension during 1999 ⁽³⁾ (in U.S.\$ thousands)	Defined benefit plan: total accrued pension at 31st December, 1999
Sir Patrick Gillam	—	—	—
G.S. Talwar	416	—	—
C.N.A. Castleman	204	3	3
E.M. Davies	123	3	15
M.B. DeNoma	—	—	—
F.C. Enlow	139	—	—
M.J. Green	214	2	15
C.A. Keljik	—	65	223
P.N. Kenny	32	2	36
D.G. Moir ⁽⁶⁾	—	—	440
K.S. Nargolwala	102	—	—
P.A. Wood ⁽⁷⁾	254	3	16
Total	1,484	78	748

Notes:

- (1) The executive Directors' retirement compensation scheme comprises defined contribution plans and a defined benefit plan. Defined contribution plans are a combination of an approved scheme, unapproved schemes and salary supplements. The defined benefit plan is provided through the Standard Chartered Pension Fund, which is an approved scheme under which normal retirement age is 60. (For further details of the Standard Chartered Pension Fund, please see the paragraph headed "Employees—Employee Retirement Schemes" in this section). A spouse's pension of 60% of the member's pension (including any amount exchanged for a cash lump sum at retirement) is payable on death after retirement. On the death of a Director, pension benefits are also available to children. Members of the Standard Chartered Pension Fund are entitled to retire early but on a reduced pension equivalent in value to the deferred pension. Guaranteed pension increases are given, equivalent to 4% per annum (or the increase in the U.K. Retail Prices Index ("RPI") if lower) in respect of pension for service up to 5th April, 1997 and 5% per annum (or the increase in the RPI if lower) for service from 6th April, 1997.
- (2) The ages of the current Directors are shown under the paragraph headed "Board of Directors" in this section.
- (3) The increase in accrued pension shown for 2001 is the difference between the accrued pension at the end of 2000 increased by an allowance for inflation of 0.9% (2000: 3.2%; 1999: 1.3%) and the accrued pension at the end of 2001. No adjustment for inflation has been made over the six months ended 30th June, 2002.
- (4) Or at the date of resignation.
- (5) Amounts paid by the Group in addition to pension fund payments under the pension scheme to former directors or their dependents in respect of post-retirement benefits amounted to U.S.\$364,034 in 2001 (2002: U.S.\$227,070; 1999: U.S.\$236,107). There were no other post-retirement benefits payments to former directors. The amount paid during the six months ended 30th June, 2002 was U.S.\$113,506.
- (6) Mr. Moir has passed his normal retirement date. His pension is fully accrued and financed in the Standard Chartered Pension Fund.
- (7) Mr. Wood's defined benefit plan accruals exclude an increase in accrued pension during the year of U.S.\$2,533 (U.S.\$8,399 in 1999) and a total accrued pension at the year end of U.S.\$179,379 (U.S.\$188,745 in 1999) in respect of a transfer payment from a former employer's pension fund.

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Remuneration of Non-executive Directors

The table below sets out the fees for the non-executive Directors for the six months ended 30th June, 2002 and three years ended 31st December, 2001.

	Six months ended 30th June,	Year ended 31st December,		
	2002	2001	2000	1999
	(in U.S.\$ thousands)			
Lord Stewartby ⁽¹⁾⁽²⁾	143	173	164	154
R.C. Chan	27	43	45	49
Sir CK Chow ⁽³⁾	27	49	55	49
B. Clare ⁽¹⁾	32	44	18	—
Ho KwonPing ⁽¹⁾	32	44	45	49
K.A.V. Mackrell ⁽⁴⁾	23	60	67	80
R.H.P. Markham ⁽²⁾⁽⁵⁾	32	38	—	—
D.G. Moir ⁽⁶⁾	99	187	153	—
H.E. Norton ⁽¹⁾⁽²⁾⁽⁷⁾	39	60	64	68
R.J. Olsen ⁽⁸⁾	—	—	—	19
Sir Ralph Robins ⁽¹⁾⁽²⁾	38	60	64	68
A.W.P. Stenham ⁽¹⁾	86	58	61	64
Total	<u>578</u>	<u>816</u>	<u>736</u>	<u>600</u>

Notes:

