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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION.

6 March 2017

**Recommended All-Share Merger
of
Standard Life plc and Aberdeen Asset Management PLC**

Summary

The Boards of Standard Life plc ("**Standard Life**") and Aberdeen Asset Management PLC ("**Aberdeen**") are pleased to announce that they have reached agreement on the terms of a recommended all-share merger of Standard Life and Aberdeen, to be effected by means of a court-sanctioned scheme of arrangement between Aberdeen and the Aberdeen Shareholders under Part 26 of the Companies Act 2006 (the "**Merger**"). The Combined Group will in due course be branded to incorporate the names of both Standard Life and Aberdeen.

Under the terms of the Merger, holders of Aberdeen Shares will be entitled to receive:

0.757 New Shares in exchange for each Aberdeen Share

Based on this exchange ratio (the "**Exchange Ratio**") and the Closing Price of 378.5 pence per Standard Life Share on 3 March 2017 (being the last Business Day prior to the date of this Announcement), the Merger values each Aberdeen Share at 286.5 pence and Aberdeen's existing issued ordinary share capital at approximately £3.8 billion.

Following completion of the Merger, Aberdeen Shareholders would own approximately 33.3 per cent. and Standard Life Shareholders would own approximately 66.7 per cent. of the Combined Group on a diluted basis.

Compelling Strategic and Financial Rationale

The Merger has a compelling strategic and financial rationale through combining Standard Life's and Aberdeen's complementary strengths to create a world class investment group.

The Boards of Standard Life and Aberdeen believe that the Merger will:

- Harness Standard Life's and Aberdeen's complementary, market leading investment and savings capabilities which would deliver a compelling and comprehensive product offering for clients covering developed and emerging market equities and fixed income, multi-asset, real estate and alternatives.
- Reinforce both Standard Life's and Aberdeen's long-standing commitment to active management, underpinned by fundamental research, with both global reach and local depth of resources.

- Establish one of the largest and most sophisticated investment solutions offerings globally, positioning the Combined Group to meet the evolving needs of clients.
- Create an investment group with strong brands, leading institutional and wholesale distribution franchises, market leading platforms and access to long-standing, strategic partnerships globally.
- Bring scale, as one of the largest active investment managers globally with £660 billion of pro forma assets under administration and financial strength, transforming the Combined Group's ability to invest for growth, innovate and drive greater operational efficiency.
- Deliver through increased diversification an enhanced revenue, cash flow and earnings profile and strong balance sheet that is expected to be capable of generating attractive and sustainable returns for shareholders, including dividends.
- Result in material earnings accretion for both sets of shareholders, reflecting the significant synergy potential of the Merger.

The Combined Group

The Combined Group will be headquartered in Scotland.

The Combined Group will draw on its broad expertise and harness the talent in both companies to optimise the benefits for clients and shareholders.

Following completion of the Merger:

- Sir Gerry Grimstone, Chairman of Standard Life, will become Chairman of the Board of the Combined Group, with Simon Troughton, Chairman of Aberdeen, becoming Deputy Chairman.
- Keith Skeoch, CEO of Standard Life, and Martin Gilbert, CEO of Aberdeen, will become co-CEOs of the Combined Group.
- Bill Rattray, of Aberdeen, and Rod Paris, of Standard Life, will become CFO and CIO respectively.
- It is envisaged that the Board of the Combined Group will comprise equal numbers of Standard Life and Aberdeen directors.
- Standard Life and Aberdeen have agreed that the Combined Group will include, and operate under, branding drawn from both the Standard Life Group and the Aberdeen Group.

Under the terms of the Merger, Standard Life and Aberdeen have agreed that:

- Standard Life Shareholders will be entitled to receive the proposed final dividend of 13.35 pence per Standard Life Share for the six month period ended 31 December 2016, scheduled to be paid on 23 May 2017 (subject to approval at the Standard Life Annual General Meeting); and
- Aberdeen Shareholders will be entitled to receive an interim dividend of up to 7.5 pence for the six month period ended 31 March 2017, scheduled to be paid in June 2017 (subject to approval by the Board of Aberdeen).

Further details of the arrangements in respect of dividends are set out in paragraph 6 below.

Recommendations

The Aberdeen Recommending Directors, who have been so advised by J.P. Morgan Cazenove and Credit Suisse as to the financial terms of the Merger, consider the terms of the Merger to be fair and reasonable. Credit Suisse is providing independent financial advice to the Aberdeen Recommending Directors for the purposes of Rule 3 of the City Code. In providing their financial advice to the Aberdeen Recommending Directors, J.P. Morgan Cazenove and Credit Suisse have taken into account the commercial assessments of the Aberdeen Recommending Directors.

Accordingly, the Aberdeen Recommending Directors intend unanimously to recommend that Aberdeen Shareholders vote in favour of the Scheme at the Court Meeting and the resolutions relating to the Merger at the Aberdeen General Meeting (or in the event that the Merger is implemented by way of an Offer, to accept or procure acceptance of such Offer) as the Aberdeen Recommending Directors who hold Aberdeen Shares have irrevocably undertaken to do or procure in respect of their own beneficial holdings of 2,315,275 Aberdeen Shares in aggregate and representing approximately 0.2 per cent. of Aberdeen's issued share capital on 3 March 2017 (being the last Business Day prior to the release of this Announcement). Further details of these irrevocable undertakings are set out in Appendix 3 to this Announcement.

Akira Suzuki, a non-executive director of Aberdeen, is also managing executive officer of MUTB. MUTB has given a non-binding statement of support in respect of the Merger in its capacity as shareholder and ongoing business partner. In view of Akira Suzuki's position within MUTB and MUTB's interest in Aberdeen, Akira Suzuki has recused himself from the Board of Aberdeen in respect of all matters relating to the Merger.

As a result of its size, the Merger constitutes a Class 1 transaction for Standard Life for the purposes of the Listing Rules. Accordingly Standard Life will be required to seek the approval of the Standard Life Shareholders for the Merger at the Standard Life General Meeting. The Merger will also be conditional on the approval of the Standard Life Shareholders of the issuance of the New Shares at the Standard Life General Meeting. The Standard Life Directors consider the Merger to be in the best interests of Standard Life and the Standard Life Shareholders as a whole and intend unanimously to recommend that Standard Life Shareholders vote in favour of all of the resolutions to be proposed at the Standard Life General Meeting which will be convened in connection with the Merger, as they have irrevocably undertaken to do, or procure, in respect of their own beneficial holdings of 3,455,242 Standard Life Shares representing, in aggregate, approximately 0.2 per cent. of Standard Life's ordinary share capital in issue on 3 March 2017, being the last Business Day prior to the release of this Announcement.

The Standard Life Directors have received financial advice from Goldman Sachs International in relation to the Merger. In providing their advice to the Standard Life Directors, Goldman Sachs International has relied upon the Standard Life Directors' commercial assessment of the Merger.

Statements of Support

Standard Life and Aberdeen have received non-binding statements of support to vote in favour of the Scheme from each of MUTB and Lloyds, in respect of shares representing, in aggregate, approximately 27 per cent. of Aberdeen's existing issued ordinary share capital on 3 March 2017 (being the last Business Day prior to the release of this Announcement).

Further details of these statements of support are set out at paragraph 15 and Appendix 3 to this Announcement.

General

It is intended that the Merger will be implemented by way of a court-sanctioned scheme of arrangement between Aberdeen and the Aberdeen Shareholders under Part 26 of the Companies Act 2006, further details of which are contained in the full text of this Announcement and which will be set out in the Scheme Document. However, Standard Life reserves the right, with the consent of the Panel and Aberdeen or, in certain circumstances, without the consent of Aberdeen, to implement the Merger by way of a takeover offer (as defined in Part 28 of the Companies Act 2006), in accordance with the terms of the Cooperation Agreement.

The Merger will be subject to the Conditions and certain further terms set out in Appendix 1 to this Announcement and to the full terms and conditions which will be set out in the Scheme Document, including the approval of the Scheme by the Scheme Shareholders, the sanction of the Scheme by the Court and the approval of Standard Life Shareholders. The Conditions include the receipt of various antitrust approvals and other regulatory consents as further described in Part A of Appendix 1 to this Announcement.

The Scheme Document will include full details of the Scheme, together with notices of the Court Meeting and the Aberdeen General Meeting and the expected timetable, and will specify the action to be taken by Scheme Shareholders. It is expected that the Scheme Document will be despatched to Aberdeen Shareholders in early May 2017. For the purposes of paragraph 3(a) of Appendix 7 of the City Code and with the agreement of the Aberdeen Directors, the Panel has consented to this arrangement.

It is expected that the Prospectus, containing information about the New Shares, will be published at the same time as the Scheme Document is posted to Aberdeen Shareholders. It is also expected that the Circular, containing details of the Merger and notice of the Standard Life General Meeting, will be posted to Standard Life Shareholders at the same time as the Scheme Document is posted to Aberdeen Shareholders, with the Standard Life General Meeting being held at or around the same time as the Aberdeen Meetings.

The Scheme is expected to become effective in the third quarter of 2017, subject to the satisfaction or waiver of the Conditions and certain further terms set out in Appendix 1 to this Announcement.

- Commenting on the Merger, Keith Skeoch, CEO of Standard Life said:

“We have always been clear that it is Standard Life’s ambition to become a world-class investment company and that this would be achieved through continued investment in diversification and growth, coupled with a sharp focus on financial discipline. We are therefore delighted that this announcement marks another important step towards achieving that ambition. The combination of our businesses will create a formidable player in the active asset management industry globally. We strongly believe that we can build on the strength of the existing Standard Life business by combining with Aberdeen to create one of the largest active investment managers in the world and deliver significant value for all of our stakeholders.”

- Commenting on the Merger, Martin Gilbert, CEO of Aberdeen said:

“We believe this merger is excellent for our clients, bringing together the strong and highly complementary investment capabilities of each firm with a breadth and depth of talent unrivalled amongst UK active managers and positioning the business to meet the evolving needs of clients and customers. This merger brings financial strength, diversity of customer base and global reach to ensure that the enlarged business can compete effectively on the global stage.”

- Commenting on the Merger, Sir Gerry Grimstone, Chairman of Standard Life said:

"This merger brings together two fine companies and I'm greatly honoured to be asked to chair the combination. I look forward to welcoming our new colleagues. We will be successful as long as we continue to put our clients, customers, employees and good governance at the heart of what we do."

- Commenting on the Merger, Simon Troughton, Chairman of Aberdeen said:

"The strategic fit is compelling and creates a business with minimal client overlap and which is diversified by revenues, asset class and distribution channel. The combination will result in a material enhancement to earnings and this, coupled with a strong balance sheet, will facilitate significant investment in the business to support growth, innovation and a progressive dividend policy."

This summary should be read in conjunction with the full text of this Announcement and the Appendices.

The Merger will be subject to the Conditions and further terms set out in Appendix 1 to this Announcement and to the full terms and conditions which will be set out in the Scheme Document. Appendix 2 contains the sources and bases of certain information used in this summary and this Announcement. Appendix 3 contains details of the irrevocable undertakings and statements of support received in relation to the Merger that are referred to in this Announcement. Appendix 4 contains details of and bases of calculation of the anticipated quantified financial benefits of the Merger. Appendix 5 contains definitions of certain terms used in this summary and this Announcement.

For the purposes of Rule 28 of the City Code, the quantified financial benefits statement contained in this Announcement is the responsibility of Standard Life and the Standard Life Directors. Appendix 4 sets out the anticipated quantified financial benefits statement relating to cost savings and synergies arising out of the Merger and provides underlying information and bases of belief. Appendix 4 also includes reports from Standard Life's reporting accountant, PricewaterhouseCoopers LLP, and its financial advisers, Goldman Sachs International, in connection with the anticipated quantified financial benefits statement, as required pursuant to Rule 28.1(a) of the City Code, and provides underlying information and bases for the accountant's and advisers' respective reports. Each of PricewaterhouseCoopers LLP and Goldman Sachs International has given and not withdrawn its consent to the publication of its report in this Announcement in the form and context in which it is included.

Analyst and investor presentation

Standard Life and Aberdeen will jointly host a presentation for analysts and investors at Goldman Sachs International, River Court, 120 Fleet St, London EC4A 2BE with a conference call and webcast at 10.30 a.m. (UK time) today (6 March 2017) to discuss the Merger. To participate in this conference call, please use the following access details:

Phone Number: 0800 279 4992 / +44 (0)20 3427 1901; Participant Code: 752 0186

To access the webcast, please visit: <http://edge.media-server.com/m/p/xex57db6>

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Freshfields Bruckhaus Deringer LLP and Maclay Murray & Spens LLP are retained as legal advisers for Aberdeen.

Slaughter and May are retained as legal advisers for Standard Life.

Further Information

This Announcement is for information purposes only and is not intended to and does not constitute or form part of an offer, invitation or the solicitation of an offer or invitation to purchase, or otherwise acquire, subscribe for, sell or otherwise dispose of any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Merger or otherwise nor shall there be any sale, issuance or transfer of securities of Standard Life or Aberdeen pursuant to the Merger in any jurisdiction in contravention of applicable laws. The Merger will be implemented solely pursuant to the terms of the Scheme Document (or, in the event that the Merger is to be implemented by means of an Offer, the Offer Document), which will contain the full terms and conditions of the Merger, including details of how to vote in respect of the Merger. Any decision in respect of, or other response to, the Merger should be made on the basis of the information contained in the Scheme Document and the Prospectus.

Standard Life will prepare the Circular to be distributed to Standard Life Shareholders and will also publish the Prospectus containing information on the New Shares and the Combined Group. Aberdeen and Standard Life urge Aberdeen Shareholders to read the Scheme Document and the Prospectus carefully when they become available because they will contain important information in relation to the Merger, the New Shares and the Combined Group. Standard Life urges Standard Life Shareholders to read the Prospectus and the Circular carefully when they become available. Any vote in respect of resolutions to be proposed at the Aberdeen Meetings or the Standard Life General Meeting to approve the Merger, the Scheme or related matters, should be made only on the basis of the information contained in the Scheme Document (in the case of the Aberdeen Shareholders), the Prospectus and the Circular (in the case of the Standard Life Shareholders).

This Announcement does not constitute a prospectus or prospectus equivalent document.

Information Relating to Aberdeen Shareholders

Please be aware that addresses, electronic addresses and certain other information provided by Aberdeen Shareholders, persons with information rights and other relevant persons for the receipt of communications from Aberdeen may be provided to Standard Life during the Offer Period as required under Section 4 of Appendix 4 of the City Code.

Overseas Jurisdictions

The release, publication or distribution of this Announcement in or into jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe any applicable legal or regulatory requirements. In particular, the ability of persons who are not resident in the United Kingdom to vote their Aberdeen Shares with respect to the Scheme at the Court Meeting, or to execute and deliver forms of proxy appointing another to vote at the Court Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law the companies and persons involved in the Merger disclaim any responsibility or liability for the violation of such restrictions by any person. This Announcement has been prepared for the purpose of complying with English law and the City Code and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.

Unless otherwise determined by Standard Life or required by the City Code, and permitted by applicable law and regulation, the availability of New Shares to be issued pursuant to the Merger to Aberdeen Shareholders will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Merger by any such use, means, instrumentality or form within

a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this Announcement and any formal documentation relating to the Merger are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction or any other jurisdiction where to do so would constitute a violation of the laws of that jurisdiction, and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send such documents in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Merger. If the Merger is implemented by way of an Offer (unless otherwise permitted by applicable law and regulation), the Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Offer may not be capable of acceptance by any such use, means, instrumentality or facilities or from within any Restricted Jurisdiction.

The availability of New Shares pursuant to the Merger to Aberdeen Shareholders who are not resident in the United Kingdom or the ability of those persons to hold such shares may be affected by the laws or regulatory requirements of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements. Aberdeen Shareholders who are in doubt about such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay.

Further details in relation to Aberdeen Shareholders in overseas jurisdictions and holders of Aberdeen ADRs will be contained in the Scheme Document.

