STANDARD CHARTERED CAPITAL LIMITED ("SC CAPITAL")

Appointment and Remuneration Policy

Policy Title	SC Capital Appointment and Remuneration Policy
Version Number	1.1
Applicability	Directors, Key Managerial Personnel and Senior Management as defined in the Companies Act, 2013 and as amended from time to time and to other employees of the Company as may be applicable.
Geography	India
Status	Current
Effective Date	1st April 2014
Review date	May 2025
Purpose & Scope	Section 178 of the Companies Act 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 requires SC Capital to formulate a policy on the appointment and remuneration of the Directors, Key Managerial Personnel and Senior Management.
Policy Statement	**1. Criteria for determining the appointment of Senior Management personnel**: In SC Capital, Senior Management consists of the heads of the business and the functions. For appointment of Senior Management as well as other levels of staff, appropriate Job Description (JD) are in place for each of the roles which covers the level of education, skill and experience required for appointment. The appointments at each of the positions is made after due evaluation of the candidate for the role by the respective Line Manager, Matrix Manager and the Human Resources. **2. Criteria for determining the appointment of Director** In SC Capital, the composition of the Board of directors is diversified and apart from the Managing Director & CEO, who has substantial powers for managing the affairs of the Company, includes representations from Business, Governance and Risk from Standard Chartered Bank, India being a Group Company. **3. Criteria for determining the appointment of an Independent Director** With the Companies (Appointment and Qualification of Directors) Amendment Rules 2017 dated 5 July 2017 the following classes of unlisted public company shall not be covered under sub-rule (1), namely:- (a) a joint venture; (b) a wholly owned subsidiary; and (c) a dormant company as defined under section 455 of the Act. Hence SC Capital is exempt to have INEDs on its Board by virtue of being a wholly owned subsidiary. However, if SC Capital lists any security (Equity shares or Debentures on Stock Exchange) then the company shall have at least one-third of the total number of directors as independent directors. Any fraction

	contained in such one-third number shall be rounded off as one. Chapter XI of Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 require Middle Layer and Upper Layer NBFC's to have Independent Directors appointed on their Board. The candidature for appointment of Independent director would be evaluated on basis of merit. While the appointment of each of the directors would be placed before the Board after recommendations by the Nomination and Remuneration Committee, the following would be adhered to: 3.1 The Independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, information technology, technical operations or other disciplines related to Company's business. 3.2 The independent director in relation to SC Capital, shall mean a director other than the managing director or whole-time director or nominee director— (a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience; (b) (i) who is or was not a promoter of the company or its holding, subsidiary or associate company; (ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company; (c) who has or had no [pecuniary relationship, other than remuneration as such director or having transaction not exceeding ten per cent. of his total income or such amount as may be prescribed,] with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;] (d)none of whose relatives— (i) is holding any security of or interest in the company, its holding, subsidiary or associate company during the two immediately preceding financial years or during the current financial year: Provided that the relative may hold security or interest in the company of face value not exceeding fifty lakh rupees or two per cent. of the paid-up capital of the company, its holding, subsidiary or associate company or such higher sum as may be prescribed; (ii) is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors, in excess of such amount as may be prescribed during the two immediately preceding financial years or during the current financial year; (iii) has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or directors of such holding company, for such amount as may be prescribed during the two immediately preceding financial years or during the current financial year; or (iv) has any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to two per cent. or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii);]

	(e) who, neither himself nor any of his relatives— (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed; [14][Provided that in case of a relative who is an employee, the restriction under this clause shall not apply for his employment during preceding three financial years.] (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of— (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm; (iii) holds together with his relatives two per cent. or more of the total voting power of the company; or (iv) is a Chief Executive or director, by whatever name called, of any nonprofit organisation that receives twenty-five per cent. or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent. or more of the total voting power of the company; (f) who possesses such other qualifications as may be prescribed, currently as follows: **Qualifications of Independent Director** (1) An independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, information technology, technical operations or other disciplines related to the company's business. As per Section 150 and Rule 6 of the Companies (Appointment and Qualification of Directors Rules, 2014) and other applicable provisions of the Companies Act as amended from time to time, the Independent Director's name is required to be included in the Independent Director's databank. [1][(2) None of the relatives of an independent director, for the purposes of sub-clauses (ii) and (iii) of clause (d) of sub-section (6) of section 149- (i) is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors; or (ii) has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or directors of such holding company, for an amount of fifty lakhs rupees, at any time during the two immediately preceding financial years or during the current financial year.] **4. Terms & Conditions for appointment of an Independent Director** 4.1 The independent director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an independent director, give a declaration that he meets the criteria of independence.