- (1) Member of the Board Remuneration Committee.
- (2) Member of the Audit and Risk Committee.
- (3) Sir CK Chow ceased to be a member of the Audit and Risk Committee with effect from 1st August, 2001.
- (4) Mr. Mackrell resigned as a Director on 2nd May, 2002.
- (5) Mr. Markham was appointed as a non-executive Director with effect from 19th February, 2001.
- (6) Mr. Moir ceased to be an executive Director of the Company and became a non-executive Director with effect from 18th March, 2000.
- (7) Mr. Norton replaced Mr. Stenham as Chairman of the Board Remuneration Committee on 1st June, 2002.
- (8) Mr. Olsen resigned on 6th May, 1999.

The fees of the non-executive Directors are determined by the executive Directors only and are non-pensionable. Basic annual fees are (from April 2002) U.S.\$65,000. The Deputy Chairman, Lord Stewartby, who is also Chairman of the Audit and Risk Committee and a member of the Board Remuneration Committee, receives an annual fee of U.S.\$194,900 inclusive of Board and Committee fees. Ordinary membership of a Board Committee carries an annual fee of U.S.\$13,000. The Chairman of the Board Remuneration Committee, Mr. Norton, receives an annual fee of U.S.\$21,654. Mr. Mackrell received additional fees from Standard Chartered of U.S.\$3,638 in 2000 and U.S.\$13,591 in 1999 for consultancy services. Mr. Moir received fees of U.S.\$72,180 in the six months ended 30th June, 2002, U.S.\$144,010 in 2001 and U.S.\$119,097 in 2000 (none in 1999) for advisory services. These amounts are included in the table above.

Transactions with Directors

The Group's Hong Kong head office (at 4-4A, Des Voeux Road, Central) is leased from Rioloy Limited, a wholly-owned subsidiary of Hang Lung Properties Limited. The naming and signage rights for the building are licensed from Rago Star Limited, also a wholly owned subsidiary of Hang Lung Properties Limited. Hang Lung Properties Limited is a subsidiary of Hang Lung Group Limited, the Chairman of which is Mr. Ronnie Chan.

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PROPOSED EXECUTIVE DIRECTOR

Richard Henry Meddings aged 44. Joins Standard Chartered from Barclays PLC, where he is currently Chief Operating Officer, Barclays Private Clients (the wealth management division of the Barclays Group). Prior to joining Barclays, he was Group Finance Director at Woolwich plc, where his responsibilities included risk, compliance and treasury. Mr. Meddings will take up his appointment at Standard Chartered in mid-November, and will be the Group executive Director responsible for risk.

AUTHORISED REPRESENTATIVES

The Company has appointed Peter Alexander Sands, Peter Tung Shun Wong and Julian Loong Choon Fong as Authorised Representatives. The Hong Kong Stock Exchange has granted the Company a waiver from strict compliance with Hong Kong Listing Rule 3.05 to allow the Company to appoint Mr. Wong and Mr. Fong (neither of whom are Directors) as Authorised Representatives.

Peter Alexander Sands. For Mr. Sands' biographical details, please see the paragraph headed "Board of Directors—Executive Directors" in this section.

Peter Tung Shun Wong. Joined the Group on 10th April, 1997 and is a director of Standard Chartered Bank and Chief Executive Officer of Hong Kong. He is currently located in Hong Kong. Prior to joining Standard Chartered, Mr. Wong was with Citibank in Hong Kong for over 15 years, latterly as Group Head of Sales, Service and Delivery Channels for North Asia (including Hong Kong, China, the Philippines, Korea and Taiwan).

Julian Loong Choon Fong. Joined the Group on 7th October, 1991 and is currently Chief Financial Officer, Hong Kong, China and North East Asia, based in Hong Kong. He has held a number of senior positions in Group Finance, latterly as Group Head Business Finance in Corporate & Institutional Banking, based in Singapore. Prior to joining Standard Chartered, Mr. Fong was a senior manager at Royal Bank of Canada in the head office of their Finance Division. Mr. Fong is a Certified Management Accountant (Canada) and a Fellow of the Institute of Canadian Bankers.