Additional Information for US Investors

The Merger relates to the shares of a Scottish company and is being made by means of a scheme of arrangement provided for under Scottish company law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Exchange Act. Accordingly, the Merger is subject to the disclosure requirements and practices applicable in the United Kingdom to schemes of arrangement which differ from the disclosure requirements of United States tender offer and proxy solicitation rules. If, in the future, Standard Life exercises the right to implement the Merger by way of an Offer and determines to extend the Offer into the United States, the Merger will be made in compliance with applicable United States laws and regulations. Financial information included in this Announcement and the Scheme Documentation has been or will have been prepared in accordance with accounting standards applicable in the United Kingdom that may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

It may be difficult for US holders of Aberdeen Shares to enforce their rights and any claim arising out of the US federal laws, since Aberdeen and Standard Life are located in a non-US jurisdiction, and some or all of their officers and directors may be residents of a non-US jurisdiction. US holders of Aberdeen Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

The Merger is intended to be carried out under a scheme of arrangement provided for under Scottish company law (which requires the approval of the Scheme Shareholders). If so, it is expected that any New Shares to be issued pursuant to the Scheme to Aberdeen Shareholders would be issued in reliance upon the exemption from the registration requirements of the US Securities Act, provided by Section 3(a)(10) thereof.

Securities issued pursuant to the Scheme will not be registered under any US state securities laws and may only be issued to persons resident in a state pursuant to an exemption from the registration requirements of the securities laws of such state.

For the purpose of qualifying for the exemption provided by Section 3(a)(10) of the US Securities Act, Aberdeen will advise the Court that its sanctioning of the Scheme will be relied on by Standard Life as an approval of the Scheme following a hearing on its fairness to Aberdeen Shareholders, at which Court hearing all Aberdeen Shareholders are entitled to attend in person or through counsel to support or oppose the sanctioning of the Scheme and with respect to which notification has been given to all such holders.

Important Notices Relating to Financial Advisers

Goldman Sachs International, which is authorised by the PRA and regulated by the FCA and the PRA in the UK, is acting exclusively for Standard Life and no one else in connection with the Merger and will not be responsible to anyone other than Standard Life for providing the protections afforded to clients of Goldman Sachs International or for providing advice in relation to the Merger or any other matters referred to in this Announcement.

J.P. Morgan Limited, which conducts its UK investment banking business as J.P. Morgan Cazenove ("J.P. Morgan Cazenove"), is authorised and regulated in the United Kingdom by the FCA. J.P. Morgan Cazenove is acting as financial adviser exclusively for Aberdeen and no one else in connection with the matters set out in this Announcement and will not regard any other person as its client in relation to the matters set out in this Announcement and will not be responsible to anyone other than Aberdeen for providing the protections afforded to clients of J.P. Morgan Cazenove or its affiliates, or for providing advice in relation to any matter referred to herein.

Credit Suisse International ("Credit Suisse"), which is authorised by the PRA and regulated by the FCA and the PRA in the United Kingdom, is acting as financial adviser exclusively for Aberdeen and no one else in connection with the matters set out in this Announcement and will not be responsible to any person other than Aberdeen for providing the protections afforded to clients of Credit Suisse International, nor for providing advice in relation to the Merger, the content of this Announcement or any matter referred to herein. Neither Credit Suisse International nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Credit Suisse International in connection with this Announcement, any statement contained herein or otherwise.

Cenkos Securities PLC, which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively for Aberdeen and no one else in connection with the Merger and will not be responsible to anyone other than Aberdeen for providing the protections afforded to clients of Cenkos Securities PLC, nor for providing advice in relation to the Merger or any other matters referred to in this Announcement.

Cautionary Note Regarding Forward-Looking Statements

This Announcement (including information incorporated by reference into this Announcement), oral statements regarding the Merger and other information published by Standard Life and Aberdeen contain certain forward-looking statements with respect to the financial condition, strategies, objectives, results of operations and businesses of Standard Life and Aberdeen and their respective groups and certain plans and objectives with respect to the Combined Group. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of Standard Life and Aberdeen about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. The forward-looking statements contained in this Announcement include statements relating to the expected effects of the Merger on Standard Life and Aberdeen, the expected timing and

scope of the Merger and other statements other than historical facts. Forward-looking statements often use words such as “anticipate”, “target”, “expect”, “estimate”, “intend”, “plan”, “goal”, “believe”, “hope”, “aims”, “continue”, “will”, “may”, “should”, “would”, “could”, or other words of similar meaning. These statements are based on assumptions and assessments made by Standard Life, and/or Aberdeen in light of their experience and their perception of historical trends, current conditions, future developments and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future and the factors described in the context of such forward-looking statements in this Announcement could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. Although it is believed that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct and readers are therefore cautioned not to place undue reliance on these forward-looking statements.

There are several factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or dispositions. For a discussion of important factors which could cause actual results to differ from forward-looking statements in relation to the Standard Life Group or the Aberdeen Group, refer to the annual report and accounts of the Standard Life Group for the financial year ended 31 December 2016 and of the Aberdeen Group for the financial year ended 30 September 2016, respectively.

Each forward-looking statement speaks only as at the date of this Announcement. Neither Standard Life nor Aberdeen, nor their respective groups assumes any obligation to update or correct the information contained in this Announcement (whether as a result of new information, future events or otherwise), except as required by applicable law.

Rounding

Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

No Profit Forecasts or Estimates

No statement in this Announcement (including any statement of estimated synergies) is intended as a profit forecast or estimate for any period and no statement in this Announcement should be interpreted to mean that earnings or earnings per share or dividend per share for Standard Life, Aberdeen or the Combined Group, as appropriate, for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share or dividend per share for Standard Life, Aberdeen or the Combined Group as appropriate.

Quantified Financial Benefits Statement

The statements in the Quantified Financial Benefits Statement relate to future actions and circumstances which, by their nature, involve risks, uncertainties and contingencies and which may in some cases be subject to consultation with employees or their representatives. The synergies and cost savings referred to may not be achieved, or may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated. For the purposes of Rule 28 of the City Code, the Quantified Financial Benefits Statement contained in this Announcement is the responsibility of Standard Life and the Standard Life Directors.

Dealing and Opening Position Disclosure Requirements

Under Rule 8.3(a) of the City Code, any person who is interested in one per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the Offer Period and, if later, following the announcement in which any securities exchange offeror is first identified.

An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th Business Day following the commencement of the Offer Period and, if appropriate, by no later than 3.30 pm (London time) on the 10th Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure. Under Rule 8.3(b) of the City Code, any person who is, or becomes, interested in one per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the Business Day following the date of the relevant dealing. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4). Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the Offer Period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Publication on website and availability of hard copies

A copy of this Announcement is and will be available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, for inspection on Standard Life's website www.standardlife.com and on Aberdeen's website www.aberdeen-asset.com by no later than 12 noon (London time) on the Business Day following this Announcement. For the avoidance of doubt, the contents of the websites referred to in this Announcement are not incorporated into and do not form part of this Announcement.

Standard Life Shareholders may request a hard copy of this Announcement by: (i) contacting Standard Life Shareholder Services during business hours on 0345 113 0045 or +44 20 3367 8224 or (ii) by submitting a request in writing to Standard Life Shareholder Services, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

Aberdeen Shareholders may request a hard copy of this Announcement by: (i) contacting Equiniti during business hours on +44 371 384 2030 (if calling from the UK) or +44 121 415 7047 (if calling from outside the UK) or (ii) by submitting a request in writing to Equiniti at Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA.

If you are in any doubt about the contents of this Announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION.

6 March 2017

**Recommended All-Share Merger
of
Standard Life plc and Aberdeen Asset Management PLC**

1. Introduction

The Boards of Standard Life plc ("**Standard Life**") and Aberdeen Asset Management PLC ("**Aberdeen**") are pleased to announce that they have reached agreement on the terms of a recommended all-share merger of Standard Life and Aberdeen, to be effected by means of a court-sanctioned scheme of arrangement between Aberdeen and the Aberdeen Shareholders under Part 26 of the Companies Act 2006 (the "**Merger**"). The Combined Group will in due course be branded to incorporate the names of both Standard Life and Aberdeen.

2. The Merger

Under the terms of the Merger, which will be subject to the Conditions and other terms set out in this Announcement and to the full terms and conditions which will be set out in the Scheme Document, Aberdeen Shareholders will be entitled to receive:

0.757 New Shares in exchange for each Aberdeen Share

Based on the Exchange Ratio and the Closing Price of 378.5 pence per Standard Life Share on 3 March 2017 (being the last Business Day prior to the date of this Announcement) the Merger values each Aberdeen Share at 286.5 pence and Aberdeen's existing issued ordinary share capital at approximately £3.8 billion.

Following completion of the Merger, Aberdeen Shareholders would own approximately 33.3 per cent. and Standard Life Shareholders would own approximately 66.7 per cent. of the Combined Group on a diluted basis.

The New Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the Standard Life Shares in issue at the time the New Shares are issued pursuant to the Merger, including the right to receive and retain dividends and other distributions declared, made or paid by reference to a record date falling after the Effective Date. Applications will be made to the UK Listing Authority for the New Shares to be admitted to the Official List and to the London Stock Exchange for the New Shares to be admitted to trading on the London Stock Exchange's main market for listed securities.

In the event that the Merger is to be implemented by way of a takeover offer (as defined in Part 28 of the Companies Act 2006), the Aberdeen Shares will be acquired pursuant to the Offer fully paid and free from all liens, charges, equitable

interests, encumbrances and rights of pre-emption and any other interests of any nature whatsoever and together with all rights attaching thereto.

3. **Background to and reasons for the Merger**

The Boards of Standard Life and Aberdeen believe that there is a compelling strategic and financial rationale for the Merger:

Harness Standard Life's and Aberdeen's complementary, market leading investment and savings capabilities which would deliver a compelling and comprehensive product offering for clients covering developed and emerging market equities and fixed income, multi-asset, real estate and alternatives.

- The Merger creates a diversified asset manager with complementary investment skills and capabilities across all asset classes. Together, the Combined Group will have a compelling and comprehensive product offering for clients and will be a leader in active investing.
- The Combined Group will have strengths in developed and emerging markets equities, multi-assets, fixed income, real estate and alternatives, with deep levels of expertise across a wide range of investment strategies and substantial scale, both in assets under management and revenues.

Reinforce both Standard Life's and Aberdeen's long-standing commitment to active management, underpinned by fundamental research, with both global reach and local depth of resources.

- Both Standard Life and Aberdeen have a similar investment culture and approach, with a long-standing commitment to active management, which is underpinned by fundamental research. This is achieved through an enviable local presence of over 1,000 investment professionals across 24 investment centres in 20 countries. This local insight is delivered globally through a consistent investment framework.

Establish one of the largest and most sophisticated investment solutions offerings globally, positioning the Combined Group to meet the evolving needs of clients.

- Through its broad and deep investment capabilities, the Combined Group will be able to deliver increasingly relevant client outcomes across asset classes globally.
- The Combined Group's client base will benefit from a wider choice of strategies and enhanced customisation and service. The enlarged scale of the business will support further investment in new capabilities, better positioning the Combined Group to compete and capitalise on the strong growth opportunities in this part of the industry.
- The relevance of these capabilities is particularly apparent to insurance clients. The market opportunity for outsourced asset management between 2015 and 2020 is approximately US\$750 billion and both Standard Life and Aberdeen are already major players. The Combined Group will be better positioned to capture the growth potential.

Create an investment group with strong brands, leading institutional and wholesale distribution franchises, market leading platforms and access to long-standing, strategic partnerships globally.

- The Combined Group will strengthen its distribution footprint in the UK and globally. In the UK, the Combined Group will have enhanced positions in key growth channels of workplace and retail savings. Globally, the Combined Group will benefit from Aberdeen's investment in local distribution throughout Asia and the US, while

both companies bring a number of long-standing strategic distribution relationships with leading financial institutions around the world.

- The respective client bases of Standard Life and Aberdeen are complementary to each other, with limited overlap, and with the expanded set of investment capabilities resulting from the Merger there are expected to be meaningful opportunities to deepen these relationships and grow client assets.
- The combined distribution platform will be diversified by channel and geography. Aberdeen brings strong institutional relationships within and outside the UK, while Standard Life has market leading retail distribution.

Bring scale, as one of the largest active investment managers globally with £660 billion of assets under administration and financial strength, transforming the Combined Group's ability to invest for growth, innovate and drive greater operational efficiency.

- With £660 billion in total assets under administration, the Combined Group would rank as the UK's largest active asset manager and the second largest in Europe.
- Increased scale is expected to better position the business to compete in a global market place. It will enable increased investment for growth, in areas such as higher margin next generation investment strategies.
- Other important areas for investment include technology across all parts of the business, including quantitative investment strategies, operating and risk management systems. The Merger will better position the Combined Group to attract industry leading talent globally.

Deliver through greater diversification an enhanced revenue, cash flow and earnings profile and strong balance sheet that is expected to be capable of generating attractive and sustainable returns for shareholders, including dividends.

- The Combined Group will be more diversified by assets under management and revenues across clients, distribution channels, investment strategies and asset classes. This diversification has the potential to support greater resilience in revenues and earnings.
- Standard Life and Aberdeen generate strong levels of cash flow from earnings and the Combined Group is expected to continue to have an attractive cash flow profile enhanced by the expected cost savings, which together with a strong balance sheet, will support investment for growth and the continuation of a progressive dividend policy.

Result in material earnings accretion for both sets of shareholders, reflecting the significant synergy potential of a combination

- The Standard Life Directors expect pre-tax cost synergies of approximately £200 million per annum. It is expected that the full run-rate synergies will be achieved three years after completion of the Merger.
- The Merger is expected to result in material earnings accretion for both sets of shareholders.

Synergies

The constituent elements of the quantified cost synergies, which are expected to originate from the cost bases of both Standard Life and Aberdeen, include:

- Efficiencies from simplifying and harmonising platforms (approximately 31 per cent. of the identified synergies). Savings are envisaged from consolidating the operating, trading and other platforms used by both organisations as well as through a reduction in the number of third party service providers.
- Eliminating overlap in distribution (approximately 16 per cent. of the identified synergies). Savings are expected in Standard Life's and Aberdeen's complementary distribution networks by consolidating operations where Standard Life and Aberdeen both have a presence in the same location.
- Rationalisation of central functions across the Combined Group (approximately 12 per cent. of the identified synergies). It is anticipated that central functions will be merged and Standard Life Directors believe that the scalability of these will allow for substantial savings.
- Further savings will come from rationalising the property portfolio and related property management fees, reduced travel costs and in legal, professional and consultancy fees as well as other sources such as removing areas of duplication in investment management capability while retaining the best of both franchises and talent.

It is envisaged that the realisation of the quantified cost synergies will result in one-off integration cash costs of approximately £320 million in aggregate.

In addition to these quantified cost synergies, the Standard Life Directors believe that significant further value can be created through the Merger, including enhanced value opportunities through complementary investment and distribution capabilities and limited client overlap as well as capital synergies in time through legal entity simplification and moving towards a single combined ICAAP to cover the merged asset management businesses.

Based on the analysis to date and aside from the one-off integration cash costs referred to above, the Standard Life Directors do not expect material dis-synergies to arise in connection with the Merger.

The identified synergies will accrue as a direct result of the Merger and would not be achieved on a standalone basis. Further information on the bases of belief supporting the Quantified Financial Benefits Statement, including the principal assumptions and sources of information, is set out in Part A of Appendix 4 to this Announcement. These estimated synergies have been reported on under the City Code by PricewaterhouseCoopers LLP, and by Standard Life's financial adviser, Goldman Sachs International. Copies of their letters are included in Parts B and C of Appendix 4. References in this Announcement to those estimated synergies should be read in conjunction with those parts of Appendix 4.

4. Recommendations

The Aberdeen Recommending Directors, who have been so advised by J.P. Morgan Cazenove and Credit Suisse as to the financial terms of the Merger, consider the terms of the Merger to be fair and reasonable. Credit Suisse is providing independent financial advice to the Aberdeen Recommending Directors for the purposes of Rule 3 of the City Code. In providing their financial advice to the Aberdeen Recommending Directors, J.P. Morgan Cazenove and Credit Suisse have taken into account the commercial assessments of the Aberdeen Recommending Directors.

