

Scrip dividend scheme

Terms and conditions



This document is important and requires your immediate attention.

If you are in any doubt about the action you should take with this document, you should immediately consult an appropriate independent adviser duly authorised under the United Kingdom Financial Services and Markets Act 2000. If you have sold or transferred all of your shares in Standard Life plc, you should contact your stockbroker or agent without delay for advice as to how you should proceed.

1. What is the Standard Life Scrip dividend scheme?

The Scrip dividend scheme enables eligible holders of our ordinary shares to receive new ordinary shares instead of the cash dividends they would otherwise receive. This means that you can build up your shareholding in Standard Life without going to the market to buy new shares if you are eligible to participate. As a result, you will not incur any dealing costs or stamp duty. At the same time, we will retain more cash in our business, which would otherwise be paid as a dividend.

Our Scrip dividend scheme is available to eligible holders of our ordinary shares who hold their shares directly by having them registered in their own names as well as those who hold their shares through the Standard Life Share Account.

The Scrip dividend scheme applies to your entire shareholding in respect of each dividend for which a Scrip dividend alternative is offered, subject to certain limited exceptions referred to below. For administrative reasons, you cannot normally elect to receive shares for only part of your dividend.

Please note that these terms and conditions have been adopted by our Directors to deal with various technical matters relating to the detailed operation of the Scrip dividend scheme.

2. What do I have to do to join the Scrip dividend scheme?

To participate in the Scrip dividend scheme please complete a Scrip dividend form and return it to us at Standard Life plc, PO Box 471, Beckenham, BR3 9ED, United Kingdom if you are eligible to participate. No acknowledgement of receipt will be sent. Alternatively, you may participate in the scheme online at www.standardlife.com/shareholders. However, see paragraph 19 below for CREST account holders who wish to participate in the Scrip dividend scheme.

Please note: any Scrip dividend form which is sent to us at a different address from that stated in this paragraph 2 will not be accepted by us or considered as valid.

If you have a joint holding, please ensure that all holders sign your Scrip dividend form. In the case of a corporation, any Scrip dividend form should be executed under the common seal of the company or otherwise validly executed by it, or signed by a duly authorised official of the company whose capacity should be stated.

You can elect to participate in the Scrip dividend scheme at any time by completing a Scrip dividend form or – if you are a CREST account holder – by making an appropriate election in CREST (see paragraph 19 below).

If your completed Scrip dividend form or CREST election is not received before 5pm (UK time) on the date which is 15 working days before a dividend payment date, it will not be valid for that particular dividend and, unless you are a CREST account holder, you will only receive new ordinary shares for subsequent dividends in respect of which a Scrip dividend alternative is offered. CREST account holders must make

a fresh election to participate in the Scrip dividend scheme for each dividend payable. For details of the deadline date for submitting your Scrip dividend form or CREST election in respect of any interim or final dividend, please refer to our website at www.standardlife.com/shareholders

We and our registrar reserve the right to treat as valid a Scrip dividend form or CREST election which is not complete in all respects.

3. Can I participate in the Scrip dividend scheme in respect of shares which I hold in the Standard Life (Employee) Share Plan?

No. You can only participate in the Scrip dividend scheme in respect of ordinary shares which you hold in your own name or in the Standard Life Share Account.

The Standard Life (Employee) Share Plan operates independently of the Scrip dividend scheme.

4. How will you calculate my entitlement to shares in the Scrip dividend scheme?

Your entitlement to new ordinary shares is calculated by taking the amount of dividend to which you are entitled (plus any fractional entitlement carried forward from the last dividend*) and dividing it by the Scrip reference price.

Our articles of association provide that the Scrip reference price will be calculated by reference to the average of the middle market quotations for our ordinary shares for the five consecutive business days determined by our Directors commencing on or after the ex-dividend date (as notified on the Standard Life plc website) as derived from the Daily Official List of the London Stock Exchange plc. The Scrip reference price will be notified on the Standard Life website at www.standardlife.com/shareholders. Shareholders may approve a different pricing basis in the future.

The value of your entitlement will be subject to rounding to ensure that it is, as nearly as possible, equal to but not greater than the amount of dividend you would have received if you had received a cash dividend (disregarding any tax credit).