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Jaspal Bindra aged 42. Joined the Group on 3rd August, 1998, and is Regional General Manager India, Standard Chartered Bank. Before joining the Group, he was the head of investment banking at the Union Bank of Switzerland, India. Prior to that, he was with the Bank of America for 10 years, in treasury and consumer banking, located in Singapore and India.

Gareth Richard Bullock aged 48. Joined the Group on 26th February, 1996 and is employed as Group Head of Technology. Previously, he held positions within the Group as Head of Corporate Banking Group in U.K. and Europe, Head of Corporate & Institutional Banking in Hong Kong, China and North East Asia and Regional General Manager, Africa.

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He is currently located in the U.K. Prior to joining the Group, Mr. Bullock was an executive director of Swiss Bank Corporation International Limited, deputy managing director at both UBS and Phillips & Drew, and head of corporate and institutional banking at Société Générale in the U.K.

David Edwards aged 49. Joined the Group on 30th July, 1999 and is Group Head, Risk Management. He is currently located in the U.K. He was employed by NatWest Group from 1973 to 1999, latterly as group regional managing director of Asia Pacific.

John Filmeridis aged 55 Joined the Group on 4th June, 1995 and is Regional General Manager, Middle East and South Asia. He is currently located in the United Arab Emirates. Mr. Filmeridis was previously employed by American Express Bank and held positions in regional management in Hong Kong for North Asia, New Delhi for India and South Asia and Bahrain for the Middle East.

Stephen Martin Fish aged 56. Joined the Group on 1st February, 1990 and is Project Manager, China Project. He is currently located in Hong Kong. Prior to moving to Hong Kong, Mr. Fish was Group head of strategic sourcing & property management, based in the U.K. From 1990 to 1994, he was Group Head of Human Resources, and from 1994 to 1999, he was Chief Executive Officer at Standard Chartered Bank, India.

Julian Loong Choon Fong aged 51. He is an authorised representative of the Company. For Mr. Fong's biographical details, please see the paragraph headed "Authorised Representatives" in this section.

Rafael Gil-Tienda aged 50. Joined the Group on 8th June, 1998 and is Group Head of Local Franchises, Wholesale Banking. He is currently located in Hong Kong. Prior to joining the Group, Mr. Gil-Tienda was with Citicorp and Citibank for 20 years, where he held positions including country manager and country corporate officer in China and Malaysia, and was latterly business manager of consumer banking in Spain.

Euleen Yiu Kiang Goh aged 47. Joined the Group on 27th August, 1984 and is Chief Executive Officer, Singapore. She is currently located in Singapore. Within the Group, she has held positions in both U.K. and Singapore as South East Asian Head of various functions including Asset Liability Management, Finance and Planning for Treasury, as well as Group Head roles in Treasury and Custody Audit, Market Risk and Sales of Corporate & Institutional Banking. She is a Chartered Accountant.

Michael Anthony Grime aged 56. Joined the Group on 7th March, 1994 and is Group Head of Operations. He previously held the positions of Group Head of Information Technology and Head of Operations and Technology for Markets, and managed the technology integration of the Grindlays acquisition. He is currently located in the U.K. Prior to joining the Group, he was with Citicorp and Citibank for 12 years in senior operations and technology management positions.

Michael Charles Hart aged 51. Joined the Group on 1st March, 1991 and is currently undertaking a number of strategic business reviews across the Group. He is located in Hong

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Kong. Within the Group, he also worked as Group Head of Audit and Investigations, Head of International Consumer Finance businesses in Asia Pacific, Group Head of Operations and was an executive director of Chartered Trust Plc. He recently led a major re-engineering programme across the Group, and was latterly Integration Executive in relation to the integration of the acquisition of MCCL and the Hong Kong-based retail banking business of The Chase Manhattan Bank. Prior to joining the Group, he was professional services director at Hogan Systems Limited and a senior manager at Barclays National Bank in South Africa.

Richard Andrew Hunter aged 52. Joined the Group on 8th September, 1969. He is currently Chief Executive of Standard Chartered Grindlays Offshore Financial Services. He has previously been Chief Executive of Standard Chartered in the Americas, Managing Director of Chartered Trust and Group Head of Human Resources.

William Martyn Peter Jenkins aged 48. Joined the Group on 1st March, 2000 and is Global Product Head, Wealth Management. He is currently located in Singapore. He was previously Group Head of Strategy based in the U.K. Prior to joining the Group, he spent 15 years at Booz, Allen & Hamilton where he was a main board member and Head of the European Financial Services Practice.