Accordingly, the Aberdeen Recommending Directors intend unanimously to recommend that Aberdeen Shareholders vote in favour of the Scheme at the Court Meeting and the resolutions relating to the Merger at the Aberdeen General Meeting (or in the event that the Merger is implemented by way of an Offer, to accept or procure acceptance of such Offer) as the Aberdeen Recommending Directors who hold Aberdeen Shares have irrevocably undertaken to do or procure in respect of their own beneficial holdings of 2,315,275 Aberdeen Shares in aggregate, representing approximately 0.2 per cent. of Aberdeen's issued share capital on 3 March 2017 (being the last Business Day prior to the release of this Announcement).

Akira Suzuki, a non-executive director of Aberdeen, is also a managing executive officer of MUTB. As noted below, MUTB has given a non-binding statement of support in respect of the Merger in its capacity as shareholder and ongoing business partner. In view of Akira Suzuki's position within MUTB and MUTB's interest in Aberdeen, Akira Suzuki has recused himself from the Board of Aberdeen in respect of all matters relating to the Merger.

The Merger will be put to the vote of existing Standard Life Shareholders as a Class 1 transaction for the purposes of the Listing Rules. The Standard Life Directors consider the Merger to be in the best interests of Standard Life and the Standard Life Shareholders as a whole and intend unanimously to recommend that Standard Life Shareholders vote in favour of all of the resolutions to be proposed at the Standard Life General Meeting which will be convened in connection with the Merger, as they have irrevocably undertaken to do, or procure, in respect of their own beneficial holdings of 3,455,242 Standard Life Shares representing, in aggregate, approximately 0.2 per cent. of Standard Life's ordinary share capital in issue on 3 March 2017 (being the last Business Day prior to the release of this Announcement). The Standard Life Directors have received financial advice from Goldman Sachs International in relation to the Merger. In providing their advice to the Standard Life Directors, Goldman Sachs International has relied upon the Standard Life Directors' commercial assessment of the Merger.

Further details of the irrevocable undertakings are set out in Appendix 3 to this Announcement.

5. Background to and reasons for the recommendation

Since it was formed in 1983, Aberdeen's management and staff have, with the support of its shareholders and clients, transformed the firm into a leading global asset manager. Aberdeen has progressively grown assets under management and become increasingly diversified by asset class and investment capability, client base and distribution reach, through both growth in client assets and acquisitions.

More recently, this has been achieved notwithstanding the more challenging market and industry environment. Market conditions have been impacted by central bank monetary policy and quantitative easing since the financial crisis and it has proved increasingly challenging for active managers to outperform in these conditions. Furthermore, the returns from emerging markets have been challenged in recent years, which has particularly impacted Aberdeen given the importance of emerging markets in the context of the overall business. Also during this period, the performance of some key investment strategies has not been as strong as it has been in the past and this, together with those broader industry and market trends, has led to a sustained period of outflows.

Despite these outflows, assets under management have remained broadly stable as a result of market returns and Aberdeen management has taken actions to reduce costs and protect earnings. This has been achieved whilst continuing to invest in the business for growth. Through continued investment in new capabilities, brand, distribution and technology, as well as selective acquisitions, the Aberdeen Group today has strong positions in its chosen segments and the Aberdeen Directors believe there are good prospects for growth in the medium term. Investment performance has improved in key strategies and Aberdeen has attractive growth prospects in areas such as quantitative investing, alternatives and solutions.

While the Board of Aberdeen considers the standalone prospects for Aberdeen to be strong, it has for some time perceived the growing importance of scale, diversification and global breadth as key factors for long-term success as a global investment firm. With this in mind, the Board of Aberdeen has considered a number of potential acquisitions or combinations in recent years. For the reasons set above, the Aberdeen Recommending Directors believe that the Merger with Standard Life has particularly compelling strategic logic and strong prospects for accelerating its strategy and the growth of the business.

The rationale and benefits for the Merger are set out more fully in paragraph 3. The Merger combines Standard Life's and Aberdeen's complementary, market leading investment and savings capabilities, with strong brands and distribution

franchises. The Combined Group will have the scale and financial strength to invest for growth, innovate and drive greater operational efficiency.

The Merger is expected to result in material earnings accretion for Aberdeen Shareholders, reflecting the significant synergy potential of the combination. Through greater diversification, the Combined Group will have an enhanced revenue, cash flow and earnings profile and a strong balance sheet that is expected to facilitate the generation of attractive and sustainable returns for shareholders, including the continuation of a progressive dividend policy.

The Aberdeen Recommending Directors believe that the terms of the Merger fairly reflect Aberdeen's and Standard Life's respective standalone businesses and their prospects, an appropriate sharing of the expected synergies resulting from the Merger, and the proposed balance of the Board and management team of the Combined Group.

Following consideration of the above factors, the Aberdeen Recommending Directors unanimously intend to recommend that Aberdeen Shareholders vote in favour of the Merger, as those Aberdeen Directors with beneficial holdings have each irrevocably undertaken to do, in respect of their entire respective beneficial holdings of Aberdeen Shares.

6. Dividends

Subject to approval at the Standard Life Annual General Meeting scheduled for 17 May 2017, Standard Life Shareholders will receive the final dividend of 13.35 pence per Standard Life Share for the six month period ended 31 December 2016 that was announced on 24 February 2017 (the "**First Permitted Standard Life Dividend**"). Subject to the approval of the Board of Aberdeen at the appropriate time, Aberdeen Shareholders will be entitled to receive an interim dividend of up to 7.5 pence per Aberdeen share for the six month period ended 31 March 2017, in the ordinary course and consistent with its past practice (the "**First Permitted Aberdeen Dividend**").

If completion of the Merger occurs before the record date for Standard Life's interim dividend for the six month period ending 30 June 2017, shareholders in the Combined Group would be entitled to receive such interim dividend.

In the event that completion of the Merger occurs after the record date for Standard Life's interim dividend for the six month period ending 30 June 2017, Standard Life Shareholders would be entitled to receive such interim dividend (the "**Second Permitted Standard Life Dividend**"). In this event, Aberdeen would expect to declare and pay a dividend to their shareholders prior to the Scheme Record Time equivalent to the Second Permitted Standard Life Dividend multiplied by the Exchange Ratio, therefore providing Aberdeen Shareholders with the sum they would have received had completion of the Merger taken place prior to the record date for Standard Life's interim dividend (such equalising dividend being the "**Second Permitted Aberdeen Dividend**" and when taken together with all permitted dividends referenced above, including the First Permitted Aberdeen Dividend and the First Permitted Standard Life Dividend, the "**Permitted Dividends**"). The maximum dividend payable as the Second Permitted Aberdeen Dividend will be advised to shareholders in due course and no later than the Scheme Document.

If either party announces, declares, makes or pays any dividend or other distribution on or after the date of this announcement and prior to completion of the Merger, other than the Permitted Dividends, or in excess of the Permitted Dividends, there will be no change to the Exchange Ratio. However, Standard Life and Aberdeen reserve the right to respectively pay an equalising dividend to their Shareholders.

Dividend policy post completion

Following the Merger and subject to the approval of the Board of the Combined Group, the Combined Group intends to adopt Standard Life's progressive dividend policy with the base dividend being the Standard Life full year dividend of 19.82 pence for the financial year ended 31 December 2016. The increased diversification of the Combined Group,

enhanced financial profile and material earnings accretion is expected to support the generation of attractive and sustainable returns for Shareholders, including through dividends.

7. **Mitsubishi UFJ Trust and Banking Corporation**

Standard Life and Aberdeen have received a non-binding statement of support in respect of the Merger from MUTB, both in its capacity as an Aberdeen Shareholder (to vote in favour of the Scheme in respect of 224,386,462 Aberdeen Shares, representing approximately 17.03 per cent. of Aberdeen's existing issued ordinary share capital on 3 March 2017 (being the last Business Day prior to the date of this Announcement)) and as an ongoing business partner. As part of that continued support, it is intended that the business arrangements currently in place between Aberdeen and MUTB shall continue to remain in force and Akira Suzuki (MUTB's current representative on the Board of Aberdeen) will become a director of the Combined Group from completion of the Merger.

With respect to the Aberdeen Preference Shares, Aberdeen and Standard Life intend to work towards a solution, to the extent such solution is acceptable to MUTB, whereby preference shares in the Combined Group would be issued to MUTB on substantially the same terms as the current Aberdeen Preference Shares.

8. **Lloyds Banking Group**

Since Aberdeen acquired Scottish Widows Investment Partnership Limited in 2014, Aberdeen and Lloyds have enjoyed a strong business partnership and Lloyds remains a key customer of Aberdeen. The Combined Group looks forward to exploring ways in good faith to build a successful relationship with Lloyds for the benefit of their respective customers, businesses, shareholders and other stakeholders.

Lloyds has confirmed that it welcomes the opportunity to explore ways to build a successful relationship on such basis with the Combined Group and Aberdeen and Standard Life have received from Lloyds a non-binding indication of support in its capacity as shareholder in relation to the Merger.

Lloyds has agreed to delay making a decision in relation to (i) the exercise of any applicable termination rights arising as a result of completion of the Merger in the various agreements between Lloyds and members of the Aberdeen Group (the "**Relevant Arrangements**") and/or (ii) the making of certain material unscheduled withdrawals of assets by any means whatsoever (including by virtue of any termination at will under any or all of the Relevant Arrangements) from the management of the relevant member(s) of the Aberdeen Group under any of the Relevant Arrangements, in each case from and including the date of Lloyds' agreement until the end of a period of 6 months from the date of completion of the Merger (the "**Minimum Period**").

Lloyds' agreement is to allow the discussions referred to above to take place in a spirit of mutual cooperation.

If Lloyds ultimately decides at or after the end of the Minimum Period to terminate any of the Relevant Arrangements, it will give at least 12 months' notice in writing to the relevant members of the Combined Group prior to withdrawing its funds under management.

References to Lloyds include Lloyds and all relevant Lloyds affiliates as appropriate.

9. **Information relating to Aberdeen**

Introduction

Aberdeen is a full-service asset management group focused on meeting the worldwide investment needs of its clients, including institutions, private investors and the advisers who serve them. Aberdeen manages investments across the full spectrum of asset classes and geographic markets, including equities, fixed income, property and alternative assets.

History of the Aberdeen Group

Aberdeen was established in 1983 by a group of investors, including its current Chief Executive, Martin Gilbert. Listing on the London Stock Exchange in 1991, Aberdeen has grown steadily through strategic acquisitions and the expansion of its own business.

The Aberdeen Group employs approximately 2,700 people in the UK and internationally.

Business and overview

Aberdeen operates in 27 countries, managing assets of £302.7 billion as at 31 December 2016 and is one of Europe's largest public investment managers, headquartered in Aberdeen and with its main investment offices in London, Edinburgh, Singapore and Philadelphia.

Key clients of Aberdeen include leading national and corporate pension funds, central banks and other investment institutions.

For the 12 months ended 30 September 2016, Aberdeen reported IFRS profit before tax of £221.9 million and as at 30 September 2016 had total assets of £4,811.6 million.

10. Information relating to Standard Life

Introduction

Standard Life was established in Edinburgh in 1825. Today it is a leading investment group helping people to invest and manage their money through the provision of active asset management and long-term savings and investment propositions.

The company employs approximately 6,300 people internationally – through businesses in the UK, Europe, North America, Asia and Australia. Around 4.5 million customers and clients across 45 countries trust the Standard Life Group with their financial future – and those employees are responsible for the administration of £357 billion of the Standard Life Group's customers' and clients' assets. Standard Life Investments actively manages £278 billion worldwide. Standard Life also supports over 25 million customers through its Indian and Chinese associate and joint venture businesses.

In 2006, Standard Life demutualised and listed on the London Stock Exchange. The business has around 1.2 million individual shareholders across the world.

Wherever the Standard Life Group operates in the world, it is motivated by a sense of responsibility. Standard Life is proud to be listed as a leader for corporate sustainability in its industry in the Dow Jones Sustainability Indices (DJSI World and DJSI Europe).

For the 12 months ended 31 December 2016, Standard Life reported IFRS operating profit before tax of £723 million.

History of the Standard Life Group

The Life Insurance Company of Scotland was established in 1825. In 1832 its name was changed to the Standard Life Assurance Company. Standard Life was reincorporated as a mutual assurance company in 1925. It originally operated only through branches or agencies of the mutual company in the United Kingdom and certain other countries. Its Canadian branch was founded in 1833 and its Irish operations were founded in 1834. This largely remained the structure of the Standard Life Group until 1996, when it opened a branch in Frankfurt, Germany with the aim of exporting its UK life assurance and pensions operating model to capitalise on the opportunities presented by EC Directive 92/96/EEC and offer a product range in the German market with features that local providers were unable to offer.

In the 1990s, the Standard Life Group also sought to diversify its operations into areas which complemented its core life assurance and pensions business, with the intention of positioning itself as a broad range financial services provider. Standard Life Investments was launched as a separate company in 1998.

In the early part of 2004, Standard Life undertook a strategic review of its business. The strategic review was wide-ranging and examined the group's business in its entirety, both in the United Kingdom and overseas, assessing the potential for a number of operational and financial improvements, but with a particular focus on UK Life and Pensions. It was also acknowledged that the group's mutual structure, and the increased regulation to which it was subject, imposed limitations on its ability to access additional capital and could limit opportunities for planned growth and development, placing the Standard Life Group at a disadvantage to insurance companies which did not have such a structure. On 10 July 2006, after a 98 per cent. "yes" vote for its members, Standard Life demutualised and Standard Life was floated on the London Stock Exchange and joined the FTSE 100 index.

In recent years, through the sale of Standard Life Healthcare, Standard Life Bank and its Canadian companies, Standard Life has been transformed into a capital-light investment group with 92 per cent. of total operating income now attributed to fee based revenue for the 12 months to 31 December 2016.

11. Current trading

Current trading for both Standard Life and Aberdeen continues in line with statements made in their respective announcements on 24 February 2017 and 2 February 2017.

12. Management, employees, branding and locations

Under the terms of the Merger, Standard Life's chairman, Sir Gerry Grimstone, would become chairman of the Board of the Combined Group and Aberdeen's chairman, Simon Troughton, would become deputy chairman. Standard Life's CEO, Keith Skeoch, and Aberdeen's CEO, Martin Gilbert, would become co-CEOs of the Combined Group. In addition, Aberdeen's CFO, Bill Rattray, and Standard Life's CIO, Rod Paris, would become CFO and CIO respectively. It is envisaged that the Board of the Combined Group would comprise equal numbers of Standard Life Directors and Aberdeen Directors. The Combined Group will be headquartered in Scotland.

The Combined Group would draw on the expertise across its markets and would endeavour to harness the talent in both companies to optimise the benefits for clients and shareholders of the Combined Group. The Boards of Standard Life and Aberdeen intend to restructure the merged operational and administrative structure of the combined business in order to achieve the expected benefits of the Merger. The detailed steps for such a restructuring are not yet known but Standard Life and Aberdeen will aim to retain the best talent across the Combined Group.

The Boards of Standard Life and Aberdeen have each confirmed that the existing statutory and contractual employment rights, including accrued pension rights of all Standard Life and Aberdeen employees, will be fully safeguarded upon and following completion of the Merger.

Standard Life and Aberdeen have agreed that the Combined Group will include, and operate under, branding drawn from both the Standard Life Group and the Aberdeen Group.

13. Offer-related Arrangements

Confidentiality Agreements

Standard Life and Aberdeen have entered into a mutual non-disclosure agreement dated 3 February 2017 pursuant to which each of Standard Life and Aberdeen has undertaken, among other things, to keep certain information relating to the Merger and the other party confidential and not to disclose it to third parties (other than to permitted parties) unless required by law or regulation.

Standard Life and Aberdeen have also entered into a clean team confidentiality agreement dated 11 February 2017 which sets out how any confidential information that is competitively sensitive can be disclosed, used or shared.

