

6 March 2017

STANDARD LIFE PLC

ABERDEEN ASSET MANAGEMENT PLC

COOPERATION AGREEMENT



Freshfields Bruckhaus Deringer

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CONTENTS

CLAUSE	PAGE
1. Definitions and interpretation	1
2. Publication of the Announcement and the terms of the Merger	8
3. Undertakings in relation to satisfaction of the Conditions	8
4. Scheme Document	11
5. Implementation of the Merger	12
6. Standard Life documents and Standard Life Board Recommendation.....	13
7. Switching to an Offer	14
8. Conduct of business.....	15
9. Employee related matters	16
10. Integration planning.....	16
11. Directors' and officers' insurance	16
12. Termination	17
13. Takeover Code.....	18
14. Representations and warranties	19
15. Costs	19
16. Entire agreement.....	19
17. Assignment	20
18. Notices	20
19. Language	21
20. Waivers, rights and remedies.....	21
21. No partnership	22
22. Further assurances	22
23. Counterparts	22
24. Variations	22
25. Invalidity.....	22
26. Third party enforcement rights	23
27. Governing law and jurisdiction	23
Schedule 1 Aberdeen Employee-Related Matters	26
Schedule 2 Form of Announcement	30

THIS AGREEMENT is made on 6 March 2017

BETWEEN:

- (1) **STANDARD LIFE PLC**, a public limited company registered in Scotland with registered number SC286832, whose registered office is at Standard Life House, 30 Lothian Road, Edinburgh, EH1 2DH (*Standard Life*); and
- (2) **ABERDEEN ASSET MANAGEMENT PLC**, a public limited company registered in Scotland with registered number SC082015, whose registered office is at 10 Queens Terrace, Aberdeen, Aberdeenshire, AB10 1YG (*Aberdeen*),

(each a *party* and together the *parties*).

WHEREAS:

- (A) Standard Life and Aberdeen propose to announce a recommended all-share merger on the terms and subject to the conditions set out in the Announcement and this Agreement (the *Merger*).
- (B) It is intended that the Merger will be effected by way of a scheme of arrangement of Aberdeen pursuant to Part 26 of the Companies Act (the *Scheme*), but Standard Life has the right with the consent of Aberdeen (or in certain limited circumstances has the right itself), as set out in (and subject to the terms and conditions of) this Agreement and the Announcement, to implement the Merger by way of a takeover offer as defined in Chapter 3 of Part 28 of the Companies Act (the *Offer*).
- (C) The parties are entering into this Agreement to set out certain obligations and commitments in relation to the implementation of the Merger (whether by way of the Scheme or the Offer).

IT IS AGREED as follows:

1. Definitions and interpretation

- 1.1 In this Agreement (including the recitals but excluding Schedule 2), the terms and expressions listed in this clause 1.1 shall have the meanings set out in this clause 1.1. Terms and expressions used in Schedule 2 shall have the meanings given to them in Schedule 2.

Aberdeen Board means the board of directors of Aberdeen from time to time;

Aberdeen Board Recommendation means a unanimous and unconditional recommendation from the Aberdeen Recommending Directors to Aberdeen Ordinary Shareholders in respect of the Merger: (i) to vote in favour of the Aberdeen Resolutions; or (ii) if Standard Life elects to proceed with the Offer in accordance with the terms of this Agreement, to accept the Offer;

Aberdeen Deferred Share Plans means the Aberdeen Deferred Share Plan 2009, and the Aberdeen US Deferred Share Award Plan, and any predecessor plan previously adopted by Aberdeen, as amended from time to time;

Aberdeen Directors means the directors of Aberdeen from time to time;

Aberdeen General Meeting means the general meeting of Aberdeen to be convened in connection with the Scheme for the purposes of considering and, if thought fit, approving, the Aberdeen Resolutions, notice of which will be set out in the Scheme Document, including any adjournment thereof;

Aberdeen Group means Aberdeen and its subsidiary undertakings from time to time and ***member of the Aberdeen Group*** shall be construed accordingly;

Aberdeen Ordinary Shareholders means the registered holders of Aberdeen Ordinary Shares from time to time;

Aberdeen Ordinary Shares means the ordinary shares of £0.10 each in the capital of Aberdeen, from time to time;

Aberdeen Recommending Directors means the Aberdeen Directors other than the MUTB Director;

Aberdeen Resolutions means such shareholder resolutions of Aberdeen as are necessary to approve, implement and effect the Scheme and the Merger and changes to Aberdeen's articles of association;

Aberdeen Share Plans means the Aberdeen Deferred Share Plan 2009, the Aberdeen US Deferred Share Award Plan, the Aberdeen 2005 Long Term Incentive Plan, and any predecessor plan previously adopted by Aberdeen, in each case as amended from time to time;

Acceptance Condition means the acceptance condition to any Offer;

Agreed Switch has the meaning given in clause 7.1(a);

Announcement means the announcement detailing the terms and conditions of the Merger to be made pursuant to Rule 2.7 of the Code, in substantially the form set out in Schedule 2;

Business Day means a day other than a Saturday or Sunday or public holiday in England or Scotland on which banks in London and Edinburgh are open for general commercial business;

Clearances means any approvals, consents, clearances, permissions, confirmations, comfort letters and waivers that may need to be obtained, all filings that may need to be made and waiting periods that may need to have expired, from or under any of the Laws, regulations or practices applied by any Relevant Authority (or under any agreements or arrangements to which any Relevant Authority is a party), in each case that are necessary and/or expedient to satisfy one or more of the Regulatory Conditions;

Code means the City Code on Takeovers and Mergers, as issued from time to time by or on behalf of the Panel;

Combined Group means the enlarged group following completion of the Merger comprising the Aberdeen Group and the Standard Life Group;

Companies Act means the Companies Act 2006;

Competing Proposal means:

- (a) an offer (including a partial, exchange or tender offer), merger, acquisition, dual-listed structure, scheme of arrangement, reverse takeover, whitewash transaction and/or business combination (or the announcement of a firm intention to do the same), the purpose of which is to acquire, directly or indirectly, 30 per cent. or more of the issued or to be issued ordinary share capital of Aberdeen (when aggregated with the shares already held by the acquirer and any person acting or deemed to be acting in concert with the acquirer) or any arrangement or series of arrangements which results in any party acquiring, consolidating or increasing 'control' (as defined in the Code) of Aberdeen;
- (b) the acquisition or disposal, directly or indirectly, of all or a significant proportion (being 30 per cent. or more) of the business, assets and/or undertakings of the Aberdeen Group calculated by reference to any of its revenue, profits or value taken as a whole;
- (c) a demerger, any material reorganisation and/or liquidation involving all or a significant portion (being 30 per cent. or more) of the Aberdeen Group calculated by reference to any of its revenue, profits or value taken as a whole; or
- (d) any other transaction which would be alternative to, or inconsistent with, or would be reasonably likely materially to preclude, impede or delay or otherwise prejudice the implementation of the Merger (including, for the avoidance of doubt, any transaction or arrangement which would constitute a Class 1 transaction for the purposes of the Listing Rules undertaken by a member of the Aberdeen Group),

in each case which is not effected by Standard Life (or a person acting in concert with Standard Life) or at Standard Life's direction, and in each case whether implemented in a single transaction or a series of transactions and whether conditional or otherwise;