Jan Johannes Henricus Kivits aged 52. Joined the Group on 11th December, 1967 and is Chief Executive Officer, Malaysia. He is currently located in Malaysia. He was previously Group Head of Audit & Investigations and Area General Manager for Standard Chartered in West Africa.

John Howard Lorimer aged 49. Joined the Group on 1st May, 2000 and is Global Product Head, Credit Card & Personal Loan. He is currently located in Singapore. Prior to joining Standard Chartered, he was employed by Citibank for 13 years and was latterly Asia Pacific Cards Director at Citibank, located in Singapore.

Pamela Ann McGann aged 42. Worked for the Group from 1986 to 1988 and then rejoined the Group on 2nd September, 1991. She is employed as Group Head Audit and Investigations and is currently located in the U.K. Previously, she has held positions within the Group as Group Head of Corporate Affairs, Group Investor Relations Manager and Regional Manager Institutional Banking, U.K. Prior to joining the Group, she worked for National Westminster Bank and Kleinwort Benson Limited.

Tim John Miller aged 45. Joined the Group on 26th May, 2000 and is Group Head of Human Resources. He is currently located in the U.K. Prior to joining the Group, Mr. Miller was at Glaxo Wellcome in the U.K. for eight years, latterly as executive director of human resources.

Kathleen Anne Nealon aged 49. Joined the Group on 2nd November, 1992 and is Group Head Legal & Compliance. She is currently located in the U.K. Prior to joining the Group she practised international banking law in New York for many years, most recently as a partner at the California-based firm, Morrison and Foerster (between 1990 and 1992). Ms. Nealon joined the Group as Head of Legal & Compliance, the Americas and on 1st January, 1996, she was appointed Group Head of Compliance.

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David Frederick Proctor aged 42. Joined the Group on 1st August, 1999 and is Group Head of Global Clients. He is currently located in Singapore. Prior to joining Standard Chartered, he was with Bank of America for 14 years, latterly as country manager for Thailand.

Alun Michael Guest Rees aged 46. Joined the Group on 11th June, 1990 and is Group Head of Global Markets. He is currently located in Singapore. Prior to joining the Group, Mr. Rees was head of financial and regulatory accounting with J.P. Morgan. Within Standard Chartered, he has held the positions of Chief Financial Officer of Group Treasury and Regional Treasurer in Singapore. He is a qualified Chartered Accountant.

David Frederic Miles Stileman aged 51. Joined the Group on 3rd September, 1984 and is Group Head of Strategic Projects. He is currently located in the U.K. Within the Group, Mr. Stileman was Chairman of Standard Chartered Asia from 1993 to 1996 and was Chief Executive, Corporate Finance for Standard Chartered Bank from 1994 to 1996.

Peter David Sullivan aged 54. Joined the Group on 20th June, 1994 and is Chief Executive Officer, Africa. He is currently located in the U.K. Mr. Sullivan joined Standard Chartered as Group Head of Global Cash Management Services, and also held the positions of Group Head of Product Management, Corporate & Institutional Banking, Integration Executive and Chief Executive Officer of Grindlays.

E. M. (Jake) Williams aged 57. Joined the Group on 15th October, 1999 and is Group Head, Group Special Assets Management. He is currently located in Hong Kong. Before joining the Group, he was General Manager - Sales and Marketing for Westpac Banking Corporation in Australia. Prior to that, Mr. Williams was with Citibank/Citicorp for 21 years in a variety of managerial positions and locations, including latterly as the Managing Director of Citibank Australia Ltd.

Peter Tung Shun Wong aged 50. He is an authorised representative of the Company. For Mr. Wong's biographical details, please see the paragraph headed "Authorised Representatives" in this section.

Wong Yuen Fai aged 46. Joined the Group on 17th June, 1974 and is Chief Executive Officer, China. He is currently located in China. He has held a number of positions within Standard Chartered's Treasury department, most recently as Regional Treasurer of North East Asia.

Jaspal Bindra's business address is Standard Chartered Bank, 90 Mahatma Gandhi Road, Fort, Mumbai 400 001, India.

