

To help you understand what is involved, the following sets out some questions and provides brief responses. Standard Life shareholders should carefully read both the questions and the answers below and the Circular as a whole. In the event of any inconsistency between the contents of this Questions and Answers document and the contents of the other parts of the Circular, the other parts of the Circular shall prevail.

What is being proposed?

We are proposing an all-share merger of Standard Life plc (“Standard Life”) and Aberdeen Asset Management (“Aberdeen”). Under the terms of the merger, Aberdeen’s shareholders will be entitled to receive 0.757 of a new Standard Life share in exchange for each ordinary share they currently hold in Aberdeen (instead of any cash).

Why have you decided to merge with Aberdeen?

The Board of Standard Life believes there is a compelling strategic and financial rationale for the merger with Aberdeen and that the merger will:

- ▶ deliver scale by creating one of the largest active investment managers globally;
- ▶ bring together two highly complementary businesses with market-leading investment capabilities, to deliver improved choice and service clients;
- ▶ create a world class investment group with strong brands and position us to meet the evolving needs of our clients;
- ▶ drive greater operational efficiency which will contribute to generating attractive and sustainable returns for shareholders, including dividends. We expect the merger to deliver pre-tax cost savings of approximately £200 million per annum, such cost savings to take full effect three years after completion of the merger; and
- ▶ result in a material earnings accretion for Standard Life’s and Aberdeen’s shareholders, as a result of the expected pre-tax cost savings.

From the terms of the deal, it looks more like a Standard Life takeover?

No, both Standard Life and Aberdeen see this as a merger. The combined group will draw on its broad expertise and harness the talent in both companies to optimise the benefits for clients and shareholders of both Standard Life and Aberdeen.

In what way will Standard Life’s or Aberdeen’s brand be affected?

Both the Standard Life and the Aberdeen brands are valuable assets and will remain part of our portfolio of brands. It is intended that following the merger, Standard Life plc will be renamed Standard Life Aberdeen plc.

What will the new management team look like?

Standard Life’s chairman, Sir Gerry Grimstone, will become chairman of the Board of the combined group and Aberdeen’s chairman, Simon Troughton, will become deputy chairman. Standard Life’s Chief Executive Officer (“CEO”), Keith Skeoch, and Aberdeen’s CEO, Martin Gilbert, will become co-CEOs. In addition, Aberdeen’s Chief Financial Officer (“CFO”), Bill Rattray, and Standard Life Investment Limited’s Chief Investment Officer (“CIO”), Rod Paris, will become CFO and CIO respectively. Following completion of the merger the Board of the combined group will comprise equal numbers of directors from Standard Life and Aberdeen. A full list of the proposed board of the combined group is included in the circular.

Where will the combined group be headquartered?

The combined group will be headquartered in Scotland.

How will having two CEOs work?

Both Keith Skeoch and Martin Gilbert have unique and complementary skills and experience which will benefit the business in the long term. Both also have decades of shared experience across the industry and a shared commitment to investment excellence.

Keith and Martin will share responsibility for core aspects of the role such as the Executive Committee, developing and promoting the combined group’s strategy and objectives, and monitoring operational performance and strategic direction.

The principles supporting the allocation of responsibilities between them will be as follows:

- ▶ Keith Skeoch will have individual accountability for the day-to-day running of the fabric of the combined business including responsibility for Investments, Pensions and Savings, the India and China Insurance Joint Ventures, Operations, Finance, HR, Risk and Regulatory Culture, as well as the Legal and Secretariat functions.
- ▶ Martin Gilbert will have individual accountability for external matters including responsibility for International Activities, Distribution including client engagement and business development, Marketing and Corporate Development.
- ▶ Keith and Martin will have joint accountability for Communications and the post-merger Integration Programme.

A Chairman's Committee will be established to ensure effective co-ordination as the combined group moves forward after completion of the merger. It will be chaired by Sir Gerry Grimstone, with Simon Troughton, Keith Skeoch and Martin Gilbert as its other members.

Are you looking to acquire or merge with any further businesses?

We never comment on potential merger and acquisitions activity. However, as you would expect, we plan to focus on getting approval from our shareholders and other stakeholders for this merger and successfully combining our businesses as and when it completes.

What is an all-share merger?

In an all-share merger, the shareholders of the offeree company (Aberdeen) will receive shares in the offeror company (Standard Life) in exchange for their current shares (in Aberdeen). Existing Standard Life shareholders will continue to hold the same number of shares in Standard Life.

What does this mean for me as a Standard Life shareholder?