Conditions means:

- (a) for so long as the Merger is being implemented by means of the Scheme, the terms and conditions to the Scheme as set out in Appendix 1 of the Announcement, as may be amended by Standard Life with the consent of the Panel (and, for so long as the Scheme is unanimously and unconditionally recommended by the Aberdeen Recommending Directors, the consent of Aberdeen); and
- (b) for so long as the Merger is being implemented by means of an Offer, the terms and conditions referred to in (a) above, as amended by replacing the Scheme Conditions with the Acceptance Condition and as may be further amended by Standard Life with the consent of the Panel (and, in the case of an Agreed Switch and for so long as the Offer is unanimously and unconditionally recommended by the Aberdeen Recommending Directors, the consent of Aberdeen),

and **Condition** shall be construed accordingly;

Confidentiality Agreement means the confidentiality agreement between Standard Life and Aberdeen in relation to the Merger dated 3 February 2017;

Costs means losses, damages, costs (including reasonable legal costs) and expenses (including Taxation), in each case of any nature whatsoever;

Court means the Court of Session at Edinburgh;

Court Hearing means the hearing by the Court of the petition to sanction the Scheme and to grant the Court Order;

Court Hearing Date means the date upon which the Court Hearing is held;

Court Meeting means the meeting(s) of the Scheme Shareholders to be convened by order of the Court pursuant to section 896 of the Companies Act, notice of which will be set out in the Scheme Document, for the purpose of considering and, if thought fit, approving the Scheme (with or without modification), including any adjournment thereof;

Court Order means the order(s) of the Court sanctioning the Scheme under section 899 of the Companies Act;

Effective Date means either:

- (a) the date on which the Scheme becomes effective in accordance with its terms; or
- (b) if Standard Life elects to implement the Merger by means of an Offer in accordance with clause 7.1, the date on which the Offer becomes or is declared unconditional in all respects;

Group means, in relation to any person, that person and any bodies corporate which are subsidiaries or subsidiary undertakings of that person from time to time;

Law means any applicable statute, common law, rule, regulation, ordinance, code, order, judgment, injunction, writ, decree, directive, governmental guidelines or interpretations having the force of law or bylaws, in each case issued, administered or enforced by any Relevant Authority;

Listing Rules means the rules and regulations made by the Financial Conduct Authority in its capacity as the UK Listing Authority under the Financial Services and Markets Act 2000, and contained in the UK Listing Authority's publication of the same name;

London Stock Exchange means London Stock Exchange plc;

Longstop Date means 31 December 2017 or such later date as may be agreed in writing by Standard Life and Aberdeen (with the Panel's consent and as the Court may approve (if such consents(s) or approval(s) is/are required));

Merger has the meaning given to it in Recital A;

MUTB means Mitsubishi UFJ Trust and Banking Corporation;

MUTB Director means any director of Aberdeen who is appointed by MUTB from time to time;

New Shares means the new Standard Life Shares to be issued by Standard Life to Aberdeen Ordinary Shareholders in connection with the Merger;

Offer has the meaning given in Recital (B);

Offer Document means, if (following the date of this Agreement) Standard Life elects to implement the Merger by way of the Offer in accordance with clause 7.1, the document to be sent to (among others) Aberdeen Ordinary Shareholders setting out, among other things, the full terms and conditions of the Offer;

Panel means the UK Panel on Takeovers and Mergers;

Prospectus Rules means the prospectus rules made by the UK Listing Authority under section 73A of the Financial Services and Markets Act 2000 and contained in the UK Listing Authority's publication of the same name;

Regulatory Conditions means the conditions set out in Condition (G) to (V) (inclusive) of Part A of Appendix 1 to the Announcement (so far as, in the case of (U) and (V), the relevant third party under that Condition is a Relevant Authority);

Regulatory Information Service means any information service authorised from time to time by the Financial Conduct Authority for the purpose of disseminating regulatory announcements;

Relevant Authority means any central bank, ministry, governmental, quasi-governmental, supranational (including the European Union), statutory, regulatory or investigative body, authority or tribunal (including any national or supranational anti-trust, competition or merger control authority, any sectoral ministry or regulator and foreign investment review body), national, state, municipal or local government (including any subdivision, court, tribunal, administrative agency or commission or other authority thereof), any entity owned or controlled by them, any private body exercising any regulatory, taxing, importing or other authority, trade agency, association, institution or professional or environmental body in any jurisdiction, including, for the avoidance of doubt, the Panel, the Financial Conduct Authority and the Prudential Regulation Authority;

Scheme has the meaning given in Recital (B);

Scheme Document means the document to be sent to (among others) Aberdeen Ordinary Shareholders containing and setting out, among other things, the full terms and conditions of the Scheme and containing the notices convening the Court Meeting and the Aberdeen General Meeting, including any supplementary scheme document;

Scheme Conditions means the conditions referred to in Condition (A), (B) and (C) of Part A of Appendix 1 to the Announcement;

Scheme Record Time means the time and date specified as such in the Scheme Document or such later time as parties may agree;

Scheme Shareholders means the holders of Scheme Shares;

Scheme Shares has the meaning given in the Announcement;

Securities Act means the United States Securities Act of 1933;

Standard Life Board means the board of directors of Standard Life from time to time;

Standard Life Board Recommendation means the unanimous and unconditional recommendation from the Standard Life Directors to the Standard Life Shareholders to vote in favour of the Standard Life Resolutions;

Standard Life Circular means any circular to be sent by Standard Life to the Standard Life Shareholders in connection with the Merger and convening any Standard Life General Meeting, including any supplementary circular;

Standard Life Directors means the directors of Standard Life from time to time;

Standard Life General Meeting means any meeting of the Standard Life Shareholders (and any adjournment thereof) to consider and, if thought fit, approve the Standard Life Resolutions;

Standard Life Group means Standard Life and its subsidiary undertakings from time to time and ***member of the Standard Life Group*** shall be construed accordingly;

Standard Life Prospectus means the prospectus required to be published by Standard Life in respect of the issue of the New Shares;

Standard Life Resolutions means the shareholder resolutions necessary to enable Standard Life to implement the Merger;

Standard Life Shareholders means the registered holders of Standard Life Shares from time to time;

Standard Life Shares means the ordinary shares of £0.12²/₉ each in the capital of Standard Life;

Switch has the meaning given in clause 7.1;

Taxation means (a) taxes on income, profits and gains, and (b) all other taxes, levies, duties, imposts, charges and withholdings of any fiscal nature wheresoever and howsoever arising, including any excise, property, branch, value added, sales, transfer, franchise and payroll taxes and any social security or social fund contributions, together with all penalties, charges and interest relating to any of the foregoing or to any late or incorrect return in respect of any of them;

UK or United Kingdom means the United Kingdom of Great Britain and Northern Ireland;

UK Listing Authority means the Financial Conduct Authority acting in its capacity as the competent authority for listing under the Financial Services and Markets Act 2000;

Working Hours means 9.30 a.m. to 5.30 p.m. in the relevant location on a Business Day; and

VAT means value added tax and any similar sales or turnover tax.

