

We are
futurists

Standard Life  Aberdeen

Board Charter Part 1
Responsibilities and Matters
Reserved for the Board

1. Role and Responsibilities of the Board

1.1 Role

The role of the Board is to organise and direct the affairs of the Company and the Group in a manner that seeks to promote the long-term sustainable success of the Group, maximise the value of the Group for the benefit of its stakeholders as a whole and contribute to wider society, while complying with the Company's Articles of Association and all relevant regulatory requirements and corporate governance standards.

1.2 Responsibilities

The Board takes collective responsibility for:

- 1.2.1 determining the Group's purpose, values, and strategy;
- 1.2.2 ensuring that the necessary financial, technology and human resources are in place to allow the Group to achieve its purpose and deliver its strategy;
- 1.2.3 ensuring that the necessary corporate and management structures are in place to allow the Group to achieve its purpose and deliver its strategy;
- 1.2.4 determining the policies applicable to the Group as set out in the SLA plc Policy Framework;
- 1.2.5 ensuring that workforce policies and practices are consistent with the Group's values and support its long-term sustainable success, and that members of the workforce are able to raise, in confidence or otherwise, any matters of concern;
- 1.2.6 determining the nature and extent of, and undertaking a robust assessment of, the principal risks it is willing to accept in achieving the Group's strategic purpose and establishing and maintaining a framework of risk management and internal controls that enables the strategic, financial and operational risks of the Group to be assessed and managed;
- 1.2.7 reviewing and approving the Risk Appetite Framework, ensuring its ongoing integrity and suitability to support the Board's strategic objectives in light of changing internal and external circumstances;
- 1.2.8 monitoring the Group's progress towards the achievement of its purpose, and delivery of its approved strategy and plans;
- 1.2.9 promoting and monitoring achievement of the desired culture of the Group and ensuring that the Group's expression of its purpose, values and strategy are aligned with that culture, and consistent with the achievement of sustainable goals;
- 1.2.10 understanding the views of the Company's major stakeholders on key matters relating to the long-term sustainable success of the Group through effective engagement with and participation from them, and taking those views into consideration as part of its discussions and decision-making;
- 1.2.11 reporting to stakeholders on the Group's activities, presenting a fair, balanced and understandable assessment of the Group's position and prospects, including the results of its longer-term viability and resilience assessments;
- 1.2.12 appointing Board and Board Committee members with an appropriate balance of diversity in its broadest sense, skills, experience, independence and knowledge to meet the Group's requirements and comply with relevant corporate governance standards;
- 1.2.13 delegating and assessing performance delivery against clearly defined responsibilities and authorities to the Chair, the Senior Independent Director, the Chief Executive Officer, Board Committees and otherwise as the Board may determine from time to time;
- 1.2.14 formally reviewing its own effectiveness as well as the effectiveness of its Committees, the Chair and individual Directors;
- 1.2.15 taking action to identify and manage conflicts of interest, including those resulting from significant shareholdings, and ensuring that the influence of third parties does not compromise or override independent judgement;
- 1.2.16 overseeing the Group's relationship with its key strategic partners; and
- 1.2.17 cascading key information and decisions relating to risk, strategy and planning, people, governance, legal and regulatory matters and internal controls to Group Companies.

Specific responsibilities reserved by the Board are set out in the Matters Reserved. The Board delegates responsibility for certain other matters to one or more Committees of the Board or the Chief Executive Officer, as it sees fit.