At completion of the merger, you will continue to hold the same number of shares in Standard Life as you held immediately prior to completion. Aberdeen shareholders will be issued with new shares in Standard Life in consideration for the acquisition by Standard Life of the Aberdeen group. The combination of existing Standard Life shares and the new shares issued to Aberdeen shareholders will increase the total Standard Life shares in issue by 51%. Following completion of the merger, Aberdeen shareholders will own approximately 33.3% of the combined group and Standard Life's shareholders will own approximately 66.7% of the combined group.

If Standard Life shareholders own 66.7% of the combined group, does this mean the value of my shares will be approximately 66.7% of their current value following completion?

No. As at the date of this document, Standard Life has 1,979,413,496 shares in issue and a market capitalisation of £7.5 billion. As part of the merger, Standard Life will issue 999.8 million new shares to Aberdeen shareholders, representing a total value of £3.79 billion in consideration for the acquisition of the Aberdeen group. Following completion of the merger, you will hold the same number of shares but this will be in the combined group.

Will I receive any additional shares if the merger is approved?

No, there is no plan, as part of this all-share merger, to issue additional shares to existing Standard Life shareholders.

How will the merger be implemented?

We propose to implement the merger by way of a Court sanctioned scheme of arrangement of Aberdeen. The scheme of arrangement will become effective if approved by a majority in number representing 75% of Aberdeen's shareholders who are present and who vote at (i) the relevant court meeting; and (if subsequently sanctioned by the court) (ii) the Aberdeen general meeting. If effective, the scheme will be binding on all shareholders of Aberdeen, including those who did not vote or who voted against it. The merger is also conditional upon approval by Standard Life's shareholders at the Standard Life general meeting.

If this is an Aberdeen scheme of arrangement, what am I being asked to approve?

We are asking you to approve two resolutions. Firstly, due to its size, the merger constitutes a "class 1" transaction for Standard Life, and as such, you are being asked to approve the merger and to authorise Standard Life's directors to take all such actions necessary in connection with the merger. In connection with this, because Standard Life is issuing new Standard Life shares to Aberdeen's shareholders in exchange for their current shares in Aberdeen, we are asking you to authorise the allotment and issue of new Standard Life shares. Secondly, you are being asked to approve amendments to Standard Life's remuneration policy.

The exact wording of the resolutions is set out in full in the Notice of the Standard Life general meeting, contained in the Circular.

What regulatory approvals are required for the merger?

The merger is subject to certain regulatory and anti-trust approvals, including approvals from the UK Competition and Markets Authority, the Prudential Regulation Authority and the Financial Conduct Authority.

What needs to happen for the merger to complete?

If Standard Life's shareholders approve the merger at the Standard Life general meeting and the scheme of arrangement is approved by the necessary majority of Aberdeen's shareholders at both the court meeting and the general meeting, and is sanctioned by the court and all conditions are satisfied or waived, then it is expected that dealings in, and the listing of, Aberdeen shares will be suspended on 11 August 2017. Following that, it is expected that the new shares will be admitted to, and dealings will commence on, the London Stock Exchange by 8.00 a.m. on 14 August 2017.

How will the merger affect my dividends?

As announced on 24 February 2017, you will receive a final dividend for the year ended 31 December 2016 of 13.35 pence for each Standard Life share you hold (subject to shareholder approval at the Standard Life annual general meeting, which is scheduled for 16 May 2017 and the terms of the Standard Life Articles of Association).

Following the merger and subject to the approval of the Board of the combined group, we intend to continue with our progressive dividend policy.

Does the merger affect my policy with Standard Life Assurance Limited or my investment in Standard Life unit trusts?

Completion of the merger is not expected to have any adverse effect or impact on your policy or investments.

How will the merger affect my tax position?

Whilst we are not able to provide tax advice, we do not expect the merger to give rise to any UK tax consequences for existing Standard Life shareholders. As always, if you are in any doubt as to your tax position, appropriate professional advice should be sought.

How do I vote?

We intend to hold a general meeting at Assembly Rooms, 54 George Street, Edinburgh EH2 2LR on 19 June 2017 at 2pm to consider the merger and to seek shareholder approval. The Circular contains the full notice of this general meeting. It's important that you have your say. If you have been sent a voting form, please complete and return this by 6pm on 15 June 2017 or visit www.standardlifeshareportal.com to complete a voting form online.



The Standard Life directors, whose names are set out in Part VII of the Circular, and Standard Life accept responsibility for the information contained in this document. To the best of the knowledge of the Standard Life directors and Standard Life (each of whom has taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and this document does not omit anything likely to affect the import of such information.

Please note that for legal reasons we are unable to give individual advice on the merits of the merger and cannot provide legal, financial, investment or taxation advice. If you are in any doubt, please consult an independent professional adviser before making any decision. Shareholders should not rely solely on these questions and answers and should read the Circular as a whole. In the event of any inconsistency between the contents of these questions and answers and the contents of the Circular, the contents of the Circular shall prevail.