1.2 In this Agreement, unless the context otherwise requires:

- (a) the expressions **subsidiary** and **subsidiary undertaking** have the meanings given in the Companies Act;
- (b) the expressions **acting in concert** and **concert parties** shall be construed in accordance with the Code;
- (c) **interest** in shares or securities shall be construed in accordance with the Code;
- (d) a reference to an enactment or statutory provision shall include a reference to any subordinate legislation made under the relevant enactment or statutory provision and is a reference to that enactment, statutory provision or subordinate legislation as from time to time amended, consolidated, modified, re-enacted or replaced;
- (e) references to a **person** include any individual, an individual's executors or administrators, a partnership, a firm, a body corporate (wherever incorporated), an unincorporated association, government, state or agency of a state, local or municipal authority or government body, a joint venture, association, works council or employee representative body (in any case, whether or not having separate legal personality);
- (f) references to a Recital, paragraph, clause or Schedule (other than a schedule to a statutory provision) shall refer to those of this Agreement unless stated otherwise;
- (g) headings do not affect the interpretation of this Agreement, the singular shall include the plural and *vice versa*, and references to one gender include all genders;
- (h) references to time are to London time;
- (i) any reference to a **day** (including within the phrase **Business Day**) shall mean a period of 24 hours running from midnight to midnight;
- (j) references to any English legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any legal concept or thing shall, in respect of any jurisdiction other than England, be construed as references to the term or concept which most nearly corresponds to it in that jurisdiction;

- (k) references to **£, GBP, pounds sterling, Sterling, pence** and **p** are references to the lawful currency from time to time of the United Kingdom;
 - (l) references to **writing** shall include any modes of reproducing words in any legible form and shall include email except where otherwise expressly stated;
 - (m) any phrase introduced by the terms **including, include, in particular** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms;
 - (n) the rule known as the *ejusdem generis* rule shall not apply and accordingly general words introduced by the word “other” shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things;
 - (o) a reference to any other document referred to in this Agreement is a reference to that other document as amended, varied or supplemented at any time; and
 - (p) references to this Agreement include this Agreement as amended or supplemented in accordance with its terms.
- 1.3 The Schedules form part of this Agreement and shall have the same force and effect as if set out in the body of this Agreement and any reference to this Agreement shall include the Schedules.
- 2. Publication of the Announcement and the terms of the Merger**
- 2.1 The obligations of the parties under this Agreement, other than this clause 2.1 and clauses 13 to 21 (inclusive) and 23 to 27 (inclusive), shall be conditional on the release of the Announcement via a Regulatory Information Service at or before 8.00 a.m. on the date of this Agreement or such later time and date as the parties may agree (and, where required by the Code, the Panel may approve). This clause 2.1 and clauses 13 to 21 (inclusive) and 23 to 27 (inclusive) shall take effect on and from execution of this Agreement.
- 2.2 The terms of the Merger shall be as set out in the Announcement, together with such other terms as may be agreed by the parties (save in the case of an improvement to the terms of the Merger, which will be at the absolute discretion of Standard Life) in writing and, where required by the Code, approved by the Panel. The terms of the Merger at the date of publication of the Scheme Document shall be set out in the Scheme Document or if Standard Life elects to implement the Merger by way of an Offer in accordance with clause 7, the terms of the Merger shall be set out in the Offer Document.
- 3. Undertakings in relation to satisfaction of the Conditions**
- 3.1 Standard Life and Aberdeen acting jointly, and taking due account of their relative legal obligations with respect to the relevant Clearances, shall:
- (a) determine the strategy for obtaining the Clearances; and
 - (b) be responsible for contact and correspondence with the Relevant Authorities in relation to such Clearances (including submitting and preparing all

necessary filings, notifications and submissions, and setting meetings and calls with Relevant Authorities).

- 3.2 Standard Life and Aberdeen shall use their reasonable endeavours to secure the Clearances as soon as is reasonably practicable and, in any event, by the Longstop Date.
- 3.3 Standard Life and Aberdeen shall co-operate with each other and shall:
- (a) provide each other, in a timely manner, with such information, access and assistance as may be reasonably required for:
 - (i) Standard Life and Aberdeen to agree (such agreement to take due account of their relative legal obligations with respect to the relevant Clearance, and not to be unreasonably withheld) in which jurisdictions any merger control, regulatory or other filing, notification or submission with a Relevant Authority may be necessary or advisable for the purposes of obtaining the Clearances;
 - (ii) Standard Life, or as may be required by applicable Law, Aberdeen, or Standard Life and Aberdeen acting jointly, to make any filings, notifications or submissions to the Relevant Authorities as are determined pursuant to clause 3.3(a)(i); and
 - (b) ensure that all information necessary for the making of (or responding to any requests for further information consequent upon) any such filings, notifications, submissions (including draft versions), and that is in the possession of, or reasonably obtainable by, such party, is supplied accurately and as promptly as reasonably practicable.
- 3.4 For the purposes of clause 3.3:
- (a) the parties acknowledge that in certain circumstances disclosure by one party to the other may nonetheless be prevented by obligations of confidentiality owed to third parties or by Law; and
 - (b) the provision of information shall be subject to clause 3.8.
- 3.5 Without prejudice to the generality of clause 3.3, and except to the extent that to do so is prohibited by Law:
- (a) Standard Life, or as may be required by applicable Law, Aberdeen, or Standard Life and Aberdeen acting jointly, shall submit a filing, notification or submission (as required) to each Relevant Authority as soon as is reasonably practicable after the signing of this Agreement and in any event within any applicable mandatory time periods where it is necessary or expedient to do so to obtain the Clearances;
 - (b) each party shall provide such cooperation as is reasonably required by the other in connection with the preparation of all such filings, notifications or submissions (as required) referred to in clause 3.5(a) and in relation to the preparation of any other submissions, material correspondence or material

communications to any Relevant Authority in connection with the Clearances;

- (c) each party shall provide, or procure the provision of, draft copies of all filings, submissions, material correspondence and material communications intended to be sent or communicated to any Relevant Authority in relation to obtaining any Clearances to the other party and its legal advisers at such time as will allow the receiving party a reasonable opportunity to provide comments on such filings, submissions, correspondence and communications before they are submitted, sent or made and each party shall provide the other party with copies of all such filings, submissions, material correspondence and material communications in the form finally submitted or sent (including, in the case of non-written communications, summaries of material non-written communications);
 - (d) each party shall have regard in good faith to reasonable comments made in a timely manner by the other party on draft copies of filings, submissions, material correspondence and material communications provided pursuant to clause 3.5(c);
 - (e) each party shall notify the other party, and provide copies (including, in the case of non-written communications, summaries of material non-written communications) in a timely manner of any material correspondence or material communication from any Relevant Authority in relation to obtaining any Clearance;
 - (f) each party shall keep the other party reasonably informed as to the progress of any notification submitted pursuant to clause 3.5(a);
 - (g) each party shall provide the other with reasonable prior notice of (which shall, to the extent practicable, include a copy of the agenda for) and shall reasonably consider requests by the other party or its advisers: (i) to attend all scheduled meetings or material scheduled calls with any Relevant Authority or other persons or bodies (unless prohibited by the Relevant Authority, Law or other person or body) relating to obtaining any Clearance; and (ii) to make reasonable oral submissions at such meetings or calls (provided that such oral submissions have been discussed in advance); and
 - (h) where reasonably requested by a party, and insofar as permitted by the Relevant Authority, the other party shall make available appropriate representatives for meetings and calls with any Relevant Authority in connection with the obtaining of any Clearances.
- 3.6 Each party undertakes to keep the other party informed promptly of: (a) developments which are material or reasonably likely to be material to the obtaining of a Clearance; and (b) the satisfaction of the Regulatory Conditions.
- 3.7 Each party undertakes not to withdraw a filing, submission or notification made to any Relevant Authority pursuant to clause 3.5(a) without the prior consent of the other party.