Cooperation Agreement

Standard Life and Aberdeen have entered into a cooperation agreement dated 6 March 2017 with respect to conduct of the Merger. Under the terms of the Cooperation Agreement, Standard Life and Aberdeen have agreed, among other things, that (in summary):

- Standard Life and Aberdeen will co-operate with each other in order to assist in obtaining clearance from competition and other regulatory bodies in order to satisfy the Conditions relating to such clearances;
- Standard Life and Aberdeen will provide each other with certain information and assistance in the preparation of the Scheme Document, the Circular and the Prospectus;
- Standard Life will convene the Standard Life General Meeting so that it is held on the same date as the Court Meeting;
- Standard Life will be subject to certain customary restrictions on the conduct of its business during the period prior to completion of the Merger, which prohibit, among other things: (a) the payment by Standard Life of dividends (other than in the ordinary course or by reference to a record date after the Effective Date); (b) the allotment of further shares (or rights or options in respect of shares) (other than pursuant to its existing share incentive schemes or in order to settle options or awards vesting under its existing incentive schemes); or (c) amendment to its constitutional documents in any manner that would have an adverse impact on the value of, or rights attaching to, the New Shares;
- Standard Life and Aberdeen will co-operate to write to participants in the Aberdeen Share Schemes and to inform them of the impact of the Scheme on their awards; and
- Standard Life and Aberdeen intend to implement the Merger by way of the Scheme, subject to the ability of Standard Life with the consent of the Panel and Aberdeen or, in certain circumstances, without the consent of Aberdeen, to proceed by way of an Offer in the circumstances described in paragraph 26 below.

14. Irrevocable undertakings

The Standard Life Directors have irrevocably undertaken to vote in favour of the resolutions to be proposed at the Standard Life General Meeting in respect of their own beneficial holdings totalling 3,455,242 Standard Life Shares,

representing in aggregate approximately 0.2 per cent of Standard Life's issued share capital as at 3 March 2017 (being the last Business Day prior to publication of this Announcement).

The Aberdeen Recommending Directors have irrevocably undertaken to vote in favour of the Scheme in respect of their own beneficial holdings totalling 2,315,275 Aberdeen Shares, representing in aggregate approximately 0.2 per cent of Aberdeen's issued share capital as at 3 March 2017 (being the last Business Day prior to publication of this Announcement).

These irrevocable undertakings remain binding if a higher competing offer for Aberdeen is made but cease to be binding on and from the earlier of (i) the Long Stop Date; and (ii) the date on which the Scheme is withdrawn or lapses in accordance with its terms.

15. **Statements of Support**

Standard Life and Aberdeen have received non-binding statements of support in respect of the Merger from MUTB and Lloyds in their capacity as Aberdeen Shareholders (in respect of 353,420,241 Aberdeen Shares in aggregate, representing approximately 27 per cent. of Aberdeen's existing issued ordinary share capital on 3 March 2017 (being the last Business Day prior to the release of this Announcement)) and, in the case of MUTB, as ongoing business partner.

Further details of these statements of support are set out in Appendix 3 to this Announcement.

16. **Conditions and Scheme of Arrangement**

Appendix 1 to this Announcement sets out the Conditions and further terms to which the Merger will be subject, including details of requisite regulatory approvals.

It is intended that the Merger will be effected by a court sanctioned scheme of arrangement of Aberdeen, between Aberdeen and the Aberdeen Shareholders, under Part 26 of the Companies Act 2006.

Under the Scheme, the Scheme Shares held by Scheme Shareholders will be transferred to Standard Life in consideration for which Scheme Shareholders will receive the Merger Consideration on the basis set out in paragraph 2 of this Announcement.

The Merger will be subject to the Conditions and further terms and conditions referred to in Appendix 1 to this Announcement and to be set out in the Scheme Document.

To become effective, the Scheme requires the approval of Scheme Shareholders by the passing of a resolution at the Court Meeting. The resolution must be approved by a majority in number of the Scheme Shareholders present and voting (and entitled to vote), either in person or by proxy, representing not less than 75 per cent. in value of the Scheme Shares voted by such Scheme Shareholders. In addition, a special resolution must be passed at the Aberdeen General Meeting to deal with certain ancillary matters, which requires the approval of Aberdeen Shareholders representing at least 75 per cent. of the votes cast at the Aberdeen General Meeting (either in person or by proxy). The Aberdeen General Meeting will be held immediately after the Court Meeting.

The Aberdeen Meetings are to be held no later than the 22nd day after the expected date of the Aberdeen Meetings to be set out in the Scheme Document in due course (or such later date as may be agreed between Aberdeen and Standard Life).

Following the Aberdeen Meetings, the Scheme must be sanctioned by the Court no later than the 22nd day after the expected date of the Scheme Court Hearing to be set out in the Scheme Document in due course (or such later date as may be agreed between Aberdeen and Standard Life). The Scheme will only become effective once a copy of the Scheme Court Order is delivered to the Registrar of Companies.

Upon the Scheme becoming effective, it will be binding on all Aberdeen Shareholders, irrespective of whether or not they attended or voted at the Aberdeen Meetings and the Merger Consideration will be despatched by Standard Life to Scheme Shareholders no later than 14 days after the Effective Date.

The Scheme Document will include full details of the Scheme, together with notices of the Court Meeting and the Aberdeen General Meeting and the expected timetable, and will specify the action to be taken by Scheme Shareholders.

The Scheme will be governed by Scots law. The Scheme will be subject to the applicable requirements of the City Code, the Panel, the London Stock Exchange and the UK Listing Authority.

17. **Indicative timing**

The timing of implementation of the Merger will be dependent upon a number of factors including availability of the Court and receipt of merger control and regulatory approvals. However, subject to these factors, it is expected that the publication of the Prospectus and the posting of the Scheme Document and the Circular will occur in early May 2017 and that the Scheme will become effective in the third quarter of 2017.

18. **Standard Life Shareholder approval and Prospectus**

As a result of the size of the acquisition, the Merger constitutes a Class 1 transaction for Standard Life for the purposes of the Listing Rules. Accordingly, Standard Life will be required to seek the approval of the Standard Life Shareholders for the Merger at the Standard Life General Meeting.

Standard Life will prepare and send to Standard Life Shareholders the Circular summarising the background to and reasons for the Merger which will include a notice convening the Standard Life General Meeting. The Merger is conditional on, among other things, the Standard Life Resolutions being passed by the requisite majority of Standard Life Shareholders at the Standard Life General Meeting (but not, for the avoidance of doubt, any other resolutions to be proposed at the Standard Life General Meeting which shall not be conditions to the Merger).

It is expected that the Circular will be posted to Standard Life Shareholders at the same time as the Scheme Document is posted to Aberdeen Shareholders, expected to be in early May 2017.

Standard Life will also be required to produce the Prospectus in connection with the issue of the New Shares. It is expected that the Prospectus will be published at or around the same time as the Scheme Document is posted to Aberdeen Shareholders.

19. **Admission of New Shares**

Application will be made to the UK Listing Authority and the London Stock Exchange for the New Shares to be admitted to the Official List and to trading on the London Stock Exchange's market for listed securities respectively. It is expected that Admission will become effective and that dealings for normal settlement in the New Shares will commence on the London Stock Exchange at 8.00 am on the first Business Day following the Effective Date.

20. Delisting and re-registration

It is intended that dealings in Aberdeen Shares should be suspended shortly prior to the Effective Date, at a time to be set out in the Scheme Document. It is further intended that an application will be made to the London Stock Exchange for the cancellation of the trading of the Aberdeen Shares on its main market for listed securities and the UK Listing Authority will be requested to cancel the listing of Aberdeen Shares on the Official List to take effect on or shortly after the Effective Date.

Share certificates in respect of the Aberdeen Shares will cease to be valid and should be destroyed on the first Business Day following the Effective Date.

In addition, entitlements held within the CREST system to the Aberdeen Shares will be cancelled on the first Business Day following the Effective Date.

21. Share Schemes

Participants in the Aberdeen Share Schemes will be contacted regarding the effect of the Merger on their rights under these schemes and provided with further details concerning the proposals which will be made to them in due course. Details of the proposals will be set out in the Scheme Document or, as the case may be, the Offer Document and in separate letters to be sent to participants in the share schemes.

22. Opening Position Disclosure

In connection with the Merger, Standard Life will make a public Opening Position Disclosure setting out details of its interests or short positions in, or rights to subscribe for, any relevant securities of Aberdeen by no later than 12 noon on 17 March 2017.

Standard Life's Opening Position Disclosure will include details of any interests or short positions in, or rights to subscribe for, any relevant securities of Aberdeen held by all persons acting in concert with Standard Life.

23. Disclosure of Interests

As at the close of business on 3 March 2017, being the last Business Day prior to the publication of this Announcement, save for the irrevocable undertakings referred to in paragraph 4 above and 14,207 Aberdeen Shares held by Kevin Parry, neither Standard Life, nor any of the Standard Life Directors, nor, so far as Standard Life is aware, any person acting in concert (within the meaning of the City Code) with Standard Life has:

- any interest in, or right to subscribe for, any Aberdeen Shares nor does any such person have any short position in Aberdeen Shares, including any short position under a derivative, any agreement to sell, any delivery obligation or right to require another person to purchase or take delivery of Aberdeen Shares; or
- borrowed or lent any Aberdeen Shares or entered into any financial collateral arrangements relating to Aberdeen Shares.

It has not been possible by the date of this Announcement to ascertain the interests in Aberdeen Shares (if any) of all of Standard Life's concert parties. Further enquiries will be completed prior to publication of Standard Life's Opening Position Disclosure which will include details of any interests or short positions in, or rights to subscribe for, any relevant securities of Aberdeen held by all persons acting in concert with Standard Life.

24. **Aberdeen American Depositary Receipts**

The Aberdeen Shares underlying the Aberdeen ADRs will be included in the Merger. Aberdeen ADR holders should contact the depositary for their Aberdeen ADRs for information regarding their rights.

25. **Documents available for inspection**

Copies of the following documents will, by no later than 12 noon on 7 March 2017, be published on Standard Life's website at www.standardlife.com and on Aberdeen's website at www.aberdeen-asset.com:

- a) this Announcement;
- b) irrevocable undertakings and statements of support listed in Appendix 3 to this Announcement;
- c) the Confidentiality Agreement;
- d) the Clean Team Agreement; and
- e) the Cooperation Agreement.

Copies of the following documents will by no later than 12 noon on 7 March 2017 also be published on *Aberdeen's website* www.aberdeen-asset.com:

- a) MUTB Q&A; and
- b) a letter from Aberdeen to MUTB.

26. **General**

Standard Life reserves the right to elect to implement the Merger by way of an Offer for the entire issued and to be issued share capital of Aberdeen not already held by Standard Life as an alternative to the Scheme in the following circumstances: (i) if Aberdeen consents; (ii) if the Aberdeen Recommending Directors withdraw or modify their unanimous and unconditional recommendation of the Merger to the Aberdeen Shareholders; or (iii) if a third party announces a firm intention to make an offer for the entire issued share capital of Aberdeen which is recommended in whole or in part by the Aberdeen Recommending Directors, subject in each case to the Panel's consent. In such an event an Offer will be implemented on the same terms (subject to appropriate amendments), so far as applicable, as those which would apply to the Scheme and subject to the amendments referred to in Part C of Appendix 1 to this Announcement.

If the Merger is effected by way of an Offer and such Offer becomes or is declared unconditional in all respects and sufficient acceptances are received, Standard Life intends to: (i) request the London Stock Exchange and the UK Listing Authority cancel trading in Aberdeen Shares on the London Stock Exchange's main market for listed securities and the listing of the Aberdeen Shares from the Official List; and (ii) exercise its rights to apply the provisions of Chapter 3 of Part 28 of the Companies Act 2006 to acquire compulsorily the remaining Aberdeen Shares in respect of which the Offer has not been accepted.

Further Information

This Announcement is for information purposes only and is not intended to and does not constitute or form part of an offer, invitation or the solicitation of an offer or invitation to purchase or, otherwise acquire, subscribe for, sell or

otherwise dispose of any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Merger or otherwise nor shall there be any sale, issuance or transfer of securities of Standard Life or Aberdeen pursuant to the Merger in any jurisdiction in contravention of applicable laws. The Merger will be implemented solely pursuant to the terms of the Scheme Document (or, in the event that the Merger is to be implemented by means of an Offer, the Offer Document), which will contain the full terms and conditions of the Merger, including details of how to vote in respect of the Merger. Any decision in respect of, or other response to, the Merger should be made on the basis of the information contained in the Scheme Document and the Prospectus.

Standard Life will prepare the Circular to be distributed to Standard Life Shareholders and will also publish the Prospectus containing information on the New Shares and the Combined Group. Aberdeen and Standard Life urge Aberdeen Shareholders to read the Scheme Document and the Prospectus carefully when they become available because they will contain important information in relation to the Merger, the New Shares and the Combined Group. Standard Life urges Standard Life Shareholders to read the Prospectus and the Circular carefully when they become available. Any vote in respect of resolutions to be proposed at the Aberdeen Meetings or the Standard Life General Meeting to approve the Merger, the Scheme or related matters, should be made only on the basis of the information contained in the Scheme Document (in the case of Aberdeen Shareholders), the Prospectus and the Circular (in the case of Standard Life Shareholders).

This Announcement does not constitute a prospectus or prospectus equivalent document.

Information Relating to Aberdeen Shareholders

Please be aware that addresses, electronic addresses and certain other information provided by Aberdeen Shareholders, persons with information rights and other relevant persons for the receipt of communications from Aberdeen may be provided to Standard Life during the Offer Period as required under Section 4 of Appendix 4 of the City Code.

Overseas Jurisdictions

The release, publication or distribution of this Announcement in or into jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe any applicable legal or regulatory requirements. In particular, the ability of persons who are not resident in the United Kingdom to vote their Aberdeen Shares with respect to the Scheme at the Court Meeting, or to execute and deliver forms of proxy appointing another to vote at the Court Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law the companies and persons involved in the Merger disclaim any responsibility or liability for the violation of such restrictions by any person. This Announcement has been prepared for the purpose of complying with English law and the City Code and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.

Unless otherwise determined by Standard Life or required by the City Code, and permitted by applicable law and regulation, the New Shares to be issued pursuant to the Merger to Aberdeen Shareholders will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Merger by any such use, means, instrumentality or form within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this Announcement and any formal documentation relating to the Merger are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction or any other jurisdiction where to do so would constitute a violation of the laws of that jurisdiction, and persons receiving

such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send such documents in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Merger. If the Merger is implemented by way of an Offer (unless otherwise permitted by applicable law and regulation), the Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Offer may not be capable of acceptance by any such use, means, instrumentality or facilities or from within any Restricted Jurisdiction.

The availability of New Shares under the Merger to Aberdeen Shareholders who are not resident in the United Kingdom or the ability of those persons to hold such shares may be affected by the laws or regulatory requirements of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements. Aberdeen Shareholders who are in doubt about such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay.

Further details in relation to Aberdeen Shareholders and holders of Aberdeen ADRs in overseas jurisdictions will be contained in the Scheme Document.

Additional Information for US Investors

The Merger relates to the shares of a Scottish company and is being made by means of a scheme of arrangement provided for under Scottish company law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Exchange Act. Accordingly, the Merger is subject to the disclosure requirements and practices applicable in the United Kingdom to schemes of arrangement which differ from the disclosure requirements of United States tender offer and proxy solicitation rules. If, in the future, Standard Life exercises the right to implement the Merger by way of an Offer and determines to extend the Offer into the United States, the Merger will be made in compliance with applicable United States laws and regulations. Financial information included in this Announcement and the Scheme Documentation has been or will have been prepared in accordance with accounting standards applicable in the United Kingdom that may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

It may be difficult for US holders of Aberdeen Shares to enforce their rights and any claim arising out of the US federal laws, since Aberdeen and Standard Life are located in a non-US jurisdiction, and some or all of their officers and directors may be residents of a non-US jurisdiction. US holders of Aberdeen Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

The Merger is intended to be carried out under a scheme of arrangement provided for under Scottish company law (which requires the approval of the Scheme Shareholders). If so, it is expected that any New Shares to be issued pursuant to the Scheme to Aberdeen Shareholders would be issued in reliance upon the exemption from the registration requirements of the US Securities Act, provided by Section 3(a)(10) thereof.