The formula used in calculating your entitlement of shares is, therefore, as follows:

$$\frac{\left(\begin{array}{l} \text{Number of ordinary} \\ \text{shares held at the} \\ \text{dividend record date} \end{array} \right) \times \text{Declared dividend per share} + \text{Any fractional} \\ \text{entitlement carried} \\ \text{forward from last dividend}^*}{\text{Scrip reference price}}$$

An example, for illustrative purposes only, is as follows:

The dividend declared is 7.70 pence per ordinary share, there is no fractional entitlement being carried forward, your shareholding is 1,000 ordinary shares, and the Scrip reference price is £1.84.

- Value of dividend: $1,000 \times 7.70\text{p} = £77$
- Number of new shares: $£77 \div £1.84 = 41.85$, rounded down to 41 shares.
- Value of new shares: $41 \times £1.84 = £75.44$, leaving an amount equal to £1.56 which would be carried forward for the next dividend as described in paragraphs 5 and 6.

* **Please note:** no fractional entitlements will be available for inclusion in respect of the first dividend for which you participate in the Scrip dividend scheme. See paragraphs 5 and 6 for further details on fractional entitlements.

5. What will you do with any dividend balance?

No fraction of a new ordinary share will be allotted and the balance (if any) of the dividend you would have received if you had received a cash dividend – known as a fractional entitlement – will be carried forward, without interest, and included in the calculation for the next Scrip dividend.

6. Are my new Scrip dividend shares included in the next cash or Scrip dividend?

All new ordinary shares issued as a Scrip dividend will automatically increase your shareholding on which the next entitlement to a cash or Scrip dividend will be calculated.

Where you are a participant in our Scrip dividend scheme and you hold fewer than the minimum number of ordinary shares required for you to receive at least one new share by way of Scrip dividend, an amount representing your fractional entitlement will be accumulated, without interest, for your benefit. These funds will be added to the amount of any subsequent dividends (in respect of which a Scrip dividend alternative is made available) and applied in calculating your entitlement under that Scrip dividend alternative if you remain a participant in our Scrip dividend scheme.

An amount equal to the value of accumulated fractional entitlements of £3 or more will be paid to you (or, where appropriate, your beneficiaries) within three months if you cancel your participation in our Scrip dividend scheme or dispose of your entire shareholding, or after receipt of notice of your death, or where our Directors exercise their right to withdraw this Scrip dividend scheme in its entirety or, at our discretion, at the time of our next dividend payment. If your participation is cancelled or deemed to be cancelled in any of the circumstances described in this paragraph and the amount due to you in respect of fractional entitlements accumulated on your behalf is £2.99 or less, it will be retained and an amount equal to it donated to a charity selected by us.

7. How will I know that any new shares have been allotted?

Dealings in the new ordinary shares issued as part of our Scrip dividend scheme are expected to begin on the dividend payment date. In the unlikely event that the UK Listing Authority does not agree before the dividend payment date to admit the new ordinary shares to the Official List, your participation in the relevant Scrip dividend alternative will be disregarded and the dividend will be paid in cash as soon as reasonably practicable.

Once your new shares have been allotted, you will be given notice of the number of new ordinary shares allotted, the Scrip reference price, and the total cash equivalent of the new ordinary shares for tax purposes. Such notice may be provided to you in paper form or, if you have chosen, or are deemed to have chosen, to receive communications in electronic form, you may be notified by letter and/or email that the information is available online for you to view and/or download.

8. Will I be sent a new share certificate, Standard Life Share Account update or CREST message?

Shareholders with a certificate or CREST holding

Your new share certificate will be posted to you at your own risk on or about the same date as the cash dividends are paid if you are the registered holder of your shares and they are not held in uncertificated form through CREST. Please see our website for current dates.

In the case of shareholders who hold their existing shares in uncertificated form through CREST on the particular dividend record date, their CREST account will be credited electronically on the day of the dividend payment date unless the Company is unable to do so under the provisions of the Uncertificated Securities Regulations 2001 or the facilities and requirements of CREST, in which case such shares will be issued in certificated form and share certificates will be posted.

Standard Life Share Account (SLSA) holders

You will be given notification regarding your new shares in line with paragraph 7 above.

9. Can I participate in the Scrip dividend scheme if I am resident outside the UK, Canada, the Republic of Ireland, Germany and Austria?