3.8 If a provision of this Agreement obliges the parties to disclose any information to the other:

- (a) which the disclosing party reasonably considers to be competitively sensitive;
- (b) which the disclosing party is prohibited from disclosing by Law or the terms of an existing contract; or
- (c) where such disclosure would result in the loss of privilege that subsists in relation to such information (including legal professional privilege),

the disclosing party shall disclose the relevant information to the other: (i) pursuant to appropriate arrangements as may be agreed between the parties; or (ii) where disclosure in a manner contemplated by clause 3.5(a) would reasonably be expected to have a material adverse effect on the disclosing party's legitimate business interest, directly to a Relevant Authority (and in such circumstances, the disclosing party shall provide to the other party a non-confidential version of such information).

3.9 To the extent that:

- (a) Aberdeen provides Standard Life with any information, assistance and/or access to Aberdeen's senior management for the purposes of preparing for and monitoring the integration of the businesses of the Standard Life Group and the Aberdeen Group after the Effective Date (which Aberdeen is under no obligation to provide); or
- (b) Standard Life provides Aberdeen with any information, assistance and/or access to Standard Life's senior management for the purposes of preparing for and monitoring the integration of the businesses of the Standard Life Group and the Aberdeen Group after the Effective Date (which Standard Life is under no obligation to provide),

any competitively sensitive information shall be provided pursuant to appropriate arrangements as may be agreed between the parties.

3.10 Notwithstanding any other provision of this Agreement to the contrary, nothing contained in this Agreement shall require: (i) Standard Life to propose or offer to, or negotiate or agree with, any Relevant Authority any obligations, undertakings, commitments, remedies and/or modifications with respect to the Merger; or (ii) a party or any of its concert parties to take, or cause to be taken, any action with respect to the divestiture of any assets, properties or businesses of the Aberdeen Group or the Standard Life Group, or any combination thereof.

4. Scheme Document

4.1 Subject to clause 3.8, Standard Life agrees:

- (a) promptly to provide Aberdeen with all such information about itself, its directors and the Standard Life Group as may reasonably be requested and which is required by Aberdeen (having regard to the Code and other Law) for inclusion in the Scheme Document (including any information required under the Code or other Law);

- (b) promptly to provide Aberdeen with all such other assistance and access as may reasonably be required in connection with the preparation of the Scheme Document and any other document required under the Code or by other Law to be published in connection with the Scheme, including access to, and ensuring the provision of reasonable assistance by, Standard Life's relevant professional advisers; and
- (c) to procure that the Standard Life Directors accept responsibility, in the terms required by the Code, for all the information in the Scheme Document and any other document required under the Code or by other Law to be published in connection with the Scheme relating to themselves (and members of their immediate families, related trusts and persons connected with them), the Standard Life Group, the financing of the Merger, information on Standard Life's future plans for the Aberdeen Group, its management and employees, any statements of opinion, belief or expectation of the Standard Life Directors in relation to the Merger or the Combined Group following the Effective Date and any other information in the Scheme Document for which a Standard Life Director is required to accept responsibility under the Code.

5. Implementation of the Merger

- 5.1 Subject to Clause 6.1(a), the parties intend that the Scheme Document (or the Offer Document, as the case may be) and the Standard Life Circular and the Standard Life Prospectus will be published and despatched at the same time in accordance with the timetable agreed between the parties in writing from time to time.
- 5.2 Where the Merger is being implemented by way of the Scheme:
 - (a) Standard Life undertakes that, by no later than 11.59p.m. on the Business Day immediately preceding the Court Hearing, it shall deliver a notice in writing to Aberdeen either:
 - (i) confirming the satisfaction or waiver of all Conditions (other than the Scheme Conditions); or
 - (ii) confirming its intention to invoke a Condition (if permitted by the Panel) and providing reasonable details of the event which has occurred, or circumstances which have arisen, which Standard Life reasonably considers entitle it to invoke the Condition and why Standard Life considers such event or circumstance to be sufficiently material for the Panel to permit it to invoke such Condition;
 - (b) where Standard Life confirms the satisfaction or waiver of all Conditions (other than the Scheme Conditions) in accordance with clause 5.2(a)(i) , Standard Life agrees that Aberdeen shall be permitted to take the necessary steps to procure that the Court Hearing is duly held as soon as reasonably practicable thereafter (having regard to the proposed timetable agreed between the parties and included in Announcement, the Scheme Document or in any subsequent agreed announcement regarding the implementation of the Merger); and

- (c) Standard Life shall instruct counsel to appear on its behalf at the Court Hearing and undertake to the Court to be bound by the terms of the Scheme in so far as it relates to Standard Life to the extent that all the Conditions (other than the Scheme Conditions) have been satisfied.

6. Standard Life documents and Standard Life Board Recommendation

6.1 Standard Life shall:

- (a) use all reasonable endeavours to ensure that the Standard Life Circular and the Standard Life Prospectus are despatched and published, in each case as soon as reasonably practicable after the signing of this Agreement and at the same time as the Scheme Document; and
- (b) convene the Standard Life General Meeting for the same day as the date of the Court Meeting and the Aberdeen General Meeting (or such other date as may be agreed by both parties in writing).

6.2 Subject to clause 3.8, Standard Life shall provide, or procure the provision to Aberdeen and its advisers of, draft copies of the Standard Life Circular and the Standard Life Prospectus at such time as will allow Aberdeen and its advisers reasonable notice of and a reasonable opportunity to review and provide comments on such drafts, and Standard Life and its advisers shall have regard in good faith to comments reasonably proposed by Aberdeen and its advisers in a timely manner before such drafts are submitted or sent to the UK Listing Authority or any other Relevant Authority or published in final form and, where practicable, Standard Life shall promptly notify Aberdeen and its advisers of any material comments received from the UK Listing Authority or any other Relevant Authority in relation to the Standard Life Circular and/or the Standard Life Prospectus.

6.3 The Standard Life Circular shall include the Standard Life Board Recommendation, except to the extent that the Standard Life Directors have determined in good faith that including the Standard Life Board Recommendation would be inconsistent with any of the respective fiduciary duties of the Standard Life Directors, provided that:

- (a) any such determination must be made following receipt of external financial and legal advice; and
- (b) to the extent permitted by Law and where reasonably practicable, before such decision is notified to the Standard Life Shareholders or made public, Standard Life must notify Aberdeen of such decision (or any intention of the Standard Life Directors to make such a decision) and provide Aberdeen with the opportunity to provide representations to the Standard Life Board for a period of ten (10) Business Days following notification.

