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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

FOR IMMEDIATE RELEASE

30 May 2018

Launch of fully underwritten £950 million rights issue in connection with Phoenix's proposed acquisition of Standard Life Assurance

On 23 February 2018, Phoenix Group Holdings (the "**Company**" and, together with its subsidiaries from time to time, the "**Group**") announced the proposed acquisition of Standard Life Assurance Limited ("**SLAL**") (to include Vebnet (Holdings) Limited and exclude certain subsidiaries of SLAL following a pre-Completion restructuring) ("**Standard Life Assurance**") from Standard Life Aberdeen plc ("**Standard Life Aberdeen**") (the "**Acquisition**"), in consideration for which Standard Life Aberdeen will take an approximately 19.99 per cent. stake in the Enlarged Group and Phoenix will pay a total cash consideration of £1,971 million upon Completion (excluding a dividend of £312 million paid by SLAL to Standard Life Aberdeen prior to Completion), subject to certain customary adjustments.

Today, Phoenix is pleased to announce a fully underwritten rights issue, which is intended to raise gross proceeds of approximately £950 million to be used to fund part of the cash consideration for the Acquisition, together with the associated transaction and acquisition costs (the "**Rights Issue**").

The Rights Issue will result in the issue of 183,522,385 New Shares (representing approximately 46.7 per cent. of the existing issued share capital of Phoenix and approximately 31.8 per cent. of the enlarged issued share capital of Phoenix immediately following completion of the Rights Issue on a fully diluted basis). The Rights Issue will be on the following basis:

7 New Shares at 518 pence per New Share for every 15 Existing Shares

Details of the Rights Issue

Pursuant to the Rights Issue, the Company is proposing to offer 183,522,385 New Shares by way of rights to Qualifying Shareholders as at the close of business on 22 June 2018 (the "**Record Date**"). The offer is to be made at 518 pence per New Share (the "**Issue Price**"), payable in full on acceptance by no later than 11.00 a.m. on 9 July 2018. The Rights Issue is expected to raise gross proceeds of approximately £950 million. The Issue Price represents a 25.1 per cent. discount to the theoretical ex-rights price of 691 pence per Share



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calculated by reference to the Closing Price on 29 May 2018.

The New Shares, when issued and fully paid, will rank *pari passu* in all respects with the Existing Shares, including the right to receive dividends or distributions made, paid or declared after the date of this announcement. Applications will be made to the UKLA and to the LSE for the New Shares to be admitted to the premium listing segment of the Official List and to trading on the LSE's main market for listed securities ("**Admission**"). It is expected that Admission will occur and that dealings in the New Shares (nil paid) on the LSE will commence at 8.00 a.m. on 26 June 2018, the first business day after the General Meeting.

The Rights Issue is fully underwritten by HSBC Bank plc ("**HSBC**"), Merrill Lynch International ("**BofA Merrill Lynch**"), J.P. Morgan Securities plc (which conducts its UK investment banking business as J.P. Morgan Cazenove) ("**JPM**") and BNP PARIBAS ("**BNPP**") (together, the "**Underwriters**") pursuant to the Sponsor and Underwriting Agreement.

The board of directors of Phoenix (the "**Board**") unanimously considers that the Acquisition and the Resolutions are in the best interests of the Company and its Shareholders and recommends that Shareholders vote in favour of the Resolutions as the members of the Board have irrevocably undertaken to do in respect of their own shares in the Company.

Circular and Prospectus

Due to its size, the Acquisition constitutes a reverse takeover under the Listing Rules and, accordingly, it is conditional on, *inter alia*, the approval of Phoenix's shareholders at the General Meeting, which is to be held on 25 June 2018. Shareholders will be asked to vote in favour of resolutions, *inter alia*, to approve the Acquisition and to authorise the Company to proceed with the Rights Issue. A notice of the General Meeting will be released with the Circular and Prospectus, which is expected to be published today, subject to approval by the UKLA.

When approved, the Circular and Prospectus containing full details of the Rights Issue and the notice of General Meeting is expected to be made available on Phoenix's website at www.thephoenixgroup.com (subject to certain restrictions) and will also be available for inspection at www.morningstar.co.uk/uk/hsm. A further announcement will be made once approval from the UKLA for publication of the Circular and Prospectus has been approved.

The preceding summary should be read in conjunction with the full text of this announcement and its Appendix, together with the Circular and Prospectus. Capitalised terms used in this announcement shall have the meanings set out in the Appendix.

