

**EXECUTION VERSION**

**DATED 29 March 2021**

**(1) STANDARD CHARTERED BANK (HONG KONG) LIMITED**

**(2) STANDARD CHARTERED PLC**

---

**DEED**

relating to the internal MREL arrangements of  
Standard Chartered PLC

---

## CONTENTS

	<b>Page</b>
1. Interpretation	1
2. Group Viability Trigger	4
3. Amendments to the Terms and Conditions of the AT1 Instruments, Tier 2 Instruments and Loss Absorbing Non-Preferred Instruments	4
4. Third Party Rights	6
5. Invalidity	6
6. Governing Law and Jurisdiction	7
7. Entire Agreement	7
8. Counterparts	7
9. Amendment and Termination	7

THIS DEED is made on 29 March 2021

BETWEEN:

1. **Standard Chartered Bank (Hong Kong) Limited**, a company incorporated in Hong Kong as a company limited by shares, whose registered office is at 32/F., 4-4A Des Voeux Road Central, Hong Kong (“**SCBHK**” or “**Issuer**”); and
2. **Standard Chartered PLC**, a company incorporated in England and Wales, with registered number 00966425 whose registered address is at 1 Basinghall Avenue, London, EC2V 5DD (“**PLC**”), in its capacity as holder of the AT1 Instruments, the Tier 2 Instruments and the Loss Absorbing Non-Preferred Instruments (each as defined below).

**THIS DEED PROVIDES** as follows:

**1. Interpretation**

1.1 In this Deed:

“**2016 T2 Instrument**” means the U.S.\$800,000,000 Subordinated Notes due 19 December 2026 issued by SCBHK on 19 December 2016;

“**2017 AT1 Instrument**” means the U.S.\$250,000,000 Undated Non-Cumulative Subordinated Capital Securities issued by SCBHK on 13 December 2017;

“**AT1 Instruments**” means:

- (i) the U.S.\$900,000,000 Floating Rate Undated Additional Tier 1 Capital Securities issued by SCBHK on 24 June 2019;
- (ii) the U.S.\$1,000,000,000 Fixed Rate Undated Additional Tier 1 Capital Securities issued by SCBHK on 30 June 2020;
- (iii) the 2017 AT1 Instrument; and
- (iv) any instruments that may be issued from time to time by SCBHK to PLC under the Internal DIP Deed Poll, which are identified in the applicable final terms as being “Securities” that are “Subordinated”;

“**Bank**” means the Bank of England;

“**Current Principal Amount**” means, at any given date, the full principal amount of the relevant instrument;

<b>“FIRO”</b>	means the Financial Institutions (Resolution) Ordinance (Cap. 628) of Hong Kong, as amended or superseded from time to time;
<b>“Group”</b>	means PLC and any wholly owned subsidiary of PLC;
<b>“Hong Kong Resolution Authority Power”</b>	means any power which may exist from time to time under the FIRO relating to financial institutions, including licensed banks, deposit-taking companies, restricted licence banks, banking group companies, insurance companies and/or investment firms incorporated in or authorised, designated, recognised or licensed to conduct regulated financial activities in Hong Kong in effect and applicable in Hong Kong to the Issuer or other members of the Issuer and its subsidiaries taken as a whole (including, for the avoidance of doubt, powers under Part 4 and Part 5 of the FIRO) or any other laws, regulations, rules or requirements relating thereto, as the same may be amended from time to time (whether pursuant to the FIRO or otherwise), and pursuant to which obligations of a licensed bank, deposit-taking company, restricted licence bank, banking group company, insurance company or investment firm or any of its affiliates can be reduced, cancelled, transferred, modified and/or converted into shares or other securities or obligations of the obligor or any other person;
<b>“Internal DIP Deed Poll”</b>	means the deed poll relating to the internal debt issuance programme of SCBHK dated 20 June 2019 (as amended, novated, supplemented, extended or restated from time to time);
<b>“Monetary Authority”</b>	means the Monetary Authority appointed under section 5A of the Exchange Fund Ordinance (Cap. 66) of Hong Kong or any successor thereto;
<b>“Relevant Hong Kong Resolution Authority”</b>	means any authority with the ability to exercise a Hong Kong Resolution Authority Power in relation to the Issuer from time to time;
<b>“Loss Absorbing Non-Preferred Instruments”</b>	means: <ul style="list-style-type: none"> <li>(i) the U.S.\$600,000,000 Floating Rate Notes due 2023 issued by SCBHK on 24 June 2019;</li> </ul>