6.4 Subject to clause 3.8, Aberdeen agrees to provide promptly to Standard Life, to the standard that is required for Standard Life to meet its obligations in relation to the Listing Rules and the Prospectus Rules, all such information about itself, its directors and the Aberdeen Group as may be reasonably requested and which is required for the purpose of inclusion in (or submission with) the Standard Life Circular and/or the Standard Life Prospectus and to provide all other assistance and access which may be reasonably required for the preparation of the Standard Life Circular and/or the Standard Life Prospectus, including access to, and ensuring that reasonable assistance

is provided by, its professional advisers. For the avoidance of doubt, neither Aberdeen nor any of its employees or directors (other than directors who will become Standard Life Directors following completion of the Merger) shall be required to take responsibility for (or provide to Standard Life or its directors or employees any form of comfort in respect of) any information which does not relate to Aberdeen in the Standard Life Circular or the Standard Life Prospectus or any of part of them.

- 6.5 After the posting of the Standard Life Circular and before the Standard Life General Meeting, Standard Life shall keep Aberdeen informed, on a regular basis or as soon as reasonably practicable following a request from Aberdeen, of the number and content of proxy votes received in respect of the Standard Life Resolutions.
- 6.6 Standard Life shall permit up to six representatives of Aberdeen and its advisers (in total) to attend the Standard Life General Meeting.
- 6.7 Subject to the approval of the Standard Life Resolutions at the Standard Life General Meeting, Standard Life shall use all reasonable endeavours to cause all New Shares to be issued to Aberdeen Ordinary Shareholders pursuant to the Merger to be approved for listing on the Official List and admitted to trading on the premium segment of the London Stock Exchange's main market for listed securities.
- 6.8 For so long as the Merger is being implemented by way of the Scheme, Standard Life shall use all reasonable endeavours to cause all New Shares which are issued to Aberdeen Ordinary Shareholders upon the Scheme becoming effective to be issued in reliance on the exemption from the registration requirements of the Securities Act provided by section 3(a)(10) of the Securities Act.

7. Switching to an Offer

- 7.1 The parties currently intend that the Merger will be implemented by way of the Scheme. However, Standard Life shall be entitled, with the consent of the Panel, to implement the Merger by way of the Offer rather than the Scheme (such election being a *Switch*) if:
 - (a) Aberdeen provides its prior written consent (an *Agreed Switch*), in which case clause 7.2 shall apply;
 - (b) a third party announces a firm intention to make an offer for the Aberdeen Ordinary Shares which is recommended in whole or part by the Aberdeen Board (whether unanimously or by majority); or
 - (c) the Aberdeen Recommending Directors withdraw, adversely modify or adversely qualify the Aberdeen Board Recommendation.
- 7.2 In the event of any Agreed Switch, unless otherwise agreed with Aberdeen or required by the Panel:
 - (a) the Acceptance Condition shall be set at ninety (90) per cent. of the Aberdeen Ordinary Shares to which the Offer relates (or such lesser percentage as may be agreed between the parties in writing after, to the extent necessary, consultation with the Panel, being in any case more than fifty (50) per cent. of the Aberdeen Ordinary Shares);
 - (b) Standard Life shall not take any action which would cause the Offer not to proceed, to lapse or to be withdrawn, in each case for non-fulfilment of the

Acceptance Condition, prior to the 60th day after publication of the Offer Document and Standard Life shall ensure that the Offer remains open for acceptances until such time;

- (c) Standard Life shall ensure that the only conditions to the Offer shall be the Conditions (subject to replacing the Scheme Conditions with the Acceptance Condition); and
- (d) Standard Life shall keep Aberdeen informed, on a confidential basis within two Business Days following receipt of a written request from Aberdeen, of the number of Aberdeen Ordinary Shareholders that have validly returned their acceptance or withdrawal forms or incorrectly completed their acceptance or withdrawal forms, the identity of such shareholders and the number of Aberdeen Ordinary Shares to which such forms relate.

7.3 In the event of any Agreed Switch:

- (a) the parties agree that all provisions of this Agreement relating to the Scheme and its implementation shall apply to the Offer or its implementation *mutatis mutandis*;
- (b) Standard Life's obligations under clause 6.2 shall apply to the Offer Document as if references in such clause to the Standard Life Circular were to the Standard Life Circular and the Offer Document; and
- (c) Aberdeen's obligations under clause 6.4 shall apply to the Offer Document as if references in such clause to the Standard Life Circular were to the Standard Life Circular and the Offer Document.

8. Conduct of business

8.1 Except (i) with Aberdeen's prior written consent; (ii) where required by Law; or (iii) as expressly contemplated by this Agreement or the Announcement, Standard Life shall not (and shall procure that no member of the Standard Life Group shall) prior to the Effective Date:

- (a) authorise, declare or pay any dividends on or make any distribution in cash or otherwise with respect to its shares, except that it may:
 - (i) continue to pay dividends in the ordinary course and consistent with its past practice over the last 12 months (including as to amount, record date and payment date) and, where applicable, its published dividend policy; and
 - (ii) pay dividends and other distributions with reference to a record date after the Effective Date (so that if the Merger is completed, the New Shares rank for participation in such dividends and other distributions rateably and equally with all other Standard Life Shares then in issue);
- (b) other than in the ordinary course of business and consistent with past practice (including the granting of options or awards in respect of Standard Life Shares to employees in the normal and ordinary course and in accordance

with the Standard Life Group's employee incentive plans and the issuance of Standard Life Shares necessary to satisfy such options or awards vesting or due to be settled under such plans):

- (i) allot or issue any Standard Life Shares or any securities convertible into Standard Life Shares; or
- (ii) grant any option over or right to subscribe for any Standard Life Shares or any such securities referred to in (i) above,

in each case that are allotted, issued or granted at less than the fair market value of the relevant security on the date of allotment, issuance or grant;

- (c) consolidate, sub-divide or reclassify any Standard Life Shares or amend Standard Life's constitutional documents, in each case in a manner that would have an adverse impact on the value of the New Shares; or
- (d) agree, resolve or commit to do any of the foregoing (as applicable), whether conditionally or unconditionally.

9. Employee related matters

- 9.1 The provisions of Schedule 1 shall apply in respect of certain employee-related matters.
- 9.2 Each of the parties agrees that if the Merger is implemented by way of the Scheme, the timetable for its implementation shall be fixed so far as is possible so as to enable awards under the Aberdeen US Deferred Share Award Plan which provides for vesting upon a change of control to vest in sufficient time to enable the resulting Aberdeen Ordinary Shares to be bound by the Scheme on the same terms as Aberdeen Ordinary Shares held by Aberdeen Ordinary Shareholders.

10. Integration planning

As soon as reasonably practicable following the date of the Announcement, Standard Life agrees that it will invite Aberdeen to establish a joint integration team to plan for the post-closing integration of the two businesses, provided that, in the event that any competitively sensitive information is disclosed, the disclosing party shall disclose the relevant information pursuant to appropriate arrangements as may be agreed between the parties.

11. Directors' and officers' insurance

- 11.1 If and to the extent such obligations are permitted by Law, for six years after the Effective Date, Standard Life shall procure that the members of the Aberdeen Group honour and fulfil their respective obligations (if any) existing as at the date of this Agreement to indemnify their respective directors and officers and to advance expenses, in each case with respect to matters existing or occurring at or prior to the Effective Date.
- 11.2 With effect from the Effective Date, Standard Life shall, to the extent such cover is available on reasonable commercial terms, procure the provision of directors' and officers' liability insurance cover for both current and former directors and officers of the Aberdeen Group, including directors and officers who retire or whose

employment is terminated as a result of the Merger, for acts and omissions up to and including the Effective Date, in the form of runoff cover for a period of six years following the Effective Date. Such insurance cover shall be with reputable insurers and provide cover, in terms of amount and breadth, substantially equivalent to that provided under the Aberdeen Group's directors' and officers' liability insurance as at the date of this Agreement.