Securities issued pursuant to the Scheme will not be registered under any US state securities laws and may only be issued to persons resident in a state pursuant to an exemption from the registration requirements of the securities laws of such state.

For the purpose of qualifying for the exemption provided by Section 3(a)(10) of the US Securities Act, Aberdeen will advise the Court that its sanctioning of the Scheme will be relied on by Standard Life as an approval of the Scheme

following a hearing on its fairness to Aberdeen Shareholders, at which Court hearing all Aberdeen Shareholders are entitled to attend in person or through counsel to support or oppose the sanctioning of the Scheme and with respect to which notification has been given to all such holders.

Important Notices Relating to Financial Advisers

Goldman Sachs International, which is authorised by the PRA and regulated by the FCA and the PRA in the UK, is acting exclusively for Standard Life and no one else in connection with the Merger and will not be responsible to anyone other than Standard Life for providing the protections afforded to clients of Goldman Sachs International or for providing advice in relation to the Merger or any other matters referred to in this Announcement.

J.P. Morgan Limited, which conducts its UK investment banking business as J.P. Morgan Cazenove ("J.P. Morgan Cazenove"), is authorised and regulated in the United Kingdom by the FCA. J.P. Morgan Cazenove is acting as financial adviser exclusively for Aberdeen and no one else in connection with the matters set out in this Announcement and will not regard any other person as its client in relation to the matters set out in this Announcement and will not be responsible to anyone other than Aberdeen for providing the protections afforded to clients of J.P. Morgan Cazenove or its affiliates, or for providing advice in relation to any matter referred to herein.

Credit Suisse International, which is authorised by the PRA and regulated by the FCA and the PRA in the United Kingdom, is acting as financial adviser exclusively for Aberdeen and no one else in connection with the matters set out in this Announcement and will not be responsible to any person other than Aberdeen for providing the protections afforded to clients of Credit Suisse International, nor for providing advice in relation to the Merger, the content of this Announcement or any matter referred to herein. Neither Credit Suisse International nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Credit Suisse International in connection with this Announcement, any statement contained herein or otherwise.

Cenkos Securities PLC, which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively for Aberdeen and no one else in connection with the Merger and will not be responsible to anyone other than Aberdeen for providing the protections afforded to clients of Cenkos Securities PLC, nor for providing advice in relation to the Merger or any other matters referred to in this Announcement.

Cautionary Note Regarding Forward-Looking Statements

This Announcement (including information incorporated by reference into this Announcement), oral statements regarding the Merger and other information published by Standard Life and Aberdeen contain certain forward-looking statements with respect to the financial condition, strategies, objectives, results of operations and businesses of Standard Life and Aberdeen and their respective groups and certain plans and objectives with respect to the Combined Group. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of Standard Life and Aberdeen about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. The forward-looking statements contained in this Announcement include statements relating to the expected effects of the Merger on Standard Life and Aberdeen, the expected timing and scope of the Merger and other statements other than historical facts. Forward-looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "hope", "aims", "continue", "will", "may", "should", "would", "could", or other words of similar meaning. These statements are based on assumptions and assessments made by Standard Life, and/or Aberdeen in light of their experience and their perception of historical trends, current conditions, future developments and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will

occur in the future and the factors described in the context of such forward-looking statements in this Announcement could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. Although it is believed that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct and readers are therefore cautioned not to place undue reliance on these forward-looking statements.

There are several factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or dispositions. For a discussion of important factors which could cause actual results to differ from forward-looking statements in relation to the Standard Life Group or the Aberdeen Group, refer to the annual report and accounts for Standard Life for the year ended 31 December 2016 and for Aberdeen for the year ended 30 September 2016, respectively.

Each forward-looking statement speaks only as at the date of this Announcement. Neither Standard Life nor Aberdeen, nor their respective groups assumes any obligation to update or correct the information contained in this Announcement (whether as a result of new information, future events or otherwise), except as required by applicable law.

Rounding

Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

No Profit Forecasts or Estimates

No statement in this Announcement (including any statement of estimated synergies) is intended as a profit forecast or estimate for any period and no statement in this Announcement should be interpreted to mean that earnings or earnings per share or dividend per share for Standard Life, Aberdeen or the Combined Group, as appropriate, for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share or dividend per share for Standard Life, Aberdeen or the Combined Group as appropriate.

Quantified Financial Benefits Statements

The statements in the Quantified Financial Benefits Statement relate to future actions and circumstances which, by their nature, involve risks, uncertainties and contingencies and which may in some circumstances be subject to consultation with employees or their representatives. The synergies and cost savings referred to may not be achieved, or may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated. For the purposes of Rule 28 of the City Code, the Quantified Financial Benefits Statement contained in this Announcement is the responsibility of Standard Life and the Standard Life Directors.

Dealing and Opening Position Disclosure Requirements

Under Rule 8.3(a) of the City Code, any person who is interested in one per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the Offer Period and, if later, following the announcement in which any securities exchange offeror is first identified.

An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th Business Day following the commencement of the Offer Period and, if appropriate, by no later than 3.30 pm (London time) on the 10th Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure. Under Rule 8.3(b) of the City Code, any person who is, or becomes, interested in one per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the Business Day following the date of the relevant dealing. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4). Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the Offer Period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Publication on website and availability of hard copies

A copy of this Announcement is and will be available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, for inspection on Standard Life's website www.standardlife.com and on Aberdeen's website www.aberdeen-asset.com by no later than 12 noon (London time) on the Business Day following this Announcement. For the avoidance of doubt, the contents of the websites referred to in this Announcement are not incorporated into and do not form part of this Announcement.

Standard Life Shareholders may request a hard copy of this Announcement by: (i) contacting Standard Life Shareholder Services during business hours on 0345 113 0045 +44 20 3367 8224 or (ii) by submitting a request in writing to Standard Life Shareholder Services, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

Aberdeen Shareholders may request a hard copy of this Announcement by: (i) contacting Equiniti during business hours on +44 371 384 2030 (if calling from the UK) or +44 121 415 7047 (if calling from outside the UK) or (ii) by submitting a request in writing to Equiniti at Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA.

If you are in any doubt about the contents of this Announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or independent financial adviser duly authorised under FSMA if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

APPENDIX 1**CONDITIONS TO AND CERTAIN FURTHER TERMS OF THE MERGER****Part A: Conditions of the Merger**

The Merger will be conditional upon the Scheme becoming unconditional and becoming effective, subject to the provisions of the City Code, by no later than the Long Stop Date, or such later date (if any) as Standard Life and Aberdeen may agree, with the consent of the Panel, and the Court may allow.

Scheme approval

The Scheme will be conditional upon:

- (A) its approval by a majority in number representing not less than 75 per cent. in value of the Scheme Shareholders (or the relevant class or classes thereof, if applicable) present and voting, either in person or by proxy, at the Court Meeting and at any separate class meeting which may be required by the Court or at any adjournment of any such meeting on or before the 22nd day after the expected date of the Court Meeting to be set out in the Scheme Document in due course (or such later date, if any, as Standard Life and Aberdeen may agree and the Court may allow);
- (B) all resolutions necessary to approve and implement the Scheme being duly passed by the requisite majority or majorities at the Aberdeen General Meeting or at any adjournment of that meeting on or before the 22nd day after the expected date of the General Meeting to be set out in the Scheme Document in due course (or such later date, if any, as Standard Life and Aberdeen may agree and the Court may allow); and
- (C) the sanction of the Scheme with or without modification (but subject to any such modification being acceptable to Standard Life and Aberdeen) by the Court on or before the 22nd day after the expected date of the Scheme Court Hearing to be set out in the Scheme Document in due course (or such later date, if any, as Standard Life and Aberdeen may agree and the Court may allow) and the delivery of a copy of the Court Order to the Registrar of Companies.

In addition, Standard Life and Aberdeen have agreed that the Merger will be conditional upon the following conditions and, accordingly, the necessary actions to make the Scheme effective will not be taken unless the following Conditions (as amended if appropriate) have been satisfied or, where relevant, waived:

Standard Life Shareholder approval

- (D) the passing at the Standard Life General Meeting (or at any adjournment thereof) of such resolution or resolutions as are necessary to approve, implement and effect the Merger and the acquisition of any Aberdeen Shares including a resolution or resolutions to authorise the allotment of New Shares pursuant to the Merger and approve the Merger in accordance with Class 1 requirements under Listing Rule 10.5.1R(2) (as such resolutions shall be set out in the Circular in due course);

Admission to listing

- (E) the UK Listing Authority having acknowledged to Standard Life or its agent (and such acknowledgement not having been withdrawn) that the application for the admission of the New Shares to the Official List with a premium listing has been approved and (after satisfaction of any conditions to which such approval is

expressed to be subject (“**listing conditions**”) will become effective as soon as a dealing notice has been issued by the FCA and any listing conditions having been satisfied;

Admission to trading

- (F) the London Stock Exchange having acknowledged to Standard Life or its agent (and such acknowledgement not having been withdrawn) that the New Shares will be admitted to trading on the Main Market;

European Commission clearance

- (G) insofar as the Merger constitutes, or is deemed to constitute, a concentration with an EU dimension within the scope of the EUMR:
- (i) the European Commission indicating, on terms reasonably satisfactory to Standard Life and Aberdeen, that it does not intend to initiate proceedings under Article 6(1)(c) of the EUMR in respect of the Merger (or being deemed to have done so under Article 10(6) of the EUMR); and
 - (ii) no indication having been made that a European Union or EFTA state may take appropriate measures to protect legitimate interests pursuant to Article 21(4) of the EUMR in relation to the Merger or any aspect of it;

CMA clearance

- (H) to the extent that the European Commission refers any aspect of the Merger to the CMA under Article 4(4) or Article 9 of the EUMR, or if it does not constitute a concentration with an EU dimension, Standard Life and Aberdeen agree (such agreement to take due account of their relative legal obligations, and not to be unreasonably withheld) that a CMA filing is otherwise desirable, confirmation having been received on terms reasonably satisfactory to Standard Life and Aberdeen that there will not be a reference by the CMA of the Merger, any part of it or any matter arising from it to its chair for the constitution of a group under schedule 4 to the Enterprise and Regulatory Reform Act 2013;

German clearance

- (I) to the extent that the European Commission refers any aspect of the Merger to the German Federal Cartel Office (“**FCO**”) under Article 4(4) or Article 9 of the EUMR, or Standard Life and Aberdeen agree (such agreement to take due account of their relative legal obligations, and not to be unreasonably withheld) that a FCO filing is otherwise desirable, confirmation having been received in writing from the FCO that the Merger may proceed as the preconditions for prohibition in s.36(1) of the German Act against Restraints of Competition (“**ARC**”) are not met and the FCO therefore does not intend to initiate an in-depth investigation of the Acquisition under s.40(2) ARC; or, the FCO not informing Standard Life and/or Aberdeen within one month of receipt of a complete notification that it intends to initiate an in-depth investigation of the Merger under s.40(2) ARC; or the FCO declaring that the Merger does not need to be filed;

Irish clearance

- (J) to the extent that the European Commission refers any aspect of the Merger to the Irish Competition and Consumer Protection Commission (“**CCPC**”) under Article 4(4) or Article 9 of the EUMR, or Standard Life and Aberdeen agree (such agreement to take due account of their relative legal obligations, and not to be unreasonably withheld) that a CCPC filing is otherwise desirable, a determination having been received from the CCPC pursuant to section 21(2)(a) of the Competition Act 2002 that the Merger may be put into effect on

terms reasonably satisfactory to Standard Life and Aberdeen; or the period specified in section 21(2) of the Competition Act having elapsed without the CCPC having informed Standard Life and/or Aberdeen of its determination (if any) pursuant to section 21(2) of the Competition Act in relation to the Merger;

EU Member State clearance

- (K) to the extent that the European Commission refers any aspect of the Merger to a competent authority of any other Member State of the European Union or EFTA, other than the UK, Germany or Ireland under Article 4(4) or Article 9 of the EUMR, or Standard Life and Aberdeen agree (such agreement to take due account of their relative legal obligations, and not to be unreasonably withheld) that a filing is otherwise desirable, all relevant notifications or filings having been made, all appropriate waiting periods having expired, lapsed or been terminated and all such clearances or approvals having been granted (or being deemed to have been granted in accordance with the relevant law) provided that each such clearance or approval has an equivalent effect to the decision referred to in paragraph (G)(i) above and is on terms reasonably satisfactory to Standard Life and Aberdeen;

US Anti-Trust

- (L) all filings having been made and all appropriate waiting periods under the United States Hart-Scott-Rodino Antitrust Improvements Act of 1976 and the regulations thereunder having expired, lapsed or been terminated as appropriate without the issuance of a second request in each case in respect of the Merger and the proposed acquisition of the Aberdeen Shares by Standard Life or any member of the Standard Life Group.

Merger control clearance in any other jurisdiction

- (M) to the extent that, Standard Life and Aberdeen agree (such agreement to take due account of their relative legal obligations, and not to be unreasonably withheld) that any other merger control consents or approvals are required or desirable prior to the completion of the Merger according to the law of any other jurisdiction, all relevant notifications or filings having been made, all appropriate waiting periods having expired, lapsed or been terminated and all such clearances or approvals having been granted (or being deemed to have been granted in accordance with the relevant law) provided that each such clearance or approval has an equivalent effect to the decision referred to in paragraph (G)(i) above and is on terms reasonably satisfactory to Standard Life and Aberdeen;

Other regulatory approvals

- (N) in respect of Standard Life, the appropriate regulator (as defined in section 178(2A) of FSMA) of each UK authorised person (as defined in section 191G of FSMA) within the Wider Aberdeen Group in which Standard Life intends to acquire or increase control:
- (i) having given notice for the purposes of section 189(4)(a) of FSMA that it has determined to approve such acquisition or increase in control on terms reasonably satisfactory to Standard Life; or
 - (ii) being treated, by virtue of section 189(6) of FSMA, as having approved such acquisition of or increase in control,

where references to FSMA are read, where applicable, with the Financial Services and Markets Act 2000 (Controllers) (Exemptions) Order 2009;

- (O) Standard Life and Standard Life Investments (Holdings) Limited having been approved by the SFC as a substantial shareholder (as such term is defined in the SFO) of Aberdeen International Fund Managers Limited to the extent such approval is required under section 132 of the SFO;
- (P) The Central Bank of Ireland having confirmed, pursuant to Part 14 of the Irish Markets in Financial Instruments Regulations, that it does not object to the indirect acquisition of a qualifying holding in Aberdeen Fund Management (Ireland) Limited by Standard Life and Standard Life Investments (Holdings) Limited or the assessment period referred to in the Irish Markets in Financial Instruments Regulations having elapsed without the Central Bank of Ireland having objected to that acquisition;
- (Q) Standard Life and Standard Life Investments (Holdings) Limited having obtained under section 97A of the Securities and Futures Act, Chapter 289 of Singapore the approval of the Monetary Authority of Singapore to obtain effective control of Aberdeen Asset Management Asia Limited;
- (R) Aberdeen Asset Management Asia Limited having obtained from the Monetary Authority of Singapore any approvals required under the conditions of its capital markets services licence relating to Standard Life's and Standard Life Investments (Holdings) Limited's indirect holding of more than 20 per cent. of the voting power in Aberdeen Asset Management Asia Limited;
- (S) The CSSF not having prohibited, in accordance with Article 18 of the amended Luxembourg law of 5 April 1993 on the financial sector and of Article 9 of the Luxembourg law of 12 July 2013 on alternative investment fund managers (as applicable), the indirect acquisition of a qualifying holding in Aberdeen Global Services S.A. or AIPP Pooling S.A. by Standard Life or Standard Life Investments (Holdings) Limited within the statutory assessment period available to it whereby the acquisition is deemed to be approved;
- (T) no government, governmental, quasi-governmental, supranational, statutory or regulatory body, trade agency, association, institution or professional body having responsibility for the regulation or supervision of banking, consumer credit or financial services having:
- (i) withdrawn or refused to renew, or threatened to withdraw or to refuse to renew, any licence or permission; or
 - (ii) instituted, implemented, taken or omitted, or threatened to take or to omit, any other action,

the effect of which would be materially and adversely to affect the businesses, assets, prospects or profits of the Wider Aberdeen Group (save as Disclosed) or of the Wider Standard Life Group, and upon no such licences or permissions terminating or otherwise becoming invalid as a result of the Merger or its implementation the effect of which would be materially and adversely to affect the businesses, assets, prospects or profits of the Wider Aberdeen Group or the Wider Standard Life Group;