(ii) the U.S.\$200,000,000 3.150 per cent. Notes due 2023 issued by SCBHK on 24 June 2019;

(iii) the HK\$1,081,000,000 Floating Rate Notes due 2023 issued by SCBHK on 1 June 2020;

(iv) the U.S.\$600,000,000 1.319 per cent. Fixed Rate Reset Notes due 2023 issued by SCBHK on 21 October 2020;

(v) the U.S.\$1,500,000,000 1.456 per cent. Fixed Rate Reset Notes due 2027 issued by SCBHK on 14 January 2021; and

(vi) any instruments that may be issued from time to time by SCBHK to PLC under the Internal DIP Deed Poll, which are identified in the applicable final terms as being "Loss Absorbing Non-Preferred";

**"Tier 2 Instruments"**

means:

(i) the 2016 T2 Instrument;

(ii) the U.S.\$250,000,000 Floating Rate Tier 2 Notes due 2031 issued by SCBHK on 24 June 2019;

(iii) the U.S.\$450,000,000 Floating Rate Tier 2 Notes due 2029 issued by SCBHK on 24 June 2019;

(iv) the €1,000,000,000 1.200 per cent. Fixed Rate Reset Tier 2 Notes due 2031 issued by SCBHK on 23 March 2021; and

(v) any instruments that may be issued from time to time by SCBHK to PLC under the Internal DIP Deed Poll, which are identified in the applicable final terms as being "Dated Subordinated".

1.2 In this Deed, unless otherwise specified:

- (A) all headings and titles are inserted for convenience only. They are to be ignored in the interpretation of this Deed;
- (B) references to clauses and sub clauses are to clauses and sub clauses of this Deed;
- (C) words in this Deed denoting the singular include the plural meaning and vice versa;

- (D) references to a **“party”** shall be construed as a reference to a party to this Deed (and references to **“parties”** shall be construed accordingly);
- (E) references to a **“person”** shall be construed so as to include any individual, firm, company, corporation, body corporate, government, state or agency of a state, local or municipal authority or government body or any joint venture, association or partnership (whether or not having separate legal personality); and
- (F) a reference to any statute or statutory provision shall be construed as a reference to the same as it may have been, or may from time to time be, amended, modified or re-enacted and shall include any subordinate legislation made from time to time under that statute or statutory provision.

## 2. **Group Viability Trigger**

The parties acknowledge, accept and agree:

- (A) that the AT1 Instruments, the Tier 2 Instruments and the Loss Absorbing Non-Preferred Instruments are intended to be eligible to meet the internal minimum requirement for own funds and eligible liabilities (**“Internal MREL”**) applicable to the Group; and
- (B) certain contractual triggers in relation to the write down of the AT1 Instruments, the Tier 2 Instruments and the Loss Absorbing Non-Preferred Instruments are required to ensure eligibility of such instruments as Internal MREL of the Group.