The person responsible for making this announcement on behalf of the Company is Gerald Watson.

Enquiries

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About Phoenix

The Group specialises in the management and acquisition of closed life and pension funds and operates primarily in the UK. As at 31 December 2017, the Group had approximately 5.6 million policyholders, £74 billion of assets under management and Solvency II Own Funds of £6.6 billion. Measured by number of policyholders, the Group is the UK's largest specialist consolidator of closed life insurance funds. The Group is primarily focused on the efficient management of in-force policies and currently writes limited new policies (as increments to existing policies and annuities for current policyholders when their policies mature). The Group also writes a limited set of direct protection policies.

Proposed Acquisition of Standard Life Assurance

Introduction

On 23 February 2018, Phoenix announced the proposed acquisition of Standard Life Assurance from Standard Life Aberdeen, in consideration for which Standard Life Aberdeen will take an approximately 19.99 per cent. stake in the Enlarged Group and Phoenix will pay a total cash consideration of £1,971 million upon Completion (excluding a dividend of £312 million paid by SLAL to Standard Life Aberdeen prior to Completion), subject to certain customary adjustments.

As part of the Acquisition, the Company and Standard Life Aberdeen will extend and enhance their existing long-term strategic partnership, including whereby:

- (i) Standard Life Aberdeen will have the right upon Completion to appoint: (a) two directors to the Board (for so long as Standard Life Aberdeen and its subsidiary undertakings (excluding any member of the Group) holds at least 15 per cent. of the Shares); and (b) one director to the Board (for so long as Standard Life Aberdeen and its subsidiary undertakings (excluding any member of the Group) holds at least 10 per cent. of the Shares (but less than 15 per cent.));
- (ii) Standard Life Aberdeen will remain the asset manager for Standard Life Assurance and the existing arrangements between the parties under which Standard Life Aberdeen manages assets for Phoenix will be extended; and



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- (iii) Standard Life Aberdeen and Phoenix will, upon Completion, enter into a client service and proposition agreement leveraging the respective capabilities of both partners and Aberdeen Standard Investments will, where appropriate, provide asset management services. This provides an organic growth opportunity to the Enlarged Group from future fee revenue on the new business.

Today, Phoenix announces a fully underwritten rights issue, which is intended to raise gross proceeds of approximately £950 million to be used to fund part of the cash consideration for the Acquisition, together with the associated transaction and acquisition costs.

The Rights Issue will result in the issue of 183,522,385 New Shares (representing approximately 46.7 per cent. of the existing issued share capital of Phoenix and, assuming no additional Shares are issued prior to the Rights Issue, approximately 31.8 per cent. of the enlarged issued share capital of Phoenix immediately following completion of the Rights Issue on a fully diluted basis) on the basis of a 7 for 15 Rights Issue at 518 pence per New Shares.

It is expected that Admission will occur and that dealings in the New Shares (nil paid) on the LSE will commence at 8.00 a.m. on 26 June 2018, the first business day after the General Meeting to be held on 25 June 2018 at which Shareholders will be asked to approve the Acquisition and the Rights Issue.

The notice of the General Meeting and related form of proxy is expected to be circulated to shareholders today, subject to approval of the Circular and Prospectus by the UKLA. Once approved, the Circular and Prospectus, containing full details of the Rights Issue, is expected to also be made available on Phoenix's website (www.thephoenixgroup.com), subject to certain restrictions, later today and, in accordance with Listing Rule 9.6.1, the Circular and Prospectus (including the notice of General Meeting) will be submitted to the National Storage Mechanism where it will be available for inspection at www.morningstar.co.uk/uk/nsm.

Background to and reasons for the Rights Issue

The Company proposes to finance the cash consideration of £1,971 million using the net proceeds of the Rights Issue of approximately £937 million and the net proceeds of the issuance on 26 April 2018 by the Company of £500 million fixed rate reset perpetual restricted tier 1 write down notes (the "**RT1 Notes**"), with the remaining cash consideration financed from up to £900 million of undrawn commitments under a revolving credit agreement, up to £600 million of undrawn commitments under an acquisition facility agreement and up to £250 million of own cash resources.

Phoenix financial information

For financial information on Phoenix, please see the Circular and Prospectus expected to be published later today, including in particular paragraph 3 of Part I ("*Letter from the Chairman of Phoenix Group Holdings*"), Part VII ("*Financial Information of the Group*") and Part VIII ("*Operating and Financial Review of the Group*").