General Third Party clearances

- (U) other than in respect of Conditions (G) to (T) above, no government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body, court, trade agency, association, institution or any other body or person whatsoever in any jurisdiction (each a "Third Party") having decided to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference, or enacted, made or proposed any statute, regulation, decision or order, or having taken any other steps which would or might reasonably be expected to:

- (i) require, prevent or delay the divestiture, or materially alter the terms envisaged for any proposed divestiture by any member of the Wider Standard Life Group or any member of the Wider Aberdeen Group of all or any portion of their respective businesses, assets or property or impose any limitation on the ability of any of them to conduct their respective businesses (or any of them) or to own any of their respective assets or properties or any part thereof which, in any such case, is material in the context of the Wider Standard Life Group or the Wider Aberdeen Group, in either case taken as a whole;
- (ii) require, prevent or delay the divestiture by any member of the Wider Standard Life Group of any shares, securities or other interests in any member of the Wider Aberdeen Group;
- (iii) impose any material limitation on, or result in a delay in, the ability of any member of the Wider Standard Life Group directly or indirectly to acquire or to hold or to exercise effectively, directly or indirectly, any rights of ownership in respect of shares or loans or securities convertible into shares or any other securities (or the equivalent) in any member of the Wider Aberdeen Group or the Wider Standard Life Group or to exercise management control over any such member;
- (iv) otherwise adversely affect the business, assets, profits or prospects of any member of the Wider Standard Life Group or of any member of the Wider Aberdeen Group to an extent which is material in the context of the Wider Standard Life Group or the Wider Aberdeen Group, in either case taken as a whole;
- (v) make the Merger or its implementation or the acquisition or proposed acquisition by Standard Life or any member of the Wider Standard Life Group of any shares or other securities in, or control of Aberdeen void, illegal, and/or unenforceable under the laws of any jurisdiction, or otherwise, directly or indirectly, restrain, restrict, prohibit, delay or otherwise interfere with the same, or impose additional conditions or obligations with respect thereto, or otherwise challenge or interfere therewith;
- (vi) require any member of the Wider Standard Life Group or the Wider Aberdeen Group to offer to acquire any shares or other securities (or the equivalent) or interest in any member of the Wider Aberdeen Group or the Wider Standard Life Group owned by any third party;
- (vii) impose any limitation on, or result in any delay of, the ability of any member of the Wider Aberdeen Group or the Wider Standard Life Group to integrate or co-ordinate its business, or any part of it, with the businesses of any other member of the Wider Aberdeen Group or the Wider Standard Life Group which is adverse to and material in the context of the Wider Aberdeen Group or the Wider Standard Life Group, in each case taken as a whole or in the context of the Merger; or
- (viii) result in any member of the Wider Aberdeen Group or the Wider Standard Life Group ceasing to be able to carry on business under any name under which it presently does so,

and all applicable waiting and other time periods during which any such Third Party could institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference or any other step under the laws of any jurisdiction in respect of the Merger or the acquisition or proposed acquisition of any Aberdeen Shares having expired, lapsed or been terminated;

- (V) other than in relation to the competition law and regulatory approvals referred to in (G) to (T) above, all necessary filings or applications having been made in connection with the Merger and all statutory or regulatory obligations in any jurisdiction having been complied with in connection with the Merger or the

acquisition by any member of the Wider Standard Life Group of any shares or other securities in, or control of, Aberdeen and all authorisations, orders, recognitions, grants, consents, licences, confirmations, clearances, permissions and approvals reasonably deemed necessary or appropriate by Standard Life or any member of the Wider Standard Life Group for or in respect of the Merger or the proposed acquisition of any shares or other securities in, or control of, Aberdeen by any member of the Wider Standard Life Group having been obtained in terms and in a form reasonably satisfactory to Standard Life from all appropriate Third Parties or persons with whom any member of the Wider Aberdeen Group has entered into contractual arrangements and all such authorisations, orders, recognitions, grants, consents, licences, confirmations, clearances, permissions and approvals together with all material authorisations orders, recognitions, grants, licences, confirmations, clearances, permissions and approvals necessary or appropriate to carry on the business of any member of the Wider Aberdeen Group which is material in the context of the Standard Life Group or the Aberdeen Group as a whole remaining in full force and effect and all filings necessary for such purpose have been made and there being no notice or intimation of any intention to revoke or not to renew any of the same at the time at which the Merger becomes otherwise unconditional and all necessary statutory or regulatory obligations in any jurisdiction having been complied with;

Certain matters arising as a result of any arrangement, agreement etc.

- (W) save as Disclosed, there being no provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider Aberdeen Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, which in consequence of the Merger or the proposed acquisition of any shares or other securities in Aberdeen or because of a change in the control or management of Aberdeen or otherwise, could or might result in (in each case to an extent which is material and adverse in the context of the Wider Aberdeen Group as a whole, or in the context of the Merger):
- (i) any moneys borrowed by or any other indebtedness (actual or contingent) of, or grant available to any such member, being or becoming repayable or capable of being declared repayable immediately or earlier than their or its stated maturity date or repayment date or the ability of any such member to borrow moneys or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
 - (ii) any such agreement, arrangement, licence, permit or instrument or the rights, liabilities, obligations or interests of any such member thereunder being terminated or adversely modified or adversely affected or any obligation or liability arising or any adverse action being taken or arising thereunder;
 - (iii) any assets or interests of any such member being or falling to be disposed of or charged or any right arising under which any such asset or interest could be required to be disposed of or charged;
 - (iv) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any such member;
 - (v) the rights, liabilities, obligations or interests of any such member in, or the business of any such member with, any person, firm or body (or any arrangement or arrangements relating to any such interest or business) being terminated, adversely modified or adversely affected;
 - (vi) the value of any such member or its financial or trading position or prospects being prejudiced or adversely affected;
 - (vii) any such member ceasing to be able to carry on business under any name under which it presently does so; or

- (viii) the creation of any liability, actual or contingent, by any such member,

and no event having occurred which, under any provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider Aberdeen Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, could result in any of the events or circumstances as are referred to in sub-paragraphs (i) to (viii) of this Condition (in each case to the extent which is material in the context of the Wider Aberdeen Group taken as a whole);

Certain events occurring since 30 September 2016

- (X) save as Disclosed, no member of the Wider Aberdeen Group having, since 30 September 2016:
- (i) save as between Aberdeen and wholly-owned subsidiaries of Aberdeen or for Aberdeen Shares issued pursuant to the exercise of options or vesting of awards granted under the Aberdeen Share Schemes, issued, authorised or proposed the issue of additional shares of any class;
 - (ii) save as between Aberdeen and wholly-owned subsidiaries of Aberdeen, or for the grant of options or awards under the Aberdeen Share Schemes, issued or agreed to issue, authorised or proposed the issue of securities convertible into shares of any class or rights, warrants or options to subscribe for, or acquire, any such shares or convertible securities;
 - (iii) other than to another member of the Aberdeen Group or as provided for in this Announcement as Permitted Dividends, recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus, dividend or other distribution whether payable in cash or otherwise;
 - (iv) save for intra-Aberdeen Group transactions, merged or demerged with any body corporate or acquired or disposed of or transferred, mortgaged or charged or created any security interest over any assets or any right, title or interest in any asset (including shares and trade investments) or authorised or proposed or announced any intention to propose any merger, demerger, acquisition or disposal, transfer, mortgage, charge or security interest, in each case, (i) other than in the ordinary course of business and (ii) which is material in the context of the Wider Aberdeen Group taken as a whole;
 - (v) save for intra-Aberdeen Group transactions, made or authorised or proposed or announced an intention to propose any change in its loan capital in each case, to the extent which is material in the context of the Wider Aberdeen Group taken as a whole;
 - (vi) issued, authorised or proposed the issue of any debentures or (save for intra-Aberdeen Group transactions), save in the ordinary course of business, incurred or increased any indebtedness or become subject to any guarantee or contingent liability;
 - (vii) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, save in respect to the matters mentioned in sub-paragraph (i) above, made any other change to any part of its share capital, in each case, to the extent which is material in the context of the Wider Aberdeen Group taken as a whole;
 - (viii) other than pursuant to the Merger (and except for transactions between Aberdeen and its wholly-owned subsidiaries or between wholly-owned subsidiaries of Aberdeen which are not material in the context of the Wider Aberdeen Group) implemented, or authorised, proposed or announced its

intention to implement, any reconstruction, amalgamation, scheme, commitment or other transaction or arrangement;

- (ix) entered into or changed the terms of any contract with any director or senior executive;
- (x) entered into or varied or authorised, proposed or announced its intention to enter into or vary any contract, transaction or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, onerous or unusual nature or magnitude or which is or could be restrictive on the businesses of any member of the Wider Aberdeen Group or the Wider Standard Life Group or which involves or could involve an obligation of such a nature or magnitude other than in the ordinary course of business and which is material or would reasonably likely to be material in the context of the Wider Aberdeen Group taken as a whole;
- (xi) (other than in respect of a member which is dormant and was solvent at the relevant time) taken any corporate action or had any legal proceedings started or threatened against it for its winding-up, dissolution or reorganisation or for the appointment of a receiver, administrative receiver, administrator, trustee or similar officer of all or any of its assets or revenues or any analogous proceedings in any jurisdiction or had any such person appointed, and in each such case, to the extent which is material in the context of the Wider Aberdeen Group taken as a whole;
- (xii) entered into any contract, transaction or arrangement which would be restrictive on the business of any member of the Wider Aberdeen Group other than to a nature and extent which is normal in the context of the business concerned, and in each such case which is material or would reasonably likely to be material in the context of the Wider Aberdeen Group taken as a whole;
- (xiii) waived or compromised any claim otherwise than in the ordinary course of business and in any case which is material or would reasonably likely to be material in the context of the Wider Aberdeen Group taken as a whole;
- (xiv) entered into any contract, commitment, arrangement or agreement or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced any intention to, or to propose to, effect any of the transactions, matters or events referred to in this Condition;
- (xv) having made or agreed or consented to any change to:
 - (1) the terms of the trust deeds constituting the pension scheme(s) established by any member of the Wider Aberdeen Group for its directors, employees or their dependents;
 - (2) the contributions payable to any such scheme(s) or to the benefits which accrue or to the pensions which are payable thereunder;
 - (3) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined; or
 - (4) the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued or made,

in each case, to the extent which is material in the context of the Wider Aberdeen Group taken as a whole;

- (xvi) proposed, agreed to provide or modified the terms of the Aberdeen Share Schemes or any share option scheme, incentive scheme or other benefit constituting a material change relating to the employment or termination of employment of a material category of persons employed by the Wider Aberdeen Group or which constitutes a material change to the terms or conditions of employment of any senior employee of the Wider Aberdeen Group, save as agreed by the Panel or by Standard Life; or
- (xvii) having taken (or agreed or proposed to take) any action which requires, or would require, the consent of the Panel or the approval of Aberdeen Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.1 of the City Code.

No adverse change, litigation or regulatory enquiry

- (Y) save as Disclosed, since, in the case of Aberdeen, 30 September 2016 or in the case of Standard Life, 31 December 2016:
 - (i) no adverse change or deterioration having occurred in the business, assets, financial or trading position or profits or prospects of any member of the Wider Aberdeen Group or the Wider Standard Life Group which, in any such case, is material in the context of the Wider Aberdeen Group or the Wider Standard Life Group taken as a whole and no circumstances have arisen which would or might reasonably be expected to result in any such adverse change;
 - (ii) (other than as a result of or in connection with the Merger), no litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Wider Aberdeen Group or the Wider Standard Life Group is or may become a party (whether as a plaintiff, defendant or otherwise) and no investigation by any Third Party against or in respect of any member of the Wider Aberdeen Group or the Wider Standard Life Group having been instituted announced or threatened by or against or remaining outstanding in respect of any member of the Wider Aberdeen Group or the Wider Standard Life Group which in any such case, has had or might reasonably be expected to have an adverse effect that is material in the context of the Wider Aberdeen Group or the Wider Standard Life Group; and
 - (iii) no contingent or other liability having arisen or become apparent to Standard Life or Aberdeen (other than in the ordinary course of business) which will or might be likely to adversely affect the business, assets, financial or trading position or profits or prospects or operational performance of any member of the Wider Aberdeen Group or the Wider Standard Life Group to an extent which is material in the context of the Wider Aberdeen Group or the Wider Standard Life Group taken as a whole;

No withdrawal, cancellation, termination or modification of licence

- (Z) save as Disclosed, no steps having been taken which are likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider Aberdeen Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which is material and has had, or might reasonably be expected to have, a material adverse effect on the Wider Aberdeen Group taken as a whole;

No discovery of certain matters

- (AA) save as Disclosed, Standard Life not having discovered:

- (i) that any financial, business or other information concerning the Wider Aberdeen Group as contained in the information publicly disclosed at any time by or on behalf of any member of the Wider Aberdeen Group is materially misleading, contains a material misrepresentation of fact or omits to state a fact necessary to make that information not misleading;
- (ii) that any member of the Wider Aberdeen Group is subject to any liability (contingent or otherwise); or
- (iii) any information which affects the import of any information disclosed at any time prior to this Announcement by or on behalf of any member of the Wider Aberdeen Group to any member of the Wider Standard Life Group,

in each case, to the extent which is material in the context of the Wider Aberdeen Group taken as a whole;

Anti-corruption, sanctions and criminal property

(BB) save as Disclosed, Standard Life not having discovered that:

- (i) (a) any past or present member, director, officer or employee of the Wider Aberdeen Group is or has at any time engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption legislation; or (b) any person that performs or has performed services for or on behalf of the Wider Aberdeen Group is or has at any time engaged in any activity, practice or conduct in connection with the performance of such services which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption legislation; or
- (ii) any material asset of any member of the Wider Aberdeen Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition); or
- (iii) any past or present member, director, officer or employee of the Aberdeen Group has engaged in any business with, made any investments in, made any funds or assets available to or received any funds or assets from: (a) any government, entity or individual in respect of which US or European Union persons, or persons operating in those territories, are prohibited from engaging in activities or doing business, or from receiving or making available funds or economic resources, by US or European Union laws or regulations, including the economic sanctions administered by the United States Office of Foreign Assets Control, or HM Treasury & Customs; or (b) any government, entity or individual targeted by any of the economic sanctions of the United Nations, the United States, the European Union or any of its member states, in each case to an extent which is material in the context of the Wider Aberdeen Group taken as a whole; or
- (iv) no member of the Aberdeen Group being engaged in any transaction which would cause Standard Life to be in breach of any law or regulation upon its acquisition of Aberdeen, including the economic sanctions of the United States Office of Foreign Assets Control, or HM Treasury & Customs, or any government, entity or individual targeted by any of the economic sanctions of the United Nations, the United States, the European Union or any of its member states.

Part B: Waiver and Invocation of the Conditions

Subject to the requirements of the Panel in accordance with the City Code:

- (a) Standard Life reserves the right to waive, in whole or in part, all or any of the Conditions above, except for Conditions (A) to (F), which cannot be waived, and Condition (Y), except so far as it relates to the Wider Standard Life Group, or any part thereof; and
- (b) Aberdeen reserves the right to waive, in whole or in part:
 - (v) Condition (Y), except so far it relates to the Wider Aberdeen Group, or any part thereof; and
 - (vi) Condition (R), subject to the consent of Standard Life.