## 3. **Amendments to the Terms and Conditions of the AT1 Instruments, Tier 2 Instruments and Loss Absorbing Non-Preferred Instruments**

The parties hereby agree that:

- (A) the definition of **“Non-Viability Event”** in the terms and conditions of the 2016 T2 Instrument and the 2017 AT1 Instrument shall be amended by the addition of the following as limb (c):

**“(c) the occurrence of a Group Resolution Event.”;**

- (B) the definition of **“Non-Viability Event Write-off Amount”** in the terms and conditions of the 2016 T2 Instrument and the 2017 AT1 Instrument shall be deleted and replaced with the following:

**““Non-Viability Event Write-off Amount”** means: (x) the amount of distribution, interest and/or principal to be Written-off as the Monetary Authority may, at its discretion and without any obligation, direct; or (y) in the absence of such a direction:

- (l) if the Non-Viability Event results other than from the occurrence of a Group Resolution Event, the amount of the distribution, interest and/or principal to be Written-off as the Issuer shall (in consultation with the

Monetary Authority) determine to be necessary to satisfy the Monetary Authority that the Non-Viability Event will cease to continue; or

- (II) if the Non-Viability Event results from the occurrence of a Group Resolution Event, the full amount of the distribution, interest and principal of the relevant instrument.

For the avoidance of doubt:

- (i) the full amount of the distribution, interest and principal of the relevant instrument will be Written-off in the event that the amount Written-off is not sufficient for the Non-Viability Event (other than a Group Resolution Event) to cease to continue; and
- (ii) the Write-off will be effected in full before any public-sector injection of capital or equivalent support.”;

- (C) the definition of “Loss Absorption Event” in the terms and conditions of the AT1 Instruments (other than the 2017 AT1 Instrument), the Tier 2 Instruments (other than the 2016 T2 Instrument) and the Loss Absorbing Non-Preferred Instruments shall be amended by the addition of the following as the final paragraph following limbs (i) and (ii) in such definition:

“or, if earlier than (i) and (ii) above, the occurrence of a Group Resolution Event;”;

- (D) the definition of “Loss Absorption Event Write-off Amount” in the terms and conditions of the AT1 Instruments (other than the 2017 AT1 Instrument), the Tier 2 Instruments (other than the 2016 T2 Instrument) and the Loss Absorbing Non-Preferred Instruments shall be deleted and replaced with the following:

“**Loss Absorption Event Write-off Amount**” means: (x) the amount of distribution, interest and/or principal to be Written-off as the Monetary Authority may, at its discretion and without any obligation, direct; or (y) in the absence of such a direction:

- (I) if the Loss Absorption Event results other than from the occurrence of a Group Resolution Event, the amount of the distribution, interest and/or principal to be Written-off as the Issuer shall (in consultation with the Monetary Authority) determine to be necessary to satisfy the Monetary Authority that the Loss Absorption Event will cease to continue; or
- (II) if the Loss Absorption Event results from the occurrence of a Group Resolution Event, the full amount of the distribution, interest and principal of the relevant instrument.

For the avoidance of doubt:

- (i) the full amount of the distribution, interest and principal of the relevant instrument will be Written-off in the event that the amount Written-off is

not sufficient for the Loss Absorption Event (other than a Group Resolution Event) to cease to continue; and

(ii) the Write-off will be effected in full before any public-sector injection of capital or equivalent support.”;

(E) the terms and conditions of the AT1 Instruments, the Tier 2 Instruments and the Loss Absorbing Non-Preferred Instruments shall be amended by the addition of the following definitions:

“**Bank**” means the Bank of England”;

“**Group Resolution Event**” shall be deemed to have occurred if PLC is subject to Resolution Proceedings”;

“**PLC**” means Standard Chartered PLC, a company incorporated in England and Wales, with registered number 00966425 whose registered address is at 1 Basinghall Avenue, London, EC2V 5DD”;

“**Resolution Proceedings**” means the exercise of a resolution tool by the Bank (including the use of a stabilisation power under the Banking Act 2009 of the United Kingdom) or a European Economic Area resolution authority or a third-country resolution action taken by a third-country resolution authority”.