1.3 Group Companies

- 1.3.1 The Company has, directly or indirectly, the powers of a sole or majority shareholder to appoint or remove directors of Group Companies.
- 1.3.2 Certain Group Companies have been designated as key to delivery of the Group's long-term sustainable success. They are defined as 'Framework Entities' and are listed in Section 4. The list of Framework Entities may change from time to time.
- 1.3.3 The relationship of the Boards of the Framework Entities to the Board of Standard Life Aberdeen ('SLA') plc with regard to Matters Reserved is as follows:
- 1.3.3.1 There are matters which are reserved for the SLA plc Board only ('plc matters');
 - 1.3.3.2 There are matters which are reserved for Framework Entity boards only ('Framework Entity matters');
 - 1.3.3.3 There are matters which the SLA plc Board requires to be escalated from the relevant Framework Entity to the plc board for approval by both boards – e.g. where a proposed transaction of the Framework Entity board exceeds the financial limit which the SLA plc Board has set as requiring its approval ('reserved matters');
 - 1.3.3.4 There are matters which the SLA plc Board requires to be escalated from the relevant Framework Entity board to the SLA plc Board or SLA plc Board Committee for consultation/opinion - e.g. because the matter may bring reputation risk and should be considered by the SLA plc Board/Committee in the Group context ('referred matters'); and
 - 1.3.3.5 There are matters on which the SLA plc Board has made a decision which covers one or more Framework Entity in the Group - e.g. the appointment of the external auditor or agreeing an outsourcing contract for services to be used by multiple subsidiaries, which require to be recognised and ratified by the relevant Framework Entity boards ('group matters').
- 1.3.4 The boards of the Framework Entities will not conclude their determination of or execute any decision made with respect to any of the **reserved** matters or **referred** matters without the matter first having been considered by the SLA plc Board or relevant SLA plc Board Committee. The boards of the Framework Entities will pay due regard to any advice or recommendation received from the SLA plc Board or SLA plc Board Committee in respect of **referred** matters when making or implementing a final decision. The directors of each Framework Entity retain their obligations to comply with the constitution of the Framework Entity and to meet all applicable legal and regulatory requirements. In the event of any difference of view between the board of any Framework Entity and the SLA plc Board or Board Committee, any appropriate adjustments should be agreed by the Chairs of both entities and reported to the directors of both entities.
- 1.3.5 In addition, the boards of the Framework Entities:
- 1.3.5.1 acknowledge the role and responsibilities of the SLA plc Chief Executive Officer ultimately to manage the Group on a day to day basis;
 - 1.3.5.2 agree that each Framework Entity chief executive reports to the SLA plc Chief Executive Officer on:
 - 1.3.5.2.1 implementation by the Framework Entity of decisions/views on **reserved** and **referred** matters;
 - 1.3.5.2.2 adherence to the SLA plc Policy Framework; and
 - 1.3.5.2.3 delivery of and performance against plans and budgets which are relevant to the Framework Entity, and which form part of the overall Group plans and budgets approved by the SLA plc Board;
 - 1.3.5.3 acknowledge the relevant duties of the SLA plc Remuneration Committee with regard to approving the remuneration packages of members of the Executive Leadership Team, some of whom may also be directors of Framework Entity boards; and
 - 1.3.5.4 acknowledge the relevant standards of the SLA plc Corporate Governance Framework Policy with regard to appointing directors to Framework Entity boards, and the relevant duties of the SLA plc Nomination and Governance Committee with regard to approving the appointment of, and succession plans of, members of the Executive Leadership Team, some of whom may also be directors of Framework Entity boards.

2. Schedule of Matters Reserved for the Board

2.1 Purpose, Values and Strategy

2.1.1 Determination of the Group's purpose, values and strategy, review of their alignment with the Group's culture, and review of their achievement.

2.2 Structure

2.2.1 Determination of, and changes to, the corporate structure of the Company or a Framework Entity, when material to the Group. This includes:

- creation of a Framework Entity;
- dissolution of a Framework Entity;
- repurposing of a Framework Entity;
- transfer of a Framework Entity between holding companies; and
- in specie transfers of business between Framework Entities.

2.2.2 Approval of any change of the Company's name.

2.2.3 Approval of a major change in the Company or Group's branding or corporate image.

2.3 Capital, Financing and Dividends

2.3.1 Approval of changes relating to the capital of the Company or any Framework Entity, which are material to the Group, including:

- reduction of share capital;
- share issues;
- share redemptions;
- granting of options, other than in connection with awards made under employee incentive arrangements;
- establishment/renewal of borrowing and credit facilities/loans (non-inter group);
- share buy backs;
- reorganisation or restructuring of capital; and
- the listing or de-listing of any Framework Entity's shares or other securities, including debt instruments, on any recognised investment exchange.

2.3.2 Approval of the Group dividend policy, declaration of any interim dividends and recommendation of final dividends of the Company to shareholders.

2.4 Management

2.4.1 Approval of the Group's three-year and annual business plans, large-scale change and transformation programmes, allocation of capital, and operating and capital expenditure budgets, and changes to them which are material to the Group, and review of performance against these plans and budgets.

2.4.2 Approval of material changes to the Company or any Framework Entity's management structure.

2.5 Financial and Regulatory Reporting, Internal Controls, Risk and Capital management

2.5.1 On the recommendation of the Company's Audit Committee, approval of the Company's Half Yearly Report, and recommendation of the Annual Report & Accounts and Strategic Report and financial highlights to shareholders.