Conditions (D) to (F) must be fulfilled by, and Conditions (G) to (BB) (inclusive) fulfilled or waived by, no later than 11.59pm on the date immediately preceding the date of the Scheme Court Hearing, failing which the Scheme will lapse. Neither Standard Life nor Aberdeen shall be under any obligation to waive or treat as satisfied any of Conditions (G) to (M) and (W) (inclusive) by a date earlier than the latest date specified above for the fulfilment or waiver thereof, notwithstanding that the other Conditions of the offer may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.

Standard Life undertakes that it will immediately before the Scheme Court Hearing provide notice in writing to Aberdeen that either: (i) the Conditions (except Conditions (A) to (C)) have each been satisfied or that Standard Life has waived or treated as satisfied such Conditions; or (ii) it intends to invoke or treat as incapable of satisfaction each or any Condition, which will always be subject to the Panel's consent.

Part C: Implementation by way of Offer

Standard Life reserves the right, with the consent of the Panel and Aberdeen, or, in certain circumstances, without the consent of Aberdeen, to implement the Merger by way of a takeover offer (as defined in Part 28 of the Companies Act 2006). In such event, such Offer will be implemented on the same terms, so far as applicable, as those which would apply to the Scheme, subject to appropriate amendments, including (without limitation and subject to the consent of the Panel) an acceptance condition that is set at 90 per cent. (or such lesser percentage, as Standard Life and Aberdeen may decide after, to the extent necessary, consultation with the Panel, being in any case more than 50 per cent.) of the Aberdeen Shares) (i) in nominal value of the shares to which such Offer relates; and (ii) of the voting rights attached to those shares, and that is subject to the Standard Life and/or (with the consent of the Panel) any of its wholly-owned subsidiaries having acquired or agreed to acquire, whether pursuant to the Offer or otherwise, Aberdeen Shares carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of Aberdeen, including, for this purpose, any such voting rights attaching to Aberdeen Shares that are unconditionally allotted or issued before the takeover offer becomes or is declared unconditional as to acceptances, whether pursuant to the exercise of any outstanding subscription or conversion rights or otherwise. The availability of the Merger to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements.

Part D: Certain further terms of the Merger

The Scheme will be governed by Scots law and be subject to the jurisdiction of the Court and to the conditions and further terms set out in this Announcement and in the Scheme Document. The Merger will comply with the applicable rules and regulations of the FCA and the London Stock Exchange and the City Code. This Announcement does not constitute, or form part of, an offer or invitation to purchase Aberdeen Shares or any other securities.

Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.

If Standard Life is required by the Panel to make an offer for Aberdeen Shares under the provisions of Rule 9 of the City Code, Standard Life may make such alterations to any of the above Conditions as are necessary to comply with the provisions of that Rule.

The Scheme shall lapse and shall not become Effective if:

- (a) insofar as the Merger constitutes, or is deemed to constitute, a concentration with an EU dimension within the scope of the EUMR, the European Commission either initiating proceedings under Article 6(1)(c) of the EUMR or making a referral to the CMA under Article 4(4) or Article 9(1) of the EUMR and there is then a reference of the Merger or matter arising from or relating to it to the chair of the CMA for the constitution of a group under schedule 4 to the Enterprise and Regulatory Reform Act 2013; or
- (b) in so far as the Merger does not constitute, or is not deemed to constitute, a concentration with an EU dimension within the scope of the EUMR, the Merger or any matter arising from or relating to it becoming subject to a reference to the chair of the CMA for the constitution of a group under schedule 4 to the Enterprise and Regulatory Reform Act 2013,

in either case, before the date of the Court Meeting.

Fractions of New Shares will not be allotted or issued to persons accepting the Scheme. Fractional entitlements to New Shares will be aggregated and sold in the market and the net proceeds of sale distributed pro rata to persons entitled thereto. However, individual entitlements to amounts of less than £3 will not be paid to persons accepting the Scheme but will be retained for the benefit of Standard Life.

The offer will not be made, directly or indirectly, in or into, or by use of the mails of, or by any means or instrumentality (including, without limitation, facsimile transmission, telephone, internet or e-mail) of interstate or foreign commerce of, or of any facility of a national securities exchange of, any Restricted Jurisdiction and the Merger will not be capable of acceptance by any such use, means, instrumentality or facility or from within any Restricted Jurisdiction.

The New Shares to be issued pursuant to the Merger have not been and will not be registered under the United States Securities Act of 1933 (as amended) nor under any of the relevant securities laws of any Restricted Jurisdiction. Accordingly, the New Shares may not be offered, sold or delivered, directly or indirectly, into any Restricted Jurisdiction, except pursuant to exemptions from applicable requirements of any such jurisdiction.

The New Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the existing Standard Life Shares. Applications will be made to the UK Listing Authority for the New Shares to be admitted to the Official List with a premium listing and to the London Stock Exchange for the New Shares to be admitted to trading.

Aberdeen Shares which will be acquired under the Merger will be acquired fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after the date of this Announcement (other than the First Permitted Aberdeen Dividend and the Second Permitted Aberdeen Dividend).

APPENDIX 2**SOURCES OF INFORMATION AND BASES OF CALCULATION**

In this Announcement:

1. Unless otherwise stated:
 - financial information relating to the Standard Life Group has been extracted or derived (without any adjustment) from the audited annual report and accounts of the Standard Life Group for the financial year ended 31 December 2016; and
 - financial information relating to the Aberdeen Group has been extracted or derived (without any adjustment) from the audited annual report and accounts of the Aberdeen Group for the financial year ended 30 September 2016 and Aberdeen's announcement dated 2 February 2017 of its first quarter results (which are unaudited).

2. The value of the Merger is calculated:
 - by reference to the price of 378.5 pence per Standard Life Share, being the Closing Price on 3 March 2017, the last Business Day prior to this Announcement; and
 - the Exchange Ratio of 0.757 New Shares in exchange for each Aberdeen Share; and
 - on the basis of the existing number of Aberdeen Shares in issue referred to in paragraph 3 below.

3. As at the close of business on 3 March 2017, being the last Business Day prior to the date of this Announcement, Aberdeen had in issue 1,317,914,440 Aberdeen Shares and Standard Life had in issue 1,979,162,948 Standard Life Shares.

4. The fully diluted share capital of Aberdeen (being 1,320,921,675 Aberdeen Shares) is calculated on the basis of:
 - the number of issued Aberdeen Shares referred to in paragraph 3 above; and
 - any further Aberdeen Shares which may be issued on or after the date of this Announcement on the exercise of options or vesting of awards under the Aberdeen Share Schemes and after deducting the shares held by the Employee Benefit Trust.

5. The diluted share capital of Standard Life (being 2,005,412,697 Standard Life Shares) is calculated on the basis of:
 - the number of issued Standard Life Shares referred to in paragraph 3 above; and
 - adjusted for the known vesting of share options outstanding with vesting criteria up to and including March 2017, plus the Standard Life Group's estimate of the likely vesting of the 2015 and 2016 LTIPs based on current budgeted performance. The figure is adjusted to remove shares held by Standard Life Employee Share Trust, but does not currently account for shares which may be transferred into the EST from the Standard Life Unclaimed Asset Trust. The Standard Life Group's interpretation of option dilution

includes shares which may be awarded as part of the Standard Life Group and SLI LTIP, STIP and Sharesave scheme.

6. Unless otherwise stated, all prices and Closing Prices for Aberdeen Shares and Standard Life Shares are closing middle market quotations derived from the London Stock Exchange Daily Official List (SEDOL).

APPENDIX 3

DETAILS OF IRREVOCABLE UNDERTAKINGS AND STATEMENTS OF SUPPORT

Irrevocable undertakings

Name of Aberdeen Shareholder	Number of Aberdeen Shares	Percentage of Aberdeen issued share capital
Martin Gilbert	175,000	0.013
Andrew Laing	0	0.000
Rod MacRae	32,028	0.002
Bill Rattray	1,480,205	0.112
Hugh Young	450,000	0.034
Simon Troughton	70,000	0.005
Julie Chakraverty	3,042	0.000
Richard Mully	70,000	0.005
Gerhard Fusenig	35,000	0.003

Name of Standard Life Shareholder	Number of Standard Life Shares	Percentage of Standard Life issued share capital
Colin Martin Clark	757,766	0.038
Finbar Anthony O'Dwyer	66,913	0.003
John Devine	1,321	0.000
Norman Keith Skeoch	2,246,667	0.114
Kevin Allen Huw Parry	50,000	0.003
Luke Savage	938	0.000
Sir Gerald Edgar Grimstone	206,626	0.010
Lynne Margaret Peacock	12,554	0.001

Martin St Clair Pike	32,727	0.002
Melanie Gee	20,000	0.001
Elizabeth Noel Harwerth	10,074	0.001
Pierre Danon	49,656	0.003

Statements of support

Name of Aberdeen Shareholder	Number of Aberdeen Shares	Percentage of Aberdeen issued share capital
MUTB	224,386,462	17.03%
Lloyds	129,033,779	9.79%

APPENDIX 4

QUANTIFIED FINANCIAL BENEFITS STATEMENT

Part A

Paragraph 3 of this Announcement (Synergies) contains statements of estimated synergies arising from the Merger (the “Quantified Financial Benefits Statement”).

A copy of the Quantified Financial Benefits Statement is set out below:

“The Standard Life Directors expect pre-tax cost synergies of approximately £200 million per annum. It is expected that the full run-rate synergies will be achieved three years after completion of the Merger.

The constituent elements of the quantified cost synergies, which are expected to originate from the cost bases of both Standard Life and Aberdeen include:

- *Efficiencies from simplifying and harmonising platforms (approximately 31 per cent. of the identified synergies). Savings are envisaged from consolidating the operating, trading and other platforms used by both organisations as well as through a reduction in the number of third party service providers.*
- *Eliminating overlap in distribution (approximately 16 per cent. of the identified synergies). Savings are expected in Standard Life’s and Aberdeen’s complementary distribution networks by consolidating operations where Standard Life and Aberdeen both have a presence in the same location.*
- *Rationalisation of central functions across the Combined Group (approximately 12 per cent. of the identified synergies). It is anticipated that central functions will be merged and Standard Life Directors believe that the scalability of these will allow for substantial savings.*
- *Further savings will come from rationalising the property portfolio and related property management fees, reduced travel costs and in legal, professional and consultancy fees as well as other sources such as removing areas of duplication in investment management capability while retaining best of both franchises and talent.*

It is envisaged that the realisation of the quantified cost synergies will result in one-off integration cash costs of approximately £320 million in aggregate.

In addition to these quantified cost synergies, the Standard Life Directors believe that significant further value can be created through the Merger, including enhanced value opportunities through complementary investment and distribution capabilities and limited client overlap as well as capital synergies in time through legal entity simplification and moving towards a single combined ICAAP to cover the merged asset management businesses.

Based on the analysis to date and aside from the one-off integration cash costs referred to above, the Standard Life Directors do not expect material dis-synergies to arise in connection with the Merger.

The identified synergies will accrue as a direct result of the Merger and would not be achieved on a standalone basis. Further information on the bases of belief supporting the Quantified Financial Benefits Statement, including the principal assumptions and sources of information, is set out below..”

Bases of belief

Following commencement of discussions regarding the Merger, a synergy development team was established at Standard Life to evaluate and assess the potential synergies available for the integration and undertake an initial planning exercise. The Standard Life team worked in conjunction with the team at Aberdeen on development of the cost synergy plan and identifying areas of potential savings.

The Standard Life synergy assessment was led by senior personnel with direct experience of integrating asset management businesses. The Standard Life team worked collaboratively with senior subject matter experts in operations, investments, distribution and other areas within the Standard Life business to identify integration initiatives and estimate the timing and quantum of cost savings available.

In preparing the Quantified Financial Benefits Statement, both Standard Life and Aberdeen have shared certain operating and financial information to facilitate a detailed analysis in support of evaluating the potential synergies available from the Merger. In circumstances where data has been limited for commercial or other reasons, the Standard Life team has made estimates and assumptions to aid its development of individual synergy initiatives.

In arriving at the Quantified Financial Benefits Statements, the Standard Life Directors have assumed:

- No material change in macroeconomic, political, legal or regulatory conditions in the markets and regions in which Standard Life and Aberdeen operate;
- No significant impact on the underlying operations or assets under management of either business from the Merger;
- No material change in foreign exchange rates; and
- No material divestments from either the Standard Life or Aberdeen existing businesses.

The baselines used for the quantified cost synergies were:

- For Standard Life: full year operating expenses for the financial year ended 31 December 2016.
- For Aberdeen: forecast operating expenses for the financial year ending 30 September 2017.
- An exchange rate of US\$1.3 to pound sterling.

Reports

As required by Rule 28.1(a) of the City Code, PricewaterhouseCoopers LLP, as reporting accountants to Standard Life, have provided a report stating that, in their opinion, the Quantified Financial Benefits Statement has been properly compiled on the basis stated. In addition Goldman Sachs International, as financial adviser to Standard Life, has provided a report stating that, in its view, the Quantified Financial Benefits Statement has been prepared with due care and consideration.

Each of PricewaterhouseCoopers LLP and Goldman Sachs International have given and not withdrawn their consent to the publication of their reports in this Announcement in the form and context in which they are included.

Notes

These statements are not intended as a profit forecast and should not be interpreted as such. These statements of estimated cost savings and synergies relate to future actions and circumstances which, by their nature, involve risks, uncertainties and contingencies and which may in some circumstances be subject to consultation with employees or their representatives. As a result, the cost savings and synergies referred to may not be achieved, or may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated. Neither these statements nor any other statement in this Announcement should be construed as a profit forecast or interpreted to mean that the Combined Group's earnings in the first full year following implementation of the Merger, or in any subsequent period, would necessarily match or be greater than or be less than those of Standard Life or Aberdeen for the relevant preceding financial period or any other period. Due to the scale of the Combined Group, there may be additional changes to the Combined Group's operations. As a result, and given the fact that the changes relate to the future, the resulting cost savings may be materially greater or less than those estimated.

Part B
Report from PricewaterhouseCoopers LLP

The Directors
 Standard Life plc
 Standard Life House
 30 Lothian Road
 Edinburgh
 Midlothian
 EH1 2DH

Goldman Sachs International (the “**Financial Adviser**”)
 Peterborough Court
 133 Fleet Street
 London
 EC4A 2BB

6 March 2017

Dear Sirs,

Quantified Financial Benefits Statement by Standard Life plc

We report on the quantified financial benefits statement (the “**Statement**”) by the Directors included of Part A of Appendix 4 of the announcement dated 6 March 2017 (the “**Announcement**”) to the effect that:

The Standard Life Directors expect pre-tax cost synergies of approximately £200 million per annum. It is expected that the full run-rate synergies will be achieved three years after Completion.

The constituent elements of the quantified cost synergies, which are expected to originate from the cost bases of both Standard Life and Aberdeen include:

- *Efficiencies from simplifying and harmonising platforms (approximately 31 per cent. of the identified synergies). Savings are envisaged from consolidating the operating, trading and other platforms used by both organisations as well as through a reduction in the number of third party service providers.*
- *Eliminating overlap in distribution (approximately 16 per cent. of the identified synergies). Savings are expected in Standard Life’s and Aberdeen’s complementary distribution networks by consolidating operations where Standard Life and Aberdeen both have a presence in the same location.*
- *Rationalisation of central functions across the Combined Group (approximately 12 per cent. of the identified synergies). It is anticipated that central functions will be merged and Standard Life Directors believe that the scalability of these will allow for substantial savings.*
- *Further savings will come from rationalising the property portfolio and related property management fees, reduced travel costs and in legal, professional and consultancy fees as well as other sources such as removing areas of duplication in investment management capability while retaining best of both franchises and talent.*

It is envisaged that the realisation of the quantified cost synergies will result in one-off integration cash costs of approximately £320 million in aggregate.

This Statement has been made in the context of disclosure in the Announcement setting out the bases of belief of the Directors supporting the Statement and their analysis and explanation of the underlying constituent elements.