Gareth Richard Bullock's, David Edwards', Michael Anthony Grime's, Richard Andrew Hunter's, Pamela Ann McGann's, Tim John Miller's, Kathleen Anne Nealon's, David Frederic Miles Stileman's and Peter David Sullivan's business address is Standard Chartered PLC, 1 Aldermanbury Square, London EC2V 7SB, United Kingdom.

John Filmeridis' business address is Standard Chartered Bank, PO Box 999, A1 Mankhool Road, Dubai, United Arab Emirates.

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Stephen Martin Fish's, Julian Loong Choon Fong's, Rafael Gil-Tienda's, E. M. (Jake) Williams' and Peter Tung Shun Wong's business address is Standard Chartered Bank, Standard Chartered Bank Building, 4-4A Des Voeux Road, Central, Hong Kong.

Euleen Goh Yiu Kiang's, David Frederick Proctor's and Alun Michael Guest Rees' business address is Standard Chartered Bank, 6 Battery Road, #05-00, Singapore 049909.

William Martyn Peter Jenkins' and John Howard Lorimer's business address is Standard Chartered Bank, 51 Bras Basah Road, #09-00 Plaza By The Park, Singapore 189554.

Michael Charles Hart's business address is Standard Chartered Bank, 30th Floor, Standard Chartered Tower, 388 Kwun Tong Road, Kwun Tong, Hong Kong.

Jan Johannes Henricus Kivits' business address is Standard Chartered Bank Malaysia Berhad, 2 Jalan Ampang, 50450 Kuala Lumpur, Malaysia.

Wong Yuen Fai's business address is 35th Floor, China Merchants Tower, 161 East Lu Jia Zui Lu, Pudong, Shanghai 200120, China.

Company Secretary

Gordon Andrew Bentley, LLB (Hons). Appointed as Group Secretary on 1st January, 2001. He qualified as a solicitor in Scotland in 1984. He joined Standard Chartered Group Legal Department in 1988. He has worked in various management positions, including Assistant Group Secretary from 1995 to 1997. He was also appointed Deputy Group Head of Legal and Compliance on 1st January, 2001.

The Hong Kong Stock Exchange has granted a waiver from the requirement in Hong Kong Listing Rule 8.17 that the secretary of the Company be ordinarily resident in Hong Kong subject to the condition that the Company appoints an assistant company secretary who is ordinarily resident in Hong Kong and who satisfies the other requirements of Hong Kong Listing Rule 8.17.

Assistant Company Secretary

Katie Kay Chun Yip, MA (Oxon). Appointed as Assistant Company Secretary on 11th October, 2002. She qualified as a solicitor in Hong Kong in 1987. She joined Standard Chartered in 1992, and is currently Regional Head of Legal & Compliance, North East Asia, based in Hong Kong.

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EMPLOYEES

As of 30th June, 2002, Standard Chartered had approximately 28,100 employees (including those from Grindlays, MCCL and the Hong Kong-based retail banking business of The Chase Manhattan Bank). The following table sets out the approximate number of employees in each of Standard Chartered's geographic markets at 30th June, 2002.

	<u>Approximate No. of Employees</u>
Hong Kong	4,400
Singapore.....	2,300
Malaysia.....	1,900
Other Asia Pacific	4,700
India	5,000
Middle East and Other South Asia	2,900
Africa.....	5,000
Americas, the United Kingdom and Group Head Office	<u>1,900</u>
Total	<u>28,100</u>

About 20% of Standard Chartered's workforce is unionised. Management considers relations with employees to be good. Standard Chartered maintains training programmes for its employees, both internal and external, which cover such areas as banking operations, product knowledge, marketing, management skills and customer service.

Standard Chartered's salary and benefits packages are defined by its Reward Policy which is based on four principles: pay for performance, best practice, consistency and competitiveness. The pay arrangements structure is comprised of four elements: base salary, annual bonus, long-term incentives and competitive benefits package (such as medical and pension). All these elements are monitored and benchmarked to other companies through published salary surveys.

Standard Chartered provides various benefits to its employees, including subsidised mortgages, low-interest housing loans, medical insurance and pension fund schemes. Standard Chartered operates a number of share schemes under which it awards conditional rights to Shares to staff or gives them the options to purchase Shares. Details of these are contained in paragraph 6 of Appendix VIII to this prospectus.