If you are resident outside the UK, Canada, the Republic of Ireland, Germany or Austria, you may treat this document as an invitation to receive new ordinary shares unless such an invitation could not lawfully be made to you without compliance with any registration or other legal requirements. It is the responsibility of any person resident outside the UK, Canada, the Republic of Ireland, Germany and Austria wishing to elect to receive new ordinary shares to be satisfied as to full observance of the laws of the relevant territory, including obtaining any government or other consents which may be required and observing any other formalities in such territories.

Please note that our shares are only listed on the London Stock Exchange.

10. Will my new shares have the same voting rights as my existing shares?

Yes, the new ordinary shares will carry the same voting rights as your existing ordinary shares.

11. Does the Scrip dividend scheme apply to all my holdings and joint holdings?

Yes, the Scrip dividend scheme will normally apply to all your holdings. However, if your shares are registered in more than one holding, the holdings will be treated for all purposes as being separate and you would need to complete separate Scrip dividend forms or CREST elections for each account, as appropriate.

If you have a joint holding please ensure that all shareholders sign any required Scrip dividend forms.

12. What happens if I have recently sold or purchased ordinary shares?

If you have sold some of your ordinary shares before a dividend record date the Scrip dividend alternative will apply in respect of the remainder of your shares if, and to the extent that, you are a participant in our Scrip dividend scheme. CREST account holders please note that you must make a fresh election to participate in the Scrip dividend scheme for each dividend payable. If you have bought

any additional ordinary shares after a dividend record date, the additional shares will not be eligible to receive the cash or Scrip dividend, but will be eligible for future dividends. All shares bought after a dividend record date will be included in future Scrip dividends if and to the extent that you are a participant in our Scrip dividend scheme at the relevant times. Again, CREST account holders should note the requirement for them to make a fresh election to participate in the Scrip dividend scheme for each dividend payable. If you sell all of your ordinary shares at any time, you will normally be deemed to have cancelled your participation in the Scrip dividend scheme and any accumulated fractional entitlements will be dealt with as described in paragraph 16 below.

13. What is the Scrip dividend form?

This is the form you will generally need to complete if you wish to participate in our Scrip dividend scheme.

However, see paragraph 19 below for CREST account holders who wish to participate in the Scrip dividend scheme.

14. Will my participation in the Scrip dividend scheme apply to future dividends?

Your participation will remain valid in respect of all future Scrip dividends in respect of which a Scrip dividend alternative is provided unless and until cancelled by you. However, CREST account holders must make a fresh election to participate in the Scrip dividend scheme for each dividend payable. See paragraph 19 below.

15. Can I participate in the Scrip dividend scheme in respect of part of my holding?

No. Participation applies to your total shareholding for each dividend for which a Scrip dividend alternative is offered.

We may at our discretion permit partial elections where a shareholder is acting on behalf of more than one beneficial owner through CREST (a nominee shareholder).

In addition, see also the special rules that apply in certain circumstances described in paragraphs 11 and 19.

16. Can I cancel my Scrip dividend participation?

Yes, you can opt out of or cancel your participation in the Scrip dividend scheme.

Notice of cancellation must be given in writing and will take effect on its receipt. However, see paragraph 19 below for CREST account holders.

If you decide to cancel your participation in our Scrip dividend scheme, you will generally receive subsequent dividends in cash. However, if your notice of cancellation is received after 5pm (UK time) on the date which is 15 working days before a dividend payment date, it will not be valid for that particular dividend and you will only receive subsequent dividends in cash.

Please note: any written notice sent to us at an address other than that stated in paragraph 2 above will not be accepted by us or considered valid.

In addition, your participation will normally be deemed to be cancelled if you sell or otherwise transfer all of your ordinary shares to another person but only with effect from the registration of the relevant transfer. Your participation will also terminate immediately on receipt of notice of your death. An amount equal to the value of accumulated fractional entitlements of £3 or more will be paid to you (or, where appropriate, your beneficiaries) within three months after cancellation or deemed cancellation of your participation in our Scrip dividend scheme or, at our discretion, at the time of our next dividend payment. Where the amount is £2.99 or less, it will be retained and an amount equal to it donated to a charity selected by us.

17. Can we change or cancel the terms of Scrip dividend participation?

Yes, the terms of your participation may be modified at any time by our Directors.

In the case of any modification (and unless otherwise specified by us) you will be deemed to continue as a participant in our Scrip dividend scheme under the modified arrangements unless and until we receive a cancellation notification in writing from you.