12. Termination

12.1 Subject to clauses 12.2 and 12.3, this Agreement shall terminate and all obligations of the parties under this Agreement shall cease, as follows:

- (a) if agreed in writing between the parties;
- (b) upon service of written notice by Standard Life to Aberdeen, if one or more of the following occurs:
 - (i) the Scheme Document (or Offer Document, as the case may be) and (if different) the document convening the Aberdeen General Meeting does not include the Aberdeen Board Recommendation, or Aberdeen makes an announcement prior to the publication of such document(s) that: (A) the Aberdeen Recommending Directors no longer intend to make such recommendation or intend adversely to modify or qualify such recommendation; (B) it will not convene the Court Meeting or the Aberdeen General Meeting; or (C) it intends not to post the Scheme Document or (if different) the document convening the Aberdeen General Meeting; or
 - (ii) the Aberdeen Recommending Directors otherwise withdraw, adversely modify or adversely qualify the Aberdeen Board Recommendation;
- (c) upon service of written notice by Aberdeen to Standard Life if one or more of the following occurs:
 - (i) the Standard Life Circular and (if different) the document convening the Standard Life General Meeting does not include the Standard Life Board Recommendation, or Standard Life makes an announcement prior to the publication of such document(s) that: (A) the Standard Life Directors no longer intend to make such recommendation or intend adversely to modify or qualify such recommendation; (B) it will not convene the Standard Life General Meeting; or (C) it does not intend to post the Standard Life Circular or (if different) the document convening the Standard Life General Meeting;
 - (ii) the Standard Life Directors otherwise withdraw, adversely modify or adversely qualify the Standard Life Board Recommendation;
- (d) upon service of written notice by Standard Life to Aberdeen prior to the Longstop Date stating that either:
 - (i) any Condition which has not been waived is (or has become) incapable of satisfaction by the Longstop Date and, notwithstanding

that Standard Life has the right to waive such Condition, Standard Life will not do so; or

- (ii) any Condition which is incapable of waiver is (or has become) incapable of satisfaction by the Longstop Date,

in each case in circumstances where the invocation of the relevant Condition (or confirmation that the Condition is incapable of satisfaction, as appropriate) is permitted by the Panel;

- (e) upon service of written notice by Standard Life to Aberdeen, if a Competing Proposal: (i) is recommended by the Aberdeen Board; or (ii) completes, becomes effective or is declared or becomes unconditional in all respects;
- (f) upon service of written notice by either party to the other party if: (i) the Aberdeen Resolutions are not passed at either or both the Court Meeting or the Aberdeen General Meeting; or (ii) the Standard Life Resolutions are not passed at the Standard Life General Meeting;
- (g) if the Merger is, with the permission of the Panel, withdrawn or lapses in accordance with its terms prior to the Longstop Date (other than where: (i) such lapse or withdrawal is as a result of the exercise of Standard Life's right to effect an Agreed Switch; or (ii) it is otherwise to be followed within five (5) Business Days by an announcement under Rule 2.7 of the Code made by Standard Life or a person acting in concert with Standard Life to implement the Merger by a different offer or scheme on substantially the same or improved terms);
- (h) unless otherwise agreed by the parties in writing, if the Effective Date has not occurred on or before the Longstop Date; or
- (i) upon the occurrence of the Effective Date.

12.2 Termination of this Agreement shall be without prejudice to the rights of the parties which have arisen prior to termination, including any claim in respect of a breach of this Agreement.

12.3 Clauses 15 to 21 (inclusive), 23 to 27 (inclusive), this clause 12 and all related provisions of clause 1 (*Definitions and interpretation*) shall survive termination of this Agreement.

13. Takeover Code

13.1 Nothing in this Agreement shall in any way limit the parties' obligations under the Code, and any uncontested rulings of the Panel as to the application of the Code in conflict with the terms of this Agreement shall take precedence over such terms of this Agreement.

13.2 The parties agree that, if the Panel determines that any provision of this Agreement that requires Aberdeen to take or not to take any action, whether as a direct obligation or as a condition to any other person's obligation (however expressed), is not permitted by Rule 21.2 of the Code, that provision shall have no effect and shall be disregarded.

- 13.3 Without prejudice to the representations and warranties given by the parties pursuant to clause 14, nothing in this Agreement shall be taken to restrict the directors of any member of the Standard Life Group or the Aberdeen Group from complying with Law, orders of court or regulations, including the Code, the Listing Rules and the rules and regulations of the Panel and the UK Listing Authority.

14. Representations and warranties

- 14.1 Each party represents and warrants to the other party on the date of this Agreement that:

- (a) it has the requisite power and authority to enter into and perform its obligations under this Agreement;
- (b) this Agreement constitutes its binding obligations in accordance with its terms; and
- (c) the execution and delivery of, and performance of its obligations under, this Agreement will not:
 - (i) result in any breach of any provision of its constitutional documents;
 - (ii) result in a breach of, or constitute a default under, any instrument which is material in the context of the Merger to which it is a party or by which it is bound; or
 - (iii) result in a breach of any order, judgment, or decree of any court or governmental agency to which it is a party or by which it is bound.

- 14.2 Standard Life represents and warrants to Aberdeen that as at the date of this Agreement:

- (a) the only Standard Life shareholder resolutions that are required to implement the Merger are ordinary resolutions and no special resolutions are required; and
- (b) it is not aware of any material matter or circumstance which would or could reasonably be expected to result in any of the Conditions not being satisfied.

- 14.3 No party shall have any claim against any other party pursuant to clause 14.1 or 14.2 for misrepresentation or breach of warranty after the Effective Date (without prejudice to any liability for fraudulent misrepresentation or fraudulent misstatement).

15. Costs

Except as otherwise provided in this Agreement, each party shall pay its own Costs incurred in connection with negotiating, preparing and completing this Agreement or otherwise in connection with the Merger.

16. Entire agreement

- 16.1 Without prejudice to the terms of the Announcement, the Scheme Document or the Offer Document, this Agreement and the Confidentiality Agreement together set out the entire agreement between the parties relating to the Merger and supersede any

previous draft, agreement, arrangement or understanding, whether in writing or not, relating to the Merger.

- 16.2 Each party acknowledges that in entering into this Agreement it is not relying upon any pre-contractual statement that is not set out in this Agreement or the Confidentiality Agreement.
- 16.3 Except in the case of fraud or fraudulent misrepresentation, no party shall have any right of action against any other party to this Agreement arising out of or in connection with any pre-contractual statement except to the extent that it is repeated in this Agreement or the Confidentiality Agreement.
- 16.4 For the purposes of this clause, *pre-contractual statement* means any draft, agreement, undertaking, representation, warranty, promise, assurance or arrangement of any nature whatsoever, whether or not in writing, relating to the subject matter of this Agreement or the Confidentiality Agreement made or given by any person at any time prior to the entry into of this Agreement.
- 16.5 Nothing in this Agreement shall limit any liability for (or remedy in respect of) fraud or fraudulent misrepresentation.
- 16.6 Each party agrees to the terms of this clause 16 on its own behalf.