4.2 The Company and the Independent Directors shall abide by the provisions specified in Schedule IV of the Companies Act, 2013 which lays down the code of conduct for independent directors.

4.3 An independent director shall hold office for a term up to five consecutive years on the Board of a company or such other term as may be prescribed by the Board, but shall be eligible for re-appointment on passing of a special resolution by the company and disclosure of such appointment in the Board's report.

4.4 No independent director shall hold office for more than two consecutive terms, but such independent director shall be eligible for appointment after the expiration of three years of ceasing to become an independent director:

Provided that an independent director shall not, during the said period of three years, be appointed in or be associated with the company in any other capacity, either directly or indirectly.

4.5 Any intermittent vacancy of an independent director shall be filled up by the Board of SC Capital at the earliest but not later than immediate next Board meeting or three months from the date of such vacancy, whichever is later.

5. Criteria for deciding remuneration payable to directors, key managerial personnel and other employees

The remuneration approach for Standard Chartered Capital Ltd (SC Capital) is consistent with the approach for Standard Chartered PLC (the Group) and is aligned to remuneration regulations in India and in the UK where we are headquartered.

As per the provisions of the Companies Act, 2013, the Independent director shall not be entitled to stock options and may receive remuneration by way of sitting fees within the limits as permitted by the Rules pursuant to the Companies Act, 2013 for attending the meetings of the Board and the Committees.

5.1 Our Regulatory Framework

At SC Capital, we ensure that our remuneration policies, standards and practices are aligned to the remuneration rules issued by the Reserve Bank of India, the requirements laid down in the Companies Act, as well as the UK Remuneration Rules. Remuneration regulations in India are aligned with the FSB principles on sound compensation practices.

The Group’s lead regulators are Prudential Regulation Authority (PRA) and Financial Conduct Authority (FCA) and our regulatory framework incorporates detailed requirements on remuneration in the Remuneration Part of the PRA Rulebook, the FCA handbook SYSC 19D and any other associated legislation and guidance (the UK Remuneration Rules).

Overall, our remuneration framework is designed to:

- Reward colleagues for progress made on the execution of our strategy and appropriately incentivise colleagues to deliver strong performance over the long-term, whilst avoiding excessive and unnecessary risk-taking, and
- Promote sound and effective risk management through our remuneration structures

5.2 Governance and Oversight

Our remuneration framework consists of the Group Variable Compensation Policy and Standard supplemented by internal remuneration guidelines and processes to support remuneration governance and decision making through various stages of the employment cycle.

5.2.1 At Board level: The PLC RemCo has responsibility for setting and reviewing the principles, parameters and governance framework of our remuneration approach and overseeing implementation, ensuring alignment with our culture, the requirements of the UK Corporate Governance Code (applicable to companies with a premium listing on the London Stock Exchange) and any other relevant regulations. The Committee's terms of reference can be found here on SC.com. The effectiveness of the PLC RemCo is reviewed on an annual basis, the results of which are outlined in the Directors Remuneration Report.

5.2.2 At SC Capital: As per the requirements of RBI and in line with Companies Act, a Nomination and Remuneration Committee has been established to oversee the implementation of remuneration approach and compliance with regulations locally. The Terms of reference of the Nomination and Remuneration Committee include review of remuneration for the Managing Director & CEO.

5.2.3 At Management Level: The Group's management body in its supervisory function has appropriate oversight of, and periodically reviews, the general principles of the remuneration policy through the Group Reward Plan Committee (GRPC). Comprising of senior representatives in Finance, Human Resources and Risk alongside the Group CEO, the GRPC is responsible for ensuring that the Group's remuneration policies, practices and procedures i) are consistent with and promote sound and effective risk management; ii) do not encourage risk-taking that exceeds the level of tolerated risk of the Group; and iii) are in line with the Group's strategy, objectives, values and long-term interests.

The GRPC is supported by the Risk Adjustment Committee (RAC) which is responsible for ensuring that ex-post risk adjustment of remuneration is designed and operated as an effective risk management mechanism. To achieve this, the RAC considers material events and issues, which have undergone initial review by the Risk and Accountability Forum (RAF) and include input from Group Internal Audit, Compliance, Legal and Risk.