This report is required by Rule 28.1(a)(i) of the City Code on Takeovers and Mergers (the “Code”) and is given for the purpose of complying with that rule and for no other purpose.

Responsibilities

It is the responsibility of the Standard Life plc Board to make the Statement in accordance with the Code.

It is our responsibility to form our opinion as required by Rule 28.1(a)(i) of the Code, as to whether the Statement has been properly compiled on the basis stated.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed or to the shareholders of Standard Life plc as a result of the inclusion of this report in the Announcement, and for any responsibility arising under Rule 28.1(a)(i) of the Code to any person as and to the extent therein provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Rule 23.3(b) of the Code, consenting to its inclusion in the Announcement.

Basis of Opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. We have discussed the Statement together with the relevant bases of belief (including sources of information and assumptions) with the Standard Life plc Board and with the Financial Adviser. Our work did not involve any independent examination of any of the financial or other information underlying the Statement.

Since the Statement and the assumptions on which it is based relate to the future and may therefore be affected by unforeseen events, we can express no opinion as to whether the actual benefits achieved will correspond to those anticipated in the Statement and the differences may be material.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion, on the basis of the foregoing, the Statement has been properly compiled on the basis stated.

Yours faithfully,

PricewaterhouseCoopers LLP
Chartered Accountants

PricewaterhouseCoopers LLP is a limited liability partnership registered in England with registered number OC303525. The registered office of PricewaterhouseCoopers LLP is 1 Embankment Place, London WC2N 6RH. PricewaterhouseCoopers LLP is authorised and regulated by the Financial Conduct Authority for designated investment business.

Part C
Report from Goldman Sachs International

The Directors
Standard Life plc
Standard Life House
30 Lothian Road
Edinburgh
Midlothian
EH1 2DH

6 March 2017

Dear Ladies and Gentlemen,

Quantified Financial Benefits Statement by Standard Life plc (“Standard Life”)

We refer to the Quantified Financial Benefits Statement, the bases of belief thereof and the notes thereto (together, the “**Statement**”) as set out in this announcement, for which the Board of Directors of Standard Life plc (the “**Directors**”) are solely responsible under Rule 28.1(a)(ii) of the City Code on Takeovers and Mergers (the “**Code**”).

We have discussed the Statement (including the assumptions and sources of information referred to therein), with the Directors and those officers and employees of Standard Life who developed the underlying plans. The Statement is subject to uncertainty as described in this announcement and our work did not involve an independent examination of any of the financial or other information underlying the Statement.

We have relied upon the accuracy and completeness of all the financial and other information provided to us by or on behalf of Standard Life, or otherwise discussed with or reviewed by us, and we have assumed such accuracy and completeness for the purposes of providing this letter.

We do not express any view as to the achievability of the quantified financial benefits identified by the Directors.

We have also reviewed the work carried out by PricewaterhouseCoopers LLP and have discussed with them the opinion set out in this announcement addressed to you and us on this matter.

This letter is provided to you solely in connection with Rule 28.1(a)(ii) of the Code and for no other purpose. We accept no responsibility to Standard Life or its shareholders or any person other than the Directors in respect of the contents of this letter; no person other than the Directors can rely on the contents of this letter. We are acting exclusively as financial advisers to Standard Life and no one else in connection with the merger between Standard Life and Aberdeen Asset Management PLC and it was for the purpose of complying with Rule 28.1(a)(ii) of the Code that Standard Life requested Goldman Sachs International to prepare this report on the Statement. No person other than the Directors can rely on the contents of this letter, and to the fullest extent permitted by law, we exclude all liability (whether in contract, tort or otherwise) to any other person, in respect of this letter, its contents or the work undertaken in connection with this letter or any of the results that can be derived from this letter or any written or oral information provided in connection with this letter, and any such liability is expressly disclaimed except to the extent that such liability cannot be excluded by law.

On the basis of the foregoing, we consider that the Statement, for which you as the Directors are solely responsible, has been prepared with due care and consideration.

Yours faithfully,
Goldman Sachs International

APPENDIX 5

DEFINITIONS

"Aberdeen"	Aberdeen Asset Management PLC, incorporated in Scotland with registered number SC082015.
"Aberdeen Directors"	the directors of Aberdeen as at the date of this Announcement or, where the context so requires, the directors of Aberdeen from time to time.
"Aberdeen General Meeting"	the general meeting of Aberdeen Shareholders to be convened to consider and if thought fit pass, <i>inter alia</i> , a special resolution in relation to the Scheme and the Merger.
"Aberdeen Group"	Aberdeen and its Subsidiary and its subsidiary undertakings from time to time.
"Aberdeen Meetings"	the Court Meeting and the Aberdeen General Meeting.
"Aberdeen Preference Shares"	the 200,000,000 convertible redeemable preference shares of 1 pence each currently in Aberdeen, which are held by MUTB.
"Aberdeen Recommending Directors"	the Aberdeen Directors other than Akira Suzuki, a non-executive director of Aberdeen appointed by MUTB.
"Aberdeen Shareholders"	the holders of Aberdeen Shares.
"Aberdeen Share Schemes"	the Aberdeen Deferred Share Plan 2009, USA Deferred Share Award Plan adopted in 2009 and 2005 Long Term Incentive Plan, and any predecessor plan previously adopted by Aberdeen, each as amended from time to time.
"Aberdeen Shares"	the ordinary shares of 10 pence each in the capital of Aberdeen.
"Admission"	admission of the New Shares to the Official List with a Premium Listing and to trading on the Main Market.
"ADRs"	American Depositary Receipts.
"Announcement"	this announcement made pursuant to Rule 2.7 of the City Code.
"Board"	the board of directors.
"Business Day"	a day, (other than a Saturday, Sunday, public or bank holiday) on which banks are generally open for business in London and Edinburgh other than solely for trading and settlement in Euro.
"Circular"	the circular to be sent by Standard Life to Standard Life Shareholders summarising the background to the reasons for the Merger, which will include a notice convening the Standard Life General Meeting.
"City Code"	the City Code on Takeovers and Mergers.
"Clean Team Agreement"	the clean team confidentiality agreement dated 11 February 2017 entered into between Aberdeen and Standard Life.
"Closing Price"	the closing middle market quotations of a share derived from the daily official list of the London Stock Exchange.
"CMA"	the UK Competition and Markets Authority.
"Combined Group"	the enlarged group following completion of the Merger comprising the Aberdeen Group and the Standard Life Group.
"Conditions"	the conditions to the implementation of the Merger set out in Appendix 1 to this Announcement and to be set out in the Scheme Document.
"Confidentiality Agreement"	the non-disclosure agreement dated 3 February 2017 entered into between Aberdeen and Standard Life.
"Cooperation Agreement"	means the cooperation agreement dated 6 March 2017 entered into between Aberdeen and Standard Life.
"Court"	the Court of Session at Edinburgh.
"Court Meeting"	the meeting(s) of the Scheme Shareholders convened by order of the Court pursuant to section 896 of the Companies Act 2006 for the purpose of considering and, if thought fit, approving the Scheme (with or without amendment) and any adjournment, postponement or reconvention thereof.
"Credit Suisse"	Credit Suisse International.
"CREST"	the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755) in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in the Regulations).
"CSSF"	the Luxembourg Commission de Surveillance du Secteur Financier
"Dealing Disclosure"	an announcement pursuant to Rule 8 of the City Code containing details of dealings in relevant securities of a party to an offer.
"Disclosed"	the information fairly disclosed by, or on behalf of Aberdeen: (i) in the Annual Report and Accounts of the Aberdeen Group for the financial year ended 30 September 2016; (ii) in this Announcement; (iii) in any other public announcement made by Aberdeen in accordance with the Market Abuse Regulation, the Listing Rules, Disclosure Rules and Transparency Rules prior to this Announcement; or (iv) as

“Disclosure and Transparency Rules”	disclosed in writing prior to the date of this Announcement by or on behalf of Aberdeen to Standard Life (or its respective officers, employees, agents or advisers in their capacity as such).
“EBITDA”	the Disclosure and Transparency Rules of the FCA in its capacity as the UK Listing Authority under FSMA and contained in the UK Listing Authority’s publication of the same name.
“Effective Date”	earnings before interest, tax, depreciation and amortisation. the date on which (i) the Scheme becomes effective in accordance with its terms; or (ii) if Standard Life elects to implement the Merger by way of an Offer, the date the Offer becomes or is declared unconditional in all respects.
“EFTA”	the European Free Trade Association.
“EU” or “European Union”	an economic and political union of 28 member states which are located primarily in Europe.
“EUMR”	the EU Merger Regulation (No 139/2004).
“Exchange Ratio”	the exchange ratio of 0.757 New Shares in exchange for each Aberdeen Share.
“FCA”	the Financial Conduct Authority.
“First Permitted Aberdeen Dividend”	has the meaning set out in paragraph 6.
“First Permitted Standard Life Dividend”	has the meaning set out in paragraph 6.
“FSMA”	Financial Services and Markets Act 2000 (as amended).
“ICAAP”	internal capital adequacy assessment process.
“IFRS”	International financial reporting standards.
“Irish Markets in Financial Instruments Regulations”	S.I. No. 60/2007 of Ireland - the European Communities (Markets in Financial Instruments) Regulations, as amended by S.I. No. 206/2009 – the European Communities (Assessment of Acquisitions in the financial sector) Regulations 2009.
“J.P. Morgan Cazenove”	J.P.Morgan Limited (which conducts its UK investment banking business as J.P. Morgan Cazenove).
“Listing Rules”	the rules and regulations made by the UK Listing Authority under Part VI of FSMA and contained in the UK Listing Authority’s publication of the same name (as amended from time to time).
“London Stock Exchange”	London Stock Exchange plc.
“Long Stop Date”	31 December 2017.
“Lloyds”	Lloyds Bank plc and references to Lloyds include any of its affiliates from time to time.
“Market Abuse Regulation”	The Market Abuse Regulation (2014/596/EU).
“Merger”	the proposed merger by acquisition of the entire issued and to be issued share capital of Aberdeen by Standard Life, to be effected by the Scheme as described in this document (or by the Offer under certain circumstances described in this document).
“Merger Consideration”	the consideration payable in connection with the Merger, comprising 0.757 New Shares per Aberdeen Share.
“Minimum Period”	has the meaning given in paragraph 8.
“MUTB”	Mitsubishi UFJ Trust and Banking Corporation.
“New Shares”	the new Standard Life Shares to be issued pursuant to the Scheme.
“Offer”	should the Merger be implemented by way of a takeover offer as defined in Chapter 3 of Part 28 of the Companies Act 2006, the recommended offer to be made by or on behalf of Standard Life to acquire the entire issued and to be issued ordinary share capital of Aberdeen and, where the context admits, any subsequent revision, variation, extension or renewal of such offer.
“Offer Document”	should the Merger be implemented by means of the Offer, the document to be sent to Aberdeen Shareholders which will contain, inter alia, the full terms and conditions of the Offer.
“Offer Period”	the period commencing on 4 March 2017 and ending on the earlier of the date on which the Scheme becomes effective and/or the date on which the Scheme lapses or is withdrawn (or such other date as the Panel may decide).
“Official List”	the official list maintained by the UK Listing Authority.
“Opening Position Disclosure”	an announcement containing details of interests or short positions in, or rights to subscribe for, any relevant securities of a party to the offer if the person concerned has such a position.
“Overseas Shareholders”	Scheme Shareholders who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom.
“Panel”	the Panel on Takeovers and Mergers.
“Permitted Dividends”	has the meaning set out in paragraph 6.
“PRA”	the UK Prudential Regulation Authority.
“Prospectus”	the document required to be published by Standard Life in respect of the admission to the Official List of the New Shares.
“Quantified Financial Benefits Statement”	as defined in Appendix 4 to this Announcement.
“Registrar of Companies”	the Registrar of Companies in Scotland.
“Relevant Arrangements”	has the meaning given in paragraph 8.
“Restricted Jurisdiction”	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Merger is sent or made available to Aberdeen

“Scheme”	Shareholders in that jurisdiction. the proposed scheme of arrangement under Part 26 of the Companies Act 2006 between Aberdeen and Aberdeen Shareholders to implement the Merger with or subject to any modification, addition or condition approved or imposed by the Court.
“Scheme Court Hearing”	the hearing of the Court to sanction the Scheme under section 899 of the Companies Act 2006.
“Scheme Court Order”	the order of the Court sanctioning the Scheme under section 899 of the Companies Act 2006.
“Scheme Document”	the document to be dispatched to Aberdeen Shareholders including the particulars required by section 897 of the Companies Act 2006.
“Scheme Record Time”	the time and date specified as such in the Scheme Document, or such later time as Aberdeen and Standard Life may agree.
“Scheme Shareholder”	holders of Scheme Shares.
“Scheme Shares”	<ol style="list-style-type: none"> 1. the Aberdeen Shares in issue at the date of the Scheme Document; 2. any Aberdeen Shares issued after the date of the Scheme Document and prior to the Voting Record Time; and 3. any Aberdeen Shares issued at or after the Voting Record Time and prior to the Scheme Record Time in respect of which the original or any subsequent holder thereof is bound by the Scheme, or shall by such time have agreed in writing to be bound by the Scheme.
“Second Permitted Aberdeen Dividend”	has the meaning set out in paragraph 6.
“Second Permitted Standard Life Dividend”	has the meaning set out in paragraph 6.
“SFC”	the Hong Kong Securities and Futures Commission.
“SFO”	the Hong Kong Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).
“Significant Interest”	in relation to an undertaking, a direct or indirect interest of 20 per cent. or more of (1) the total voting rights conferred by the equity share capital (as defined in section 548 of the Companies Act) of such undertaking or (2) the relevant partnership interest.
“Standard Life”	Standard Life plc, incorporated in Scotland with registered number SC286832. .
“Standard Life Directors”	the directors of Standard Life as at the date of this Announcement or, where the context so requires, the directors of Standard Life from time to time.
“Standard Life General Meeting”	the general meeting of Standard Life Shareholders to be convened to consider and, if thought fit, approve the Standard Life Resolutions, including any adjournment thereof.
“Standard Life Group”	Standard Life its Subsidiaries and its subsidiary undertakings from time to time.
“Standard Life Resolutions”	the ordinary shareholder resolutions of Standard Life to approve, effect and implement the Merger and to grant authority to the Standard Life Directors to allot the New Shares.
“Standard Life Shareholders”	holders of Standard Life Shares.
“Standard Life Shares”	the ordinary shares of 12 2/9 pence each in the capital of Standard Life.
“Subsidiary”	has the meaning given in section 1159 of the Companies Act 2006.
“subsidiary undertakings”	has the meaning given in section 1162 of the Companies Act 2006.
“Third Party”	has the meaning given to it in paragraph (U) of Appendix 1.
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland.
“UK Listing Authority”	the FCA as the authority for listing in the United Kingdom.
“US” or “United States”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia.
“US Exchange Act”	the US Securities Exchange Act of 1934, as amended.
“US Securities Act”	the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.
“Voting Record Time”	6.00 p.m. on the day two days prior to the Court Meeting or any adjournment thereof (as the case may be).
“Wider Standard Life Group”	Standard Life and its Subsidiaries, subsidiary undertakings, associated undertakings and any other body corporate partnership, joint venture or person in which Standard Life and all such undertakings (aggregating their interests) have a Significant Interest (other than any member of the Wider Aberdeen Group).
“Wider Aberdeen Group”	Aberdeen and its Subsidiaries, subsidiary undertakings, associated undertakings and any other body corporate partnership, joint venture or person in which Aberdeen and all such undertakings (aggregating their interests) have a Significant Interest (other than any member of the Wider Standard Life Group).

All times referred to are London time unless otherwise stated.

All references to “GBP”, “pence”, “sterling” or “£” are to the lawful currency of the United Kingdom.

All references to “**US dollar**”, “**USD**”, “**US\$**” or “**cents**”, are to the lawful currency of the United States.

All references to statutory provision or law or to any order or regulation shall be construed as a reference to that provision, law, order or regulation as extended, modified, replaced or re-enacted from time to time and all statutory instruments, regulations and orders from time to time made thereunder or deriving validity therefrom.