2.5.2 On the recommendation of the Company's Audit Committee, approval of, and material changes to and any derogation from, the Group's accounting policies or practices.

2.5.3 On the recommendation of the Company's Risk and Capital Committee, approval of the Group's risk management strategy and Enterprise Risk Management Framework (ERMF), including the Risk Appetite Framework, the processes to oversee conduct risk, and emerging and principal risks, and review of its implementation.

2.5.4 On the recommendation of the Company's Risk and Capital Committee, approval of the Company ICAAP and its submission to the FCA.

2.5.5 On the recommendation of the Company's Audit Committee, approval of the results of the annual review of the effectiveness of the Group's risk management and internal control systems.

2.6 Transactions, Contracts and Financial Commitments

2.6.1 Approval of any material transaction of the Company or any Framework Entity, being:

2.6.1.1 Any Class 1 or Class 2 transaction (as defined by the Listing Rules);

2.6.1.2 Any transaction with a related party (as defined by the Listing Rules) giving rise to an obligation on the Company to send a market notification or circular to its members;

2.6.1.3 (a) Where the proposed transaction lies within the aggregate amount and categories of transactions approved by the Board within the annual Business Plan (as amended by any subsequent revisions), only those acquisitions, disposals or other transactions, involving a total consideration, (or, if greater, a market value) in excess of £30m, or under which any Framework Entity incurs liabilities in excess of £30m (including any contract approvals where any possible termination or compensation payments may result in a total liability under the contract exceeding £30m);

(b) all transactions and contracts, irrespective of amount, which lie outside the categories or aggregate amounts approved by the Board within the annual Business Plan (as amended by any subsequent revisions) together with any transaction or contract approval request where, in the opinion of the Board or the Chief Executive Officer, the transaction or contract brings additional reputational risk, for example, by significantly reducing flexibility or including unusual or non-standard terms;

(c) any material outsourcing by the Company or any Framework Entity;

but excluding

- 2.6.1.4 Any transaction permitted under the following Group Risk Policies (credit risk management, market risk management, demographic and expense risk management, liquidity and capital management, and operational and strategic risk management);
- 2.6.1.5 Treasury management activity conducted by any Framework Entity in accordance with agreed limits and authorities;
- 2.6.1.6 Any loan transaction between members of the 100% Group, provided that it has been approved by any two Executive Directors;
- 2.6.1.7 Any contract for the provision of services where, in the opinion of the Chief Executive Officer, it is a continuation or amendment of a service already provided which does not materially increase the risk profile of the Group.
- 2.6.2 Approval of the commencement of any activity by the Company or any Framework Entity, except where reflected in the approved annual Business Plan, where such business has not previously been transacted, or is to be conducted in a territory where the Group does not currently have regulatory permissions.
- 2.6.3 Approval of the cessation, by the Company or any Framework Entity, of any activity previously conducted, except where reflected in the approved annual Business Plan which produced more than £30m of gross income or incurred more than £30m of gross expenses in the most recent financial year.
- 2.6.4 Approval of the provision of any guarantee, indemnity or security by the Company or any Framework Entity for a sum exceeding £30m, where (in the case of guarantees and indemnities) such approval is required in accordance with the Group Guarantees and Indemnities Policy.
- 2.6.5 Approval of changes to the Company's bid/defence manual and process, any takeover offer made under the Takeover Code and any response to an approach regarding a bid for all of any material part of the Group's business.

2.7 Communication and Engagement

- 2.7.1 Approval of business to be considered at general meetings of the Company and related documentation to be communicated to members.
- 2.7.2 Approval of all circulars, prospectuses and listing particulars material to the Group issued by the Company or any Framework Entity.
- 2.7.3 Approval of announcements relating to the Company's financial performance.
- 2.7.4 Approval of communications, which are material to the Group, with any relevant Regulatory Authority made in the name of the Board.
- 2.7.5 Approval of the Company's processes to deliver effective workforce and stakeholder engagement, and review of the results.