5.3 Our remuneration framework

5.3.1 Fair Pay Charter

At Standard Chartered, our goal is to create a culture of sustainable high performance where everyone can be at their best and feels their contributions are fairly rewarded.

The PLC Remuneration Committee (RemCo) approves the Fair Pay principles, which outlines the Group's underlying philosophy and commitment to equitable reward. These apply to all colleagues in the Group, including senior management and executive directors.

Our Fair Pay principles are set out below:

1. **Equal Pay**: We offer equal pay for equal work by market and don't tolerate unlawful discrimination
2. **Purpose-led**: We provide a holistic set of reward and benefits in line with our valued behaviours and Stands
3. **Competitive opportunities**: We aim to pay colleagues competitively
4. **Performance-driven**: We are committed to motivating, recognising and rewarding sustainable high performance

5.3.2 Remuneration Policies: Overall, our remuneration framework is designed to reward colleagues for progress made on the execution of our strategy and appropriately incentivise colleagues to deliver strong performance over the long-term, whilst avoiding excessive and unnecessary risk-taking. Our remuneration policies, practices and standards are aligned with the long-term interests of the Group, promote sound and effective risk management through its remuneration structures and include measures to avoid conflicts of interest.

5.3.3 Key elements of remuneration: Employees typically receive:

- Salary that is delivered in cash monthly. It reflects the skills and experience of the individual and is reviewed annually against market information and in the context of the annual performance assessment and affordability.
- Variable Compensation: Employees are eligible to be considered for variable remuneration driven by Group, business area and individual performance. Individual variable remuneration is determined on the basis of Group and/or business area (where applicable) as well as individual performance.

  Individual performance is determined by considering what was achieved and how this was achieved in the context of the Group's valued behaviours. Non-executive directors are not awarded variable remuneration. At a Group and business area level, balanced scorecards play an integral role in the determination of discretionary variable remuneration. Aligned with the Group's strategy, the scorecards take into consideration financial and strategic measures which are designed to drive the right outcome for clients, as well as deliver improvements in shareholder returns whilst ensuring that returns are not generated by excessive risk-taking.

  People Leaders differentiate VC for both individuals with very strong performance and for individuals whose performance falls short of the expected performance standard, supported by guiding principles, assurance reviews and affordability. An appropriate balance is maintained between fixed and variable pay.

  The purpose of the offering Variable Compensation (VC) is to act as a tool to motivate and incentivise colleagues to deliver sustainable high performance aligned with the Group's strategy, valued behaviours and effective risk management. VC is fully discretionary and the Group retains absolute discretion as to the amount awarded with flexibility to award zero VC.

  In addition, employees:

- Are eligible to participate in the Group's all-employee Share save scheme; and
- Receive core benefits based on local regulations and competitive practice, which normally include retirement benefits, medical insurance, life assurance, annual leave, sick leave etc.

SC Capital rewards sustained performance over time and decisions on pay are strongly based on differentiation both for sustained performance and for valued behaviours.

5.3.4 Alignment to good conduct and risk management

- Our remuneration approach is designed to promote sound risk management by aligning employee incentives with the longer-term interests of the Group, taking into account the timeframe over which financial risks crystallise. Good conduct and the demonstration of Valued Behaviours are rewarded.
- The pay-out schedules of Remuneration are sensitive to the time horizon of risks by the implementation of deferral approach for all colleagues globally unless superseded by more onerous local regulations. Under