Employee Retirement Schemes

The Group has in place approximately 50 regional retirement benefit schemes in the vast majority of countries and regions where it has operations. These schemes consist of defined benefit pension schemes, defined contribution pension schemes and post-retirement benefits other than pensions.

The assets of these schemes are held under separate local trust funds, which are designed to take advantage of any tax benefits prevailing in the applicable jurisdiction, and to segregate the assets of the scheme from the assets of Standard Chartered Bank. The schemes are properly managed by local boards of trustees, comprising a mix of members from Standard Chartered Bank, employee-nominated and independent members. The

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Standard Chartered Bank and trustee boards take independent professional advice when required. Contributions from Standard Chartered Bank and employees are paid into the trust in accordance with the governing rules of the trust. Financial reports and year-end accounts are prepared, which are audited independently by external auditors.

For the few countries where it is not possible or practical, due to local market practice, the absence of any tax benefits or other relevant regulatory factors, to set up a separate trust, the responsibility for managing the schemes falls to the management of Standard Chartered Bank. In such cases, Standard Chartered Bank makes monthly provisions in its books to fully meet its benefit obligations.

The total charge for benefits under the Group's retirement benefit schemes was U.S.\$35 million for the six months ended 30th June, 2002 (six months ended 30th June, 2001: U.S.\$27 million) (year ended 31st December, 2001: U.S.\$54 million; 2000: U.S.\$50 million; 1999: U.S.\$51 million), of which U.S.\$24 million (six months ended 30th June, 2001: U.S.\$18 million) (year ended 31st December, 2001: U.S.\$32 million; 2000: U.S.\$38 million; 1999: U.S.\$39 million) was for defined benefit pension schemes, U.S.\$10 million (six months ended 30th June, 2001: U.S.\$8 million) (year ended 31st December, 2001: U.S.\$20 million; 2000: U.S.\$9 million; 1999: U.S.\$10 million) was for defined contribution pension schemes and U.S.\$1 million (six months ended 30th June, 2001: U.S.\$1 million) (year ended 31st December, 2001: U.S.\$2 million; 2000: U.S.\$3 million; 1999: U.S.\$2 million) was for post-retirement benefits other than pensions.

A reserve account operates within The Standard Chartered Retirement Investment Scheme, the new defined contribution scheme in the U.K., into which contributions forfeited (by employers on behalf of employees who leave the retirement schemes prior to vesting fully in such contributions) are paid. To date, the reserve account has not been used to reduce the existing level of contributions and has mainly been used to meet administrative expenses.

The major retirement schemes are The Standard Chartered Pension Fund in the U.K. and The Standard Chartered Bank Hong Kong Retirement Scheme, which amount to over 80% of the total pension funds of the Group worldwide. They are further described below.

The Standard Chartered Pension Fund

The Group's principal retirement scheme in the U.K. is the Standard Chartered Pension Fund (the "Fund"). The financial position of the Fund, which is a defined benefit scheme, is assessed in the light of the advice of an independent qualified actuary, Mr. A. P. Cunningham of Lane Clark & Peacock in the U.K., a Fellow of the Institute of Actuaries. The most recent actuarial assessment of the Fund, using the projected unit method, was at 31st December, 2000. The assumptions having the most significant effect on the outcome of the valuation are set out in Note 6 to the Accountants' Report (see Appendix I to this prospectus).

Applying the assumptions, the actuarial value of the assets of the Fund (U.S.\$1,110 million) was sufficient to cover 116% of the benefits that had accrued to members (98% including the allowance for discretionary benefit increases). The market value of the assets of the Fund was U.S.\$1,172 million. The actuarial valuation took full account of the

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anticipated effect of the loss of the ability to recover U.K. advance corporation tax relating to dividends received which occurred in 1997.

