

## **Return of Value 2018**

**This document contains information and examples of how to apportion base cost in your Existing Ordinary Shares between your New Ordinary Shares and your B Shares. The examples are based upon the market value of New Ordinary Shares on their first day of listing on 22 October 2018 and the estimated market value of the B Shares on 22 October 2018.**

**The information that follows is intended as a general guide for individual shareholders resident in the United Kingdom for United Kingdom tax purposes. It provides information for certain shareholders on how to apportion the base cost of Existing Ordinary Shares between New Ordinary Shares and B Shares. This information will be relevant for the purposes of calculating capital gains that may arise with respect to these shares. It does not apply to all shareholders and your attention is drawn to the further information available in the Circular (“Part VIII – Taxation”) issued on 30<sup>th</sup> May 2018.**

**The information is not intended for shareholders who are trustees, dealers, insurance companies or have received their shares by virtue of an office or employment. Different treatment to that outlined here may apply to shareholders who dispose of and acquire shares on the same day or who acquire shares within 30 days of having made a disposal of shares.**

**Shareholders who are in any doubt as to their tax position should consult an appropriate professional adviser.**

### **Apportioning your CGT base cost**

You will need to apportion your CGT base cost between your B Shares and your New Ordinary Shares in order to calculate the gain or loss arising on:

- (i) the redemption of your B Shares, and
- (ii) any gain or loss arising in the event that you dispose of some or all of your New Ordinary Shares in the future.

### *Base cost in your Existing Ordinary Shares*

You will first need to determine the amount of base cost that you had in your Existing Ordinary Shares immediately prior to the Capital Reorganisation.

The following examples illustrate how you would calculate base cost where you have acquired shares in a number of transactions. It assumes that there have been no previous sales of shares.

*Historic acquisition prices:*

The table below sets out the assumptions used for historic acquisition prices.

<b>How shares acquired:</b>	<b>Acquisition price (pence per share):</b>
Issued to you for free on demutualisation, 10 <sup>th</sup> July 2006	Nil
Acquired at a preferential rate on the Initial Public Offering (flotation) of Standard Life plc, 10 <sup>th</sup> July 2006	218.5
Acquired as part of the recommended all-share merger between Standard Life plc and Aberdeen Asset Management plc, 14 <sup>th</sup> August 2017	Price paid for shares in Aberdeen Asset Management plc, less any cash received for fractional entitlements
Open market acquisitions	Price paid

*Notes:*

- (1) *If you are a UK resident individual and have participated in the Company's scrip dividend programmes then you will have been treated as incurring expenditure upon the scrip shares issued to you equal to the "cash equivalent value" of the scrip dividend. You should therefore generally be able to treat this as additional base cost in your Existing Ordinary Shares. Please consult the tax vouchers sent to you in connection with the scrip dividends in which you have participated for details of the cash equivalent value.*
- (2) *If you received shares in Standard Life Aberdeen plc as part of the merger between Standard Life plc and Aberdeen Asset Management plc, the shares you received in Standard Life Aberdeen plc should be treated as the same asset, and as having been acquired at the same time and for the same consideration, as the shares you previously held in Aberdeen Asset Management plc. To the extent that you received cash in respect of the sale of fractional entitlements to shares in Standard Life Aberdeen plc, this cash is likely to have been deducted from the base cost otherwise attributable to your shares in Standard Life Aberdeen plc.*
- (3) *If you have made disposals of Existing Ordinary Shares in the past, some of your base cost as at that point will have already been taken into account in calculating the gain or loss arising on such disposal and therefore cannot be taken into account again.*
- (4) *Where you have acquired your Existing Ordinary Shares through a combination of the methods noted in the table above the base cost of your Existing Ordinary Shares will generally be the average cost of acquiring those shares.*
- (5) *Further CGT information can be found here [www.standardlifeaberdeen.com/investors/shareholder-faqs](http://www.standardlifeaberdeen.com/investors/shareholder-faqs)*

**Worked Example 1: Shareholders historically holding shares in Standard Life plc**

*Calculation of base cost*

The table below sets out an illustrative example of share purchase history:

<b>Event</b>	<b>Number of shares acquired</b>	<b>Purchase / Acquisition price per share (pence per share)</b>	<b>Purchase / Acquisition cost</b>
Free issue of demutualisation shares	500	Nil	Nil
Discounted shares on IPO	200	218.5	£437
Purchase on the open market	300	354.3	£1,063

The base cost of your Existing Ordinary Shares is the average cost of these shares.

Number of Existing Ordinary Shares = 1,000

Base cost of shares purchased / acquired = £1,500 (Nil + £437 + £1,063)

Base cost per share = 150p (£1,500 / 1,000)

The base cost of £1,500 is the value which would be apportioned between New Ordinary Shares and B Shares.