17. Assignment

Unless the parties specifically agree in writing, no person shall assign, transfer, charge or otherwise deal with all or any of its rights under this Agreement nor grant, declare, create or dispose of any right or interest in it.

18. Notices

- 18.1 Any notice to be given by one party to the other party in connection with this Agreement shall be in writing in English and signed by or on behalf of the party giving it. It shall be delivered by hand, e-mail, registered post or courier using an internationally recognised courier company.
- 18.2 A notice shall be effective upon receipt and shall be deemed to have been received (i) at the time of delivery, if delivered by hand, registered post or courier or (ii) at the time of transmission if delivered by e-mail. Where delivery occurs outside Working Hours, notice shall be deemed to have been received at the start of Working Hours on the next following Business Day.
- 18.3 The addresses and e-mail addresses of the parties for the purpose of clause 18.1 are:

Standard Life

Address: Standard Life plc, 30 Lothian Road, Edinburgh, EH1 2DH

E-mail: Rushad_Abadan@Standardlife.com

For the attention of: Rushad Abadan, Group General Counsel

With a copy (which shall not constitute notice) to:

Address: Slaughter and May
One Bunhill Row

London
EC1Y 8YY

E-mail: Jonathan.Marks@SlaughterandMay.com /
Roland.Turnill@SlaughterandMay.com

For the attention of: Jonathan Marks / Roland Turnill

Aberdeen

Address: Aberdeen Asset Management PLC, Bow Bells House, 1
Bread St, London EC4M 9HH

E-mail: gordon.brough@aberdeen-asset.com

For the attention of: Gordon Brough, General Counsel

With a copy (which shall not constitute notice) to:

Address: Freshfields Bruckhaus Deringer LLP
65 Fleet Street
London
EC4Y 1HS

E-mail: julian.long@freshfields.com /
claire.wills@freshfields.com

For the attention of: Julian Long/Claire Wills

And

Address: Maclay Murray & Spens LLP
One London Wall
London
EC2Y 5AB

E-mail: guy.norfolk@mms.co.uk

For the attention of: Guy Norfolk

- 18.4 Each party shall notify the other party in writing of any change to its details in clause 18.3 from time to time.

19. Language

Each language of communication under or in connection with this Agreement shall be in English.

20. Waivers, rights and remedies

- 20.1 The rights and remedies provided for in this Agreement are cumulative and not exclusive of any other rights or remedies, whether provided by Law or otherwise.
- 20.2 No failure to exercise, or delay in exercising, any right under this Agreement or provided by Law shall affect that right or operate as a waiver of the right. The single

or partial exercise of any right under this Agreement or provided by Law shall not preclude any further exercise of it.

- 20.3 Without prejudice to any other rights or remedies that the other party may have, each party acknowledges and agrees that damages may not be an adequate remedy for any breach by it of this Agreement and that accordingly the other party may be entitled, without proof of special damages, to the remedies of injunction, specific performance or other equitable relief for any threatened or actual breach of this Agreement by any party and no proof of special damages shall be necessary for the enforcement by any party of the rights under this Agreement.

21. No partnership

No provision of this Agreement creates a partnership between the parties or makes a party the agent of the other party for any purpose. A party has no authority or power to bind, to contract in the name of, or to create a liability for the other party in any way or for any purpose.

22. Further assurances

Each party shall (and shall procure that members of its Group shall and shall use reasonable endeavours to procure that any necessary third party shall) execute such documents and do such acts and things as the requesting party may reasonably require for the purpose of giving the full benefit of this Agreement to the requesting party.

23. Counterparts

This Agreement may be executed in any number of counterparts, and by each party on separate counterparts. Each counterpart is an original, but all counterparts shall together constitute one and the same instrument. Delivery of a counterpart of this Agreement by e-mail attachment or telecopy shall be an effective mode of delivery.

24. Variations

- 24.1 No variation of this Agreement shall be valid unless it is in writing and duly executed by or on behalf of all of the parties to it.

- 24.2 If this Agreement is varied:

- (a) the variation shall not constitute a general waiver of any provisions of this Agreement;
- (b) the variation shall not affect any rights, obligations or liabilities under this Agreement that have already accrued up to the date of variation; and
- (c) the rights and obligations of the parties under this Agreement shall remain in force, except as, and only to the extent that, they are varied.

25. Invalidity

- 25.1 Each of the provisions of this Agreement is severable.

- 25.2 If and to the extent that any provision of this Agreement:

- (a) is held to be, or becomes, invalid or unenforceable under the Law of any jurisdiction; but
- (b) would be valid, binding and enforceable if some part of the provision were deleted or amended,

then the provision shall apply with the minimum modifications necessary to make it valid, binding and enforceable and neither the validity or enforceability of the remaining provisions of this Agreement, nor the validity or enforceability of that provision under the Law of any other jurisdiction, shall in any way be affected or impaired as a result of this clause 25.2.

26. Third party enforcement rights

- 26.1 Each of the persons to whom clauses 11.1 and/or 11.2 applies may under the Contracts (Rights of Third Parties) Act 1999 enforce the terms of clauses 11.1 and/or 11.2 (as applicable). This right is subject to: (i) the rights of the parties to rescind or vary this Agreement without the consent of any other person; and (ii) the other terms and conditions of this Agreement.
- 26.2 Except as set out in clause 26.1, a person who is not a party to this Agreement shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.

27. Governing law and jurisdiction

- 27.1 This Agreement and any non-contractual obligations arising out of or in connection with this Agreement shall be governed by, and interpreted in accordance with, English law.
- 27.2 The English courts shall have exclusive jurisdiction in relation to all disputes (including claims for set-off and counterclaims) arising out of or in connection with this Agreement, including disputes arising out of or in connection with: (i) the creation, validity, effect, interpretation, performance or non-performance of, or the legal relationships established by, this Agreement; and (ii) any non-contractual obligations arising out of or in connection with this Agreement. For these purposes each party irrevocably submits to the jurisdiction of the English courts and waives any objection to the exercise of such jurisdiction.

IN WITNESS WHEREOF this Agreement has been entered into on the date stated on page 1.

SIGNED by)
for and on behalf of)
STANDARD LIFE PLC)

/s/ Luke Savage

IN WITNESS WHEREOF this Agreement has been entered into on the date stated on page 1.

SIGNED by
for and on behalf of
ABERDEEN ASSET MANAGEMENT PLC

)
)
)

/s/ William Rattray

Schedule 1
Aberdeen Employee-Related Matters

Aberdeen and Standard Life agree that the following arrangements will, where appropriate and subject to the Merger becoming effective in all respects, be implemented with respect to Aberdeen's employees and Aberdeen Share Plans.