During the six months ended 30th June, 2002, payments of U.S.\$8 million (six months ended 30th June, 2001: U.S.\$6 million) (year ended 31st December, 2001: U.S.\$11 million; 2000: U.S.\$23 million; 1999: U.S.\$24 million) were made to the Fund and the charge in these accounts for pension costs attributable to the Fund was U.S.\$6 million (six months ended 30th June, 2001: U.S.\$3 million) (year ended 31st December, 2001: U.S.\$3 million; 2000: U.S.\$14 million; 1999: U.S.\$16 million), comprising a regular cost of U.S.\$6 million (six months ended 30th June, 2001: U.S.\$4 million) (year ended 31st December, 2001: U.S.\$9 million; 2000: U.S.\$17 million; 1999: U.S.\$19 million) and a credit of U.S.\$nil (six months ended 30th June, 2001: credit of U.S.\$1 million) (year ended 31st December, 2001: credit of U.S.\$6 million; 2000: credit of U.S.\$3 million; 1999: credit of U.S.\$3 million) being the annual cost of spreading the surplus using the straight-line method over a 10 year period (year ended 31st December, 2001: 10 year period; 2000: 11.2 year period; 1999: 11.2 year period). There were no material charges in respect of benefit improvements.

With effect from 1st July, 1998, the Fund was closed to new entrants. All new employees are offered membership of a new defined contribution scheme. As at 31st December, 2001, there were 706 employees participating in the Fund.

The Standard Chartered Bank Hong Kong Retirement Scheme

In Hong Kong, the Group operates the Standard Chartered Bank Hong Kong Retirement Scheme (the "Scheme"). The Scheme was established on 1st April, 1985 and it provides benefits to members on retirement or termination of service. The Scheme, which provides benefits based on a multiple of final salary and service, is a registered scheme under the Occupational Retirement Schemes Ordinance (Chapter 426 of the Laws of Hong Kong). Members are not required to contribute to the Scheme. Standard Chartered Bank will pay the Scheme contributions being a certain percentage of the members' pensionable salary determined after consultation with the actuary. The Scheme must be reviewed by the independent actuary at least once every three years as stated in the deed of trust entered into in relation to the Scheme. The actuary will advise on the size of the fund required to cover the benefit of payments in the future and hence recommend the level of contributions required for the Scheme.

In July 2000, the Mandatory Provident Fund Authority issued to Standard Chartered Bank a certificate of exemption of the Scheme from the Mandatory Provident Fund ("MPF") requirements. This essentially allowed the existing Scheme to continue in operation and gave members the option to remain in the Scheme or transfer to the new MPF plans. All employees who join Standard Chartered in Hong Kong after 1st December, 2000 (except those who are exempt under the MPF legislation) must join the MPF plans. Standard Chartered has in place two MPF plans: the Top-up Plan and the Basic Plan. Only full-time permanent staff can select to join the Top-up Plan which carries a higher employer contribution rate. By default, contract and part time employees are to join the Basic Plan, which fulfils the minimum legal requirements.

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As at 31st August, 2002, 1,271 employees are participating in the MPF Top-up Plan and 622 employees are participating in the MPF General Plan which were established in December 2000, and 2,741 employees remained in the Standard Chartered Bank Hong Kong Retirement Scheme. 34 employees participate in overseas schemes of the Group.

Other Retirement Schemes

Charges to the profit and loss account in the six months ended 30th June, 2002 in respect of other U.K. pension schemes amounted to U.S.\$3 million (six months ended 30th June, 2001: U.S.\$3 million) (year ended 31st December, 2001: U.S.\$7 million; 2000: U.S.\$6 million; 1999: U.S.\$6 million). These accounts include charges for pension costs attributable to Chartered Trust, the subsidiary based in the U.K. which was sold during 2000.

The actuarial positions of the Group's principal overseas defined benefit pension schemes have been assessed at various dates since 30th June, 1998 by independent qualified actuaries. The total market value of the assets of the schemes at their respective assessment dates was U.S.\$207 million, and the total actuarial value of these assets was sufficient to cover 95% of the benefits that had accrued to members after allowing for expected future increases in earnings. Within this total, there were schemes which had deficits amounting to U.S.\$12 million.