2.8 Corporate Governance, Board and Other Appointments

- 2.8.1 On the recommendation of the Company's Nomination and Governance Committee, approval of material changes to this list of Matters Reserved for the Board and the Terms of Reference of the Board Committees.
- 2.8.2 Recommendation of changes to the Company's articles of association to shareholders.
- 2.8.3 Approval of the results of the review of the effectiveness of the Board, the Chair of the Company, individual Directors of the Company and Board Committees.
- 2.8.4 On the recommendation of the Company's Nomination and Governance Committee, approval of the structure, size and composition of the Board and Board Committees of the Company, and the appointment and removal of the :
 - 2.8.4.1 Chair;
 - 2.8.4.2 Deputy Chair (if appointed);
 - 2.8.4.3 Chief Executive Officer;
 - 2.8.4.4 Executive Directors;
 - 2.8.4.5 Non-Executive Directors;
 - 2.8.4.6 Senior Independent Director;
 - 2.8.4.7 Company Secretary;
 - 2.8.4.8 Group General Counsel;
 - 2.8.4.9 Chief Risk Officer;
 - 2.8.4.10 Chairs of Board Committees;
 - 2.7.4.11 Members of Board Committees;and approval of their respective roles and responsibilities, and any material changes to any of them, taking into account the succession requirements of the Board.
- 2.8.5 Approval of any recommendation to members for the election or re-election of any Director.

- 2.8.6 On the recommendation of the Company's Audit Committee, approval of the appointment, reappointment or removal of the Company's external auditor and the related recommendation to members. Authority to determine the auditors' remuneration is delegated to the Company's Audit Committee.
- 2.8.7 Approval of the arrangements for directors' and officers' liability insurance and indemnification of directors.
- 2.8.8 Approval of the Company's principal corporate advisors.
- 2.8.9 Approval of the Conflicts of Interest and Outside Appointments Registers and authorisation of identified potential or actual conflicts of interest.

2.9 Remuneration and Pensions

- 2.9.1 On the recommendation of the Company's Remuneration Committee, approval of the Group's remuneration policy and principles including the Directors' Remuneration Policy to be put to members for approval.
- 2.9.2 On the recommendation of the Company's Remuneration Committee, approval of the establishment of, or material changes to, any relevant employee share plans and/or annual bonus plans to be put to members for approval.
- 2.9.3 Approval of the remuneration of Non-Executive Directors for the Company within the limits set by the Articles of Association and oversight of the process to set fees for Framework Entity Non-Executive Directors.
- 2.9.4 Approval of the establishment or cessation by any Framework Entity of any pension schemes, under which any directors or officers of the Group may benefit, and approval of any major changes to the rules or fund management arrangements of or payments under any such scheme.

2.10 Delegation of Authority

- 2.10.1 Approval of the scope and extent of the role of, and delegations to, the Chair, Deputy Chair (if appointed), Senior Independent Director, Chief Executive Officer and Executive and Non-Executive Directors of the Company, as documented in their responsibilities.
- 2.10.2 Approval of the delegations to the Company's Board Committees, as documented in their terms of reference.

2.11 Policies

- 2.11.1 Approval of the Company Policy Framework and noting of the Policy Register.
- 2.11.2 On the recommendation of the Company's Audit Committee, review of the means for the workforce to raise concerns in confidence and the reports arising from this operation.
- 2.11.3 Approval of any significant change in the Company's tax policy and objectives.

2.12 Other Procedural

- 2.12.1 Approval of prosecution, defence or settlement of litigation by the Company or a Framework Entity involving amounts in excess of that delegated to the Chief Executive Officer or otherwise material to the Group.
- 2.12.2 Approval of any letters of comfort/support issued by the Company.
- 2.12.3 Approval of Powers of Attorney granted.
- 2.12.4 Approval of the amount of Seeding Capital and its use.
- 2.12.5 Noting of new/cessation of existing products/Investment Management Agreements with a material regulatory or reputation impact approved by a Framework Entity.
- 2.12.6 Noting of the publication of gender pay gap reporting by employing entities in the Group.
- 2.12.7 Any other matter as the Board of the Company may determine from time to time not falling within the powers and authority of the shareholders, the Chief Executive Officer or delegated to a Committee of the Board including but not limited to any other matter requiring approval of the Board as a matter of law.

In the context of the above "material to the Group" means:

- any amount greater than 10% of the Group's profit before tax as disclosed in the most recently published accounts;
- any change to the Board-approved annual business plan which requires additional capital greater than £30m;
- any change to the Board-approved strategy for any Framework Entity which may reasonably be regarded as likely to have a material effect on the Group's reputation or the Company's share price.