If your Existing Ordinary Shares only consist of free shares acquired on demutualisation then you have no base cost to apportion. In this scenario the chargeable capital gain on the redemption of B Shares will equal the proceeds received on that redemption.

### *Apportionment of base cost*

**Please note that the Company is not able to provide tax advice and these examples are for illustrative purposes only. You should accordingly seek appropriate guidance or advice when completing any tax return which reflects any matters for which the apportionment is relevant.**

The CGT base cost in your Existing New Ordinary Shares will be apportioned between your New Ordinary Shares and your B Shares received by reference to respective values at the time when the New Ordinary Shares were first traded on their day of listing, 22 October 2018.

For the purposes of the examples below the relevant value is the trading price on the first day of trading of the New Ordinary Shares.

<b>Share</b>	<b>Relevant value on first day of trading, 22 October 2018 (pence per share)</b>
New Ordinary Shares	262.3
B Shares	33.99

You held 1,000 Existing Ordinary Shares which had a base cost of £1,500:

Immediately following the Capital Reorganisation you held:

875 New Ordinary Shares and 1,000 B Shares.

Your £1,500 base cost is apportioned as follows:

- to the New Ordinary Shares:  $(£2,295.13 / £2,635.03) \times £1,500 = £1,306.51$
- to the B Shares:  $(£340.00 / £2,635.03) \times £1,500 = £193.49$

Share	Number of shares	Relevant value on first day of trading, 22 October 2018 (pence per share)	Relevant value on first day of trading, 22 October 2018	Base cost (apportioned)
	A	B	A x B	(see above)
New Ordinary Shares	875	262.3	£2,295.13	£1,306.51
B Shares	1,000	33.99	£340	£193.49
Total of New Ordinary Shares and B Shares			£2,635.03	£1,500

**Chargeable gain on redemption of your B Shares = £146.41** (disposal proceeds of £340 less apportioned base cost of £193.49 (subject to the availability of your annual capital gains tax exemption and any other reliefs)).

**Worked Example 2: Shareholders historically holding shares in Aberdeen Asset Management plc**

*Calculation of base cost*

The table below sets out an illustrative example of share purchase history:

Event	Number of shares acquired	Purchase / Acquisition price per share (pence per share)	Purchase / Acquisition cost
Acquired on merger	1000	334.61 <sup>1</sup>	£3,346
Purchase on the open market	100	354.3	£354

The base cost of your existing Standard Life Aberdeen Shares is the average cost of these shares.

Number of Existing Ordinary Shares = 1,100

Base cost of shares purchased / acquired = £3,700 (£3,346 + £354)

Base cost per share = 336p (£3,700 / 1,100)

The base cost of £3,700 is the value which would be apportioned between New Ordinary Shares and B Shares.

*Apportionment of base cost*

**Please note that the Company is not able to provide tax advice and these examples are for illustrative purposes only. You should accordingly seek appropriate guidance or advice when completing any tax return which reflects any matters for which the apportionment is relevant.**

The CGT base cost in your existing Standard Life Aberdeen Shares will be apportioned between your New Ordinary Shares and your B Shares received by reference to respective values at the time when the New Ordinary Shares were first traded on their day of listing, 22 October 2018.

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<sup>1</sup> For the purposes of this illustrative example only, the acquisition price given for shares acquired on merger is the average share price for Aberdeen Asset Management plc in the five years ending December 2016

For the purposes of the examples below the relevant value is the trading price on the first day of trading of the New Ordinary shares.

Share	Relevant value on first day of trading, 22 October 2018 (pence per share)
New Ordinary Shares	262.3
B Shares	33.99

You held 1,100 existing Standard Life Aberdeen Shares which had a base cost of £3,700:

Immediately following the Capital Reorganisation you held:

962 New Ordinary Shares and 1,100 B Shares.

Your £3,700 base cost is apportioned as follows:

- to the New Ordinary Shares:  $(£2,523.33 / £2,897.22) \times £3,700 = £3,222.51$
- to the B Shares:  $(£373.89 / £2,897.22) \times £3,700 = £477.49$

Share	Number of shares	Relevant value on first day of trading, 22 October 2018 (pence per share)	Relevant value on first day of trading, 22 October 2018	Base cost (apportioned)
	<b>A</b>	<b>B</b>	<b>A x B</b>	<b>(see above)</b>
New Ordinary Shares	962	262.3	£2,523.33	£3,222.51
B Shares	1,100	33.99	£373.89	£477.49
Total of New Ordinary Shares and B Shares			£2,897.22	£3,700

**Loss for CGT purposes on redemption of your B Shares = (£103.60)** (disposal proceeds of £373.89 less apportioned base cost of £477.49.) You may be able to utilise any such loss to reduce your CGT liability for any gains you make in the current or future tax years - this will depend on your particular circumstances.