The total charge to the profit and loss account in the six months ended 30th June, 2002 for all overseas schemes was U.S.\$26 million (six months ended 30th June, 2001: U.S.\$21 million) (year ended 31st December, 2001: U.S.\$44 million; 2000: U.S.\$30 million; 1999: U.S.\$28 million) of which U.S.\$18 million (six months ended 30th June, 2001: U.S.\$14 million) (year ended 31st December, 2001: U.S.\$29 million; 2000: U.S.\$24 million; 1999: U.S.\$23 million) was for defined benefit schemes, U.S.\$7 million (six months ended 30th June, 2001: U.S.\$6 million) (year ended 31st December, 2001: U.S.\$13 million; 2000: U.S.\$3 million; 1999: U.S.\$3 million) was for defined contribution schemes and U.S.\$1 million (six months ended 30th June, 2001: U.S.\$1 million) (year ended 31st December, 2001: U.S.\$2 million; 2000: U.S.\$3 million; 1999: U.S.\$2 million) was for post retirement benefits other than pensions. The charge of U.S.\$26 million comprises a regular cost of U.S.\$24 million and a net charge of U.S.\$2 million in respect of the spreading of other surpluses and deficits. The charges have the effect of eliminating the U.S.\$12 million deficits over no more than 10 years.

Provisions for liabilities and charges includes U.S.\$24 million (at 30th June, 2001: U.S.\$40 million) (at 31st December, 2001: U.S.\$27 million; 2000: U.S.\$41 million; 1999: U.S.\$36 million) representing the excess of the accumulated amount charged against the Group's profits in 2002 and previous years in respect of pension costs compared with the contributions paid into the schemes concerned, together with U.S.\$12 million (at 30th June, 2001: U.S.\$12 million) (at 31st December, 2001: U.S.\$12 million; 2000: U.S.\$13 million; 1999: U.S.\$8 million) representing provisions for post retirement benefits other than pensions.

The disclosures required under the transitional arrangements within Financial Reporting Standard 17 'Retirement Benefits' ("FRS 17") have been calculated by qualified independent actuaries based upon the most recent full actuarial valuations updated to 30th June, 2002. (The effective date of full valuations range between 31st July and 31st December, 2000).

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The financial assumptions used at 30th June, 2002 were:

	U.K. Fund	Overseas Pension Schemes ⁽¹⁾	Post Retirement Medical ⁽²⁾
Rate of price inflation	2.70%	1.50 - 3.50%	2.00%
Rate of increase in salaries	5.20%	4.25 - 7.00%	4.25%
Rate of increase in pensions	2.70%	2.50 - 3.00%	n/a
Discount rate	5.90%	5.75 - 12.00%	7.25%
Expected return on assets (aggregate)	6.00%	7.00 - 12.00%	n/a
Post retirement medical trend rate.....	n/a	n/a	12% in 2001, decreasing by 1% increments to 5% in 2008

Notes:

- (1) The range of assumptions shown are in respect of Hong Kong, India, Jersey, Kenya and the U.S. They do not include those assumptions used for Zimbabwe as they lie well outside these ranges.
 (2) These values only cover the Post Retirement Medical Plan in the U.S.

The assets in the schemes at 30th June, 2002 were:

	U.K. Fund	Overseas Pension Schemes ⁽¹⁾	Post Retirement Medical ⁽²⁾
	(in U.S.\$ millions)		
Equities	260	122	n/a
Bonds	798	74	n/a
Property.....	2	2	n/a
Other	43	8	n/a
Total market value of assets.....	<u>1,103</u>	<u>206</u>	<u>n/a</u>

The following amounts at 30th June, 2002 were measured in accordance with Financial Reporting Standard 17:

	U.K. Fund	Overseas Pension Schemes ⁽¹⁾	Post Retirement Medical ⁽²⁾
	(in U.S.\$ millions)		
Total market value of the schemes' assets	1,103	206	—
Present value of the schemes' liabilities	(1,152)	(275)	(13)
Surplus/(deficit) recognised in balance sheet.....	(49)	(69)	(13)
Related deferred tax (liabilities)/asset	15	21	4
Net pension asset/(liability).....	<u>(34)</u>	<u>(48)</u>	<u>(9)</u>

If the above amounts had been recognised in the accounts, the Group's net assets and profit and loss account reserve at 30th June, 2002 would be as follows:

	U.S.\$ millions
Net assets excluding pension assets	7,743
Pension liability	(91)
Net assets including pension assets	<u>7,652</u>
Profit and loss account excluding pension asset	4,028
Pension liability	(91)
Profit and loss account	<u>3,937</u>