3. Glossary of Terms

“Annual Report”	The Annual Report and Accounts of the Company
“Board”	The Board of Directors of the Company
“Board Committee”	A committee of the Board
“Chair”	The Chair of the Board
“Chief Executive Officer”	The Chief Executive Officer of the Company
“Company”	Standard Life Aberdeen plc
“Company Secretary”	The Company Secretary of the Company
“Conflicts of Interest Register”	The register of identified and authorised conflicts of interest
“Constitution”	The constitution of the Company
“Corporate Governance Framework Policy”	The Corporate Governance Framework Policy of the Company
“Director”	A Director of the Company
“Enterprise Risk Framework”	The Enterprise Risk Framework of the Company
“Executive Leadership Team”	The Executive Leadership Team of the Group
“Framework Entities”	The entities covered by the Corporate Governance Framework Policy – as noted in Section 4
“FCA”	The Financial Conduct Authority
“General Meeting”	A General Meeting of the shareholders of the Company
“Group”	The Company and its subsidiaries
“Group Company”	Any company within the Group
“Half Yearly Report”	The Half-Yearly Report of the Company
“ICAAP”	The Internal Capital Adequacy Assessment Process
“Listing Rules”	The Rules of the London Stock Exchange containing Listing Principles, Premium Listing Principles and specific provisions regarding the continuing obligations of a premium listed company when undertaking certain types of transactions.
“Matters Reserved”	The schedule of matters reserved for the Board contained in the Board Charter
“Non-Executive Director”	A Non-Executive Director of the Company
“Outside Appointments Register”	The register of notified outside appointments
“Policy Register”	The policies contained within the Company Policy Framework
“Regulatory Authority”	Any relevant regulatory authority
“Risk Appetite Framework”	The common framework of the types and levels of risk accepted by the Board
“Senior Independent Director”	The Senior Independent Director of the Board
“Senior Management Certification Regime”	The PRA’s and the FCA’s Senior Managers and Certification Regime
“SLA plc Policy Framework”	The expectations of and requirements for how the risk management policies are defined, managed and embedded throughout the Group
“Strategic Report and financial highlights”	The strategic report and financial highlights of the Company
“Workforce”	Employees of any Group Company, contractors engaged by any Group Company and agency workers engaged by any Group Company

4. Framework Entities

The Framework Entities have been aligned to the Operating System

A. Growth Vectors

Investments

UK

Standard Life Investments (Mutual Funds) Limited
Aberdeen Standard Alternative Funds Limited
Ignis Fund Managers Limited
SLTM Limited
Aberdeen Standard Fund Managers Limited
Standard Life Investments (Private Capital) Limited
SL Capital Partners LLP
Self Directed Investments Limited
Aberdeen Standard Investments Life and Pensions Limited
Standard Life Investments Limited
Aberdeen Assets Investments Limited
Aberdeen Asset Managers Limited
Aberdeen Investments Solutions Limited
Ignis Investment Services Limited

Americas

Aberdeen Standard Investments Inc
Aberdeen Capital Management LLC
Aberdeen Fund Distributions LLC
Aberdeen Standard Investments (Canada) Limited
Aberdeen do Brasil Gestao de Recursos Limited
Aberdeen Standard Investments EFTs Advisors LLC

EMEA

Aberdeen Standard Investments Luxembourg SA
Aberdeen Standard Investments Ireland Limited
Aberdeen Fund Management Ireland Limited
Aberdeen Asset Middle East Limited
Aberdeen Standard Investments Deutschland AG
Aberdeen Standard Investments Fund Management AS
Touchstone Insurance Company Limited

Asia Pacific

Aberdeen Standard Investments (Asia) Limited
Aberdeen Standard Investments Australia Limited
Aberdeen Standard Asset Management (Shanghai) Co., Limited
Aberdeen Standard Overseas Investment Fund Management (Shanghai) Co., Ltd
Aberdeen Standard Investments (Hong Kong) Limited
PT Aberdeen Standard Investments Indonesia
Aberdeen Standard Investments (Japan) Limited
Aberdeen Standard Investments (Malaysia) Sdn. Bhd.
Aberdeen Standard Islamic Investments (Malaysia) Sdn. Bhd.
Aberdeen Standard Investments Taiwan Limited
Aberdeen Standard Asset Management (Thailand) Limited

Adviser

Standard Life Savings Limited
Elevate Portfolio Services Limited
Parmenion Capital Partners LLP

Personal

1825 Financial Planning and Advice Limited
Standard Life Client Management Limited
Fraser Heath Financial Services Limited
Cumberland Place Financial Management Limited
Aberdeen Standard Capital Limited
Aberdeen Standard Capital (CI) Limited
Aberdeen Standard Capital International Limited

B. World Class Operations and Talent

Standard Life Employee Services Limited
Aberdeen Asset Management PLC
Standard Life Investments (Holdings) Limited