Our Directors may, at their discretion, decide to withdraw the Scrip dividend alternative in respect of any cash dividend at any time before the new ordinary shares are allotted. If the Directors decide to withdraw the offer of a Scrip dividend alternative, you will receive any dividend in cash on, or as soon as practicable after, the relevant dividend payment date.

By way of example, for your protection, our Directors may withdraw a Scrip dividend alternative in respect of a particular dividend and pay a cash dividend instead if, 15 working days before the dividend payment date, the middle market quotation for ordinary shares has fallen by 15% or more from the Scrip reference price.

The Directors may also, at their discretion, withdraw this Scrip dividend scheme in its entirety.

An announcement of any cancellation or modification to the terms of Scrip dividend participation will be made on our website at www.standardlife.com/shareholders

18. Will I receive Scrip for every dividend if I participate?

Investor protection guidelines mean that – so long as it has been approved by shareholders – our Scrip dividend scheme can be in force for an initial period of up to five years. The operation of the Scrip dividend scheme is also always subject to the Directors' right to withdraw the Scrip dividend alternative.

If our Directors decide not to provide the Scrip dividend alternative in respect of any particular dividend, a cash dividend will be paid to you in the usual way. If the Directors do offer a Scrip dividend alternative in respect of future dividends and you are a participant in accordance with the terms and conditions of our Scrip dividend scheme, you will be provided with a Scrip dividend on the terms and subject to the conditions of the Scrip dividend scheme.

19. Does a different procedure apply if I am a CREST participant?

You can only elect to receive your dividend in the form of new ordinary shares by means of the CREST procedures to effect such an election. You will need to make a fresh election for each dividend. Please note that otherwise you will be treated as having cancelled your participation and any dividend balances will be treated as set out in paragraph 16 above. **No other form of election will be permitted under this Scrip dividend scheme and, if received, will be rejected and returned to the CREST shareholder who has lodged such instructions.** All elections made via the CREST system must contain a number of ordinary shares on which the election is being made. **If the relevant field is left blank or completed with zero, the election will be rejected.** If the number of ordinary shares elected is greater than the number of shares held in CREST at the relevant record date, the election will be applied to the total holding held at the relevant record date.

If you are a CREST Personal Member, or other CREST Sponsored Member, you should consult your CREST sponsor, who will be able to take appropriate action on your behalf.

All elections made via the CREST system should be submitted in accordance with the procedures as stated in the CREST Reference Manual.

Please note that CREST messages should not be used to change an election in respect of our Scrip dividend scheme which has not been made through CREST.

20. What do I do if I need help or have any questions?

Please contact us at www.standardlife.com or call us using the number(s) attached at the end of these terms and conditions.

21. Governing law

This Scrip dividend scheme is made available on the basis of the relevant provisions of our memorandum and articles of association and these terms and conditions adopted by our Directors in connection with our Scrip dividend scheme, both as in force from time to time.

For clarity, it is specified that these terms and conditions are governed by, and shall be construed in accordance with, Scots law. By participating in our Scrip dividend scheme you agree to submit to the exclusive jurisdiction of the Scottish courts in relation to the Scrip dividend scheme.

Telephone contact details

UK

0845 113 0045
or +44 (0)203 367 8224

Ireland

01 431 9829

Germany and Austria

+49 (0)6169 769 3130

Canada

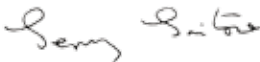
1-866-982-9939
or at the local number 514-982-9939

Lines are open from 9am to 5pm, Monday to Friday. Please note that calls may be recorded/monitored and charges may vary.

Please remember that the value of shares can go down as well as up and you may not get back the full amount invested or any income from it. Any new ordinary shares issued pursuant to the Scrip dividend scheme will carry the same rights and be exposed to the same risks as your existing ordinary shares.

Copies of the most recent financial statements of Standard Life plc, together with details of announcements made by it via regulatory information service within the last 12 months are available at www.standardlife.com

This document is published by Standard Life plc, as issuer of the new ordinary shares under the Scrip dividend scheme. For Austrian shareholders, it is issued in reliance on the exemption set out in section 3, paragraphs 1 to 6, of the Austrian Capital Markets Act (*Kapitalmarktgesetz – KMG*).



Gerry Grimstone
Chairman



Malcolm J Wood
Group Company Secretary
and General Counsel

1 September 2009

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www.standardlife.com

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