Part A Aberdeen Employees

1. Standard Life confirms that, following the implementation of the Merger, the existing contractual and statutory employment rights of Aberdeen Group employees shall be observed and pensions obligations complied with, in accordance with applicable law.
2. Without prejudice to any collective consultation or other statutory obligations, Standard Life agrees that, for at least 24 months following the Effective Date, in respect of each employee of Aberdeen Group or Standard Life Group immediately prior to the Effective Date who remains in employment within Standard Life Group, it will maintain their base salary, pension benefits (including any cash allowance in lieu), benefit provision, total variable compensation opportunity and, in the case of employees of Aberdeen Group, existing Aberdeen redundancy or severance arrangements, that are in the aggregate no less favourable than those provided to such employee immediately before the Effective Date unless otherwise agreed with the relevant employee. For the avoidance of doubt, variable compensation may be constituted differently following the Effective Date. For individuals who become directors of Standard Life, their remuneration must be consistent with the remuneration policy of Standard Life, approved by shareholders of Standard Life from time to time.
3. For the purposes of paragraph 2 of Part A of this Schedule 1, Aberdeen confirms that no employee in the Aberdeen Group in any jurisdiction has redundancy or severance entitlements which exceed the following:
 - (a) one month's basic salary per year of service;
 - (b) contractual benefits and notice entitlements; and
 - (c) pro-rated bonus.
4. Bonus determinations for any Aberdeen bonus year completed before the Effective Date will be undertaken by Aberdeen in accordance with its normal practice and in a manner consistent with historic practice. Any bonuses so determined which are due and payable but which have not been paid by the Effective Date will be paid by Aberdeen on or immediately following the Effective Date, provided that any portion of bonuses delivered in the form of a deferred share award will either be granted under a Aberdeen Deferred Share Plan or granted as equivalent awards over Standard Life Shares.
5. Bonus determinations for the part of any Aberdeen bonus year commencing before but not completed by the Effective Date will be undertaken by Aberdeen in accordance with its normal practice and in a manner consistent with historic practice (including the proportion of any bonus that is deferred), save that any such

determinations will be based on the extent to which performance measures for the relevant bonus year have been satisfied as at the Effective Date and will be pro-rated to reflect the number of days in that bonus year that have been worked up to the Effective Date. Any bonuses so determined will be paid on or immediately following the Effective Date, provided that any portion of bonuses delivered in the form of a deferred share award will either be granted under a Aberdeen Deferred Share Plan or granted as equivalent awards over Standard Life Shares. Standard Life agrees that employees (except Aberdeen's executive directors who are appointed to the Standard Life Board) shall continue to participate in a bonus scheme in accordance with Aberdeen's normal practice and in a manner consistent with historic practice (including the proportion of any bonus that is deferred) in respect of the remainder of the Standard Life financial year following the Effective Date.

6. Aberdeen and Standard Life will consult prior to the Effective Date with a view to agreeing the implementation of retention arrangements for employees of Aberdeen and Standard Life who are considered critical to achieving the successful closure of the Merger throughout the period up to the Effective Date or its successful implementation in the period following that date. As part of such consultation Aberdeen and Standard Life will in good faith seek to agree a total budget for such arrangements and to provide sufficient information to each other to allow for monitoring of the allocation of any agreed budget.

Part B Aberdeen Share Plans

7. Standard Life agrees that Aberdeen may amend the rules of any of Aberdeen Share Plans in relation to the time at which options may be exercised or awards vest if, in the opinion of Aberdeen Directors or Aberdeen Remuneration Committee, such amendments are necessary or desirable to implement the Scheme, facilitate the administration of Aberdeen Share Plans or to obtain or maintain favourable tax treatment for participants in such plans or Aberdeen. Aberdeen agrees that in advance of making any such amendment, Aberdeen shall notify Standard Life that such amendment is being considered by the Aberdeen Directors or the Aberdeen Remuneration Committee, as appropriate, and Aberdeen agrees that Standard Life shall be entitled to make representations to the relevant body, which the relevant body shall consider prior to making any such amendment. Standard Life acknowledges that neither the Aberdeen Directors nor the Aberdeen Remuneration Committee shall be bound to act in accordance with Standard Life's representations.
8. Aberdeen and Standard Life agree that:
 - 8.1 Standard Life will acquire Aberdeen Ordinary Shares acquired by participants in Aberdeen Share Plans on the same terms as is available to other Aberdeen Ordinary Shareholders under the Merger;
 - 8.2 Aberdeen may arrange the sale of a sufficient number of Aberdeen Ordinary Shares that are acquired by participants on vesting of outstanding awards under Aberdeen Share Plans (*Awards*) to enable income tax and employee's social security contributions which arise and are payable at or around the point of vesting of Awards to be paid by Aberdeen; and

- 8.3 Aberdeen and Standard Life shall cooperate with each other to prepare, in a form to be agreed between Aberdeen and Standard Life, communications (or, if applicable, multiple series of communications) to each of the participants in Aberdeen Share Plans, and to send, or arrange for the sending of such communications (or series of communications, as the case may be) to participants at the appropriate time(s) (such time(s) to be agreed between the parties).
9. Aberdeen and Standard Life agree that shareholder approval will be sought for an amendment to the articles of association of Aberdeen so that any Aberdeen Ordinary Shares issued or transferred after the Scheme Record Time pursuant to the exercise of options or vesting of awards under Aberdeen Share Plans will be compulsorily acquired by Standard Life on the same terms as were available to other Aberdeen Ordinary Shareholders under the Merger (other than the terms in relation to timings and formalities).

Deferred Share Plans

10. Standard Life and Aberdeen agree that Awards granted under the Deferred Share Plan 2009 or its predecessor (the *DSP*) will be exchanged upon the sanction of the Scheme by the Court for equivalent awards over Standard Life Shares but with such awards continuing to be subject to the DSP rules and vesting in accordance with those rules.
11. Standard Life and Aberdeen acknowledge that Awards granted under the USA Deferred Share Award Plan or its predecessor (the *US DSP*) which would not otherwise have vested prior to the Merger will (in consequence of the Merger and in accordance with participants' contractual rights under the US DSP) automatically vest on the Effective Date.
12. Standard Life and Aberdeen acknowledge that, as at 27 February 2017, there were Awards over 34,604,814 Aberdeen Ordinary Shares outstanding, 31,561,938 of which were subject to Awards granted under the DSP and 3,042,876 of which were subject to Awards granted under the US DSP.

Long-Term Incentive Plan (LTIP)

13. Standard Life and Aberdeen acknowledge that, as at 27 February 2017, there were outstanding options in respect of 901,531 Aberdeen Ordinary Shares which were granted under the LTIP and that, subject to the rules of the LTIP, these will remain exercisable until they lapse in accordance with the rules of the LTIP (17 June 2018 in the normal course).

The Trust

14. As at 8 February 2017, the Aberdeen Employee Benefit Trust 2003 (the *Trust*) held 32,591,895 unallocated Aberdeen Ordinary Shares. Subject always to Aberdeen's ability to make recommendations to the trustee of the Trust to use the unallocated shares held in the Trust to satisfy awards vesting or options being exercised in the normal course, the parties agree that the trustee of the Trust will be requested to agree (i) to satisfy any awards or options vesting or being exercised prior to the Effective Date using any unallocated Aberdeen Ordinary Shares in priority to Aberdeen issuing

Aberdeen Ordinary Shares to satisfy such awards and options; and (ii) to satisfy any awards or options vesting or being exercised at any time on or after the Effective Date (including any awards or options over Standard Life Shares granted in exchange for Awards pursuant to paragraphs 10 or 11 of Part B of this Schedule 1) using any unallocated Standard Life Shares to satisfy such awards and options.

Schedule 2
Form of Announcement