	the deferral mechanism, colleagues with awards above a specific threshold are required to defer part of any variable remuneration award into deferred shares, rather than the award being paid entirely in cash. The Remuneration is also paid in mix of cash, equity and other forms of awards that is consistent with risk alignment. • Colleagues engaged in financial and risk control are independent, have appropriate authority, and are compensated in a manner that is independent of the business areas they oversee and commensurate with their key role. Performance and reward decisions for the control functions are determined independent of the business; and control functions do not participate in any business specific performance plans. • Remuneration is adjusted for all types of risk and the outcomes are aligned to risk outcomes. The Group's discretionary variable remuneration is subject to approval by the PLC RemCo based on a recommendation by the GRPC. When determining the Group's variable remuneration and its allocation between business areas, the Committee considers (amongst other things): current and future risks, including operational, conduct, information and cyber security and financial crime risks; specific RCC events; performance measured against scorecards, ensuring risk-taking does not exceed the Group's Risk Appetite; and ensures that the Group's remuneration policies do not encourage risk-taking that exceeds the Group's Risk Appetite. • To account for current and future risks, we consider whether any remuneration adjustments are required. Adjustments can be made in relation to risks that are inherent in our business activities (ex-ante) or in relation to events and issues that have crystallised (ex-post). Our process includes adjustments which are automatic and discretionary. Adjustments apply at a collective (i.e. Group-wide and/or country / Cluster / business area) and/or individual level. Ex-post risk adjustments can be done via collective adjustments, individual in-year adjustments, malus and/or clawback. • Automatic ex-ante and ex-post risk adjustments are applied at a collective level in relation to risks, events and issues that impact the financials of the Group and therefore have a direct impact on the Group's incentive funding. Additional incremental discretionary ex-ante and ex-post risk adjustments may also be applied at a collective level where deemed necessary **5.3.5 Performance Assessment** Colleague performance is assessed against progress against individual and team goals / targets, adherence to the Bank's Valued Behaviours, approach to managing risk, control and conduct, feedback received and role expectations. Remuneration outcomes are driven by a combination of Group, business area and individual performance. They reflect what the colleagues have achieved and how they have achieved it, based on the valued behaviours they have demonstrated. This ensures that everyone is aligned to deliver long-term sustainable growth and that variable remuneration recognises the exceptional achievement, conduct, behaviours and values of employees. People Leaders are required to affirm that risk, control and conduct behaviours have been considered and assessed as part of the year-end review. Furthermore, People Leaders must consider the colleague's risk, control and conduct when making Total Variable Compensation (TVC) proposals, with risk adjustments made where appropriate

	The Group continues to review its remuneration practices in response to both emerging best practice and market developments globally. **5.3.6: Remuneration of Managing Director & CEO of SC Capital** In respect of the remuneration payable to the Managing Director & CEO of SC Capital, apart from Group Remuneration Policy, provisions of the section 197 of the Companies act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 shall also be complied with.
Reporting Requirements	1) This policy and any subsequent amendment(s) thereto, shall be placed on the website of the company 2) The salient features of the policy and changes therein along with the web address of the policy shall be disclosed in the Board's report. 3) Remuneration paid to Directors and Key Managerial Personnel shall be reported in the Annual Return as on close of a financial year.
Other Related Documents	1. Schedule IV of the Companies Act, 2013
Definitions under the Companies Act, 2013	2. Section 2 (18): "Chief Executive Officer" means an officer of a company, who has been designated as such by it. 3. Section 2 (19): "Chief Financial Officer" means a person appointed as the Chief Financial Officer of a company. 4. Section 2 (24): "company secretary" or "secretary" means a company secretary as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980 who is appointed by a company to perform the functions of a company secretary under this Act. 5. Section 2 (34): "director" means a director appointed to the Board of a company. 6. Section 2 (51): "key managerial personnel", in relation to a company, means— (i) the Chief Executive Officer or the managing director or the manager;(ii) the company secretary; (iii) the whole-time director; (iv) the Chief Financial Officer; and (v) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and (vi) such other officer as may be prescribed] 7. Section 2 (53): "manager" means an individual who, subject to the superintendence, control and direction of the Board of Directors, has the management of the whole, or substantially the whole, of the affairs of a company, and includes a director or any other person occupying the position of a manager, by whatever name called, whether under a contract of service or not. 8. Section 2 (54): "managing director" means a director who, by virtue of the articles of a company or an agreement with the company or a resolution passed in its general meeting, or by its Board of Directors, is entrusted with substantial powers of management of the affairs of the company and includes a director occupying the position of managing director, by whatever name called. 9. Section 2 (78): "remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961. 10. Section 2 (94): "whole-time director" includes a director in the whole-time employment of the company; 10. Senior Management – As per the explanation given under section 178 of the Companies Act 2013, Senior Management means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

Policy Owner (name & title)	Head Performance Reward and Benefits, South Asia, Standard Chartered and Company Secretary, SC Capital would be responsible for carrying out changes in the Policy document as may be recommended by the Nomination and Remuneration Committee from time to time. As per Section 178 of the Companies Act, 2013, the SC Capital Nomination and Remuneration Committee shall consist of three or more non-executive directors out of which not less than one-half shall be independent director
Approving Authority	SC Capital Board