The addition of the above contractual triggers increases the circumstances under which the Monetary Authority and/or the Relevant Hong Kong Resolution Authority may direct the write down of the Current Principal Amount of the AT1 Instruments, the Tier 2 Instruments and/or the Loss Absorbing Non-Preferred Instruments in accordance with the relevant terms and conditions.

The parties hereby agree that any further AT1 Instruments, Tier 2 Instruments and Loss Absorbing Non-Preferred Instruments issued by the Issuer to SCBHK to PLC under the Internal DIP Deed Poll shall be issued subject to the provisions of this Deed.

#### **4. Third Party Rights**

No person shall have any right to enforce any term or condition of the AT1 Instruments, Tier 2 Instruments, Loss Absorbing Non-Preferred Instruments or this Deed by virtue of the Contracts (Rights of Third Parties) Ordinance (Cap. 623) of Hong Kong but this does not affect any right or remedy of any person which exists or is available apart from that Ordinance.

#### **5. Invalidity**

If at any time any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction that shall not affect or impair:

(A) the legality, validity or enforceability in that jurisdiction of any other provision of this Deed; or

- (B) the legality, validity or enforceability under the law of any other jurisdiction of that or any other provision of this Deed.

## **6. Governing Law and Jurisdiction**

- 6.1 This Deed is governed by, and shall be construed in accordance with, Hong Kong law.
- 6.2 The Courts of Hong Kong are to have jurisdiction to settle any disputes which may arise out of or in connection with this Deed and accordingly any legal action or proceedings arising out of or in connection with this Deed may be brought in such courts.

## **7. Entire Agreement**

This Deed constitutes the whole and only agreement between the parties relating to the subject matter of this Deed and supersedes and extinguishes any prior drafts, agreements, undertakings, representations, warranties and arrangements of any nature whatsoever, whether or not in writing.

## **8. Counterparts**

- 8.1 This Deed may be executed in any number of counterparts, and by the parties on separate counterparts, but shall not be effective until each party has executed at least one counterpart.
- 8.2 Each counterpart shall constitute an original of this Deed, but all the counterparts shall together constitute but one and the same instrument.

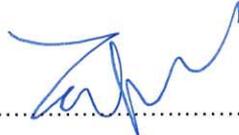
## **9. Amendment and Termination**

- 9.1 This Deed may only be amended or terminated by agreement among all the parties.
- 9.2 Neither the consent of the Bank nor the consent of the Monetary Authority shall be required to amend or terminate this Deed.
- 9.3 Notwithstanding clauses 9.1 and 9.2 above, the parties shall not amend or terminate this Deed without first giving any notice required to, or consulting with, any relevant regulator.

This document has been executed as a deed and is delivered on the date stated at the beginning of this Deed.

Signature page to the MREL Umbrella Deed

Executed and delivered as a deed by **STANDARD CHARTERED BANK (HONG KONG) LIMITED** signed on behalf of the company by two directors or one director and the secretary:

  
 .....  
 Director  
  
 .....  
 Secretary Director

**EXECUTED** as a **DEED** by )  
 )  
 ..... )  
 as attorney for and on behalf of )  
**STANDARD CHARTERED PLC** ) .....

the presence of:

Witness's signature .....

Name (print): .....

Occupation: .....

Address: .....

.....

Signature page to the MREL Umbrella Deed

Executed and delivered as a deed by  
**STANDARD CHARTERED BANK (HONG  
KONG) LIMITED** signed on behalf of the  
company by two directors or one director  
and the secretary:

} .....  
Director  
} .....  
Secretary/Director

**EXECUTED** as a **DEED** by

Christopher Daniels  
.....  
as attorney for and on behalf of  
**STANDARD CHARTERED PLC**

)  
)  
)   
)  
) .....

the presence of:

Witness's signature

  
.....

Name (print):

Sandeep Rai  
.....

Occupation:

Managing Director  
.....

Address:

Standard Chartered Bank  
.....

1 Basinghall Avenue, London EC2V 5DD  
.....