Standard Life Assurance financial information

For financial information on Standard Life Assurance, please see the Circular and Prospectus expected to be published later today, including in particular paragraph 4 of Part I ("*Letter from the Chairman of Phoenix Group Holdings*"), Part IX ("*Financial Information of Standard Life Assurance*") and Part X ("*Operating and Financial Review of Standard Life Assurance*").

Principal terms and conditions of the Rights Issue

Pursuant to the Rights Issue, the Company is proposing to offer 183,522,385 New Shares to Qualifying Shareholders. The offer is to be made at 518 pence per New Share, payable in full on acceptance by not later than 11.00 a.m. on 9 July 2018. The Rights Issue is expected to raise approximately £937 million (net of expenses incurred in connection with the Rights Issue). The Issue Price represents a 25.1 per cent. discount to the theoretical ex-rights price of 691 pence per Share calculated by reference to the Closing Price on 29 May 2018.



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The Rights Issue will be made on the basis of:

7 New Shares at 518 pence per New Share for every 15 Existing Shares

held by Qualifying Shareholders at the close of business on the Record Date.

Entitlements to New Shares will be rounded down to the nearest whole number and fractional entitlements will not be allotted to Shareholders but will be aggregated and issued into the market for the benefit of the Company. Holdings of Existing Shares which are in certificated form, and which are recorded on the register of members as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST, will be treated as separate holdings for the purpose of calculating entitlements under the Rights Issue.

The Rights Issue is fully underwritten by the Underwriters pursuant to the Sponsor and Underwriting Agreement. The principal terms of the Sponsor and Underwriting Agreement will be summarised in Part XXII ("*Additional Information*") of the Circular and Prospectus.

The Rights Issue is conditional, *inter alia*, upon:

- (i) the Sponsor and Underwriting Agreement having become unconditional in all respects (save for the condition relating to Admission) and not having been terminated in accordance with its terms prior to Admission;
- (ii) Admission becoming effective by not later than 8.00 a.m. on 26 June 2018 (or such later time and/or date as the Company may agree with the Joint Global Coordinators); and
- (iii) the passing, without material amendment, of the resolutions to be proposed at the General Meeting.

The New Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Shares, including the right to receive all dividends or other distributions made, paid or declared after the date of the Circular and Prospectus. There will be no restrictions on the free transferability of the New Shares save as provided in the Articles of Association of the Company.

Application will be made to the UKLA and to the LSE for the New Shares to be admitted to the Official List and to trading on the LSE. It is expected that Admission will occur and that dealings in the New Shares (nil paid) on the LSE will commence at 8.00 a.m. on 26 June 2018, the first business day after the General Meeting to be held on 25 June 2018 at which Shareholders will be asked to approve the Acquisition and the Rights Issue.

For some questions and answers and further details on the principal terms of the Rights Issue, please see Part II ("*Some Questions and Answers about the Rights Issue*") and Part III ("*Terms and Conditions of the Rights Issue*") of the Circular and Prospectus expected to be published later today. Overseas Shareholders should refer to the Circular and Prospectus for information on their ability to participate in the Rights Issue.

Dividends and dividend policy

The Company's dividend per share was 50.2 pence in respect of the year ended 31 December 2017. When taking into account the bonus adjustment associated with the rights issue completed at the time of the Abbey Life Acquisition, the equivalent dividend per share was 46.6 pence in respect of the year ended 31 December 2016 and 45.4 pence in respect of the year ended 31 December 2015.

Supported by the additional long-term cashflows arising from the Acquisition, Phoenix announced on 23 February 2018 that it expects to increase its annualised dividend to £338 million from the date of the final 2018 dividend versus the current standalone annualised dividend of £197 million. Taking into account the impact of the Rights Issue and the associated bonus adjustment, this is approximately equivalent to a 4.3 per cent. increase in the dividend per share based on the share price of 772 pence as at 29 May 2018. Given the long-term run-off nature of the Group's business, the Directors believe it is prudent to maintain its stable and



sustainable dividend policy going forward.

Board recommendation

The Directors believe the Acquisition and the Resolutions are in the best interests of the Group and Shareholders as a whole and, accordingly, unanimously recommend that the Shareholders vote in favour of the Resolutions as the Directors will do, or procure, in respect of their own beneficial holdings amounting to 1,069,133 Existing Shares, representing approximately 0.26 per cent. of the Company's existing issued share capital as at 29 May 2018 (being the latest practicable date prior to the publication of this announcement).

Re-admission

As the Acquisition constitutes a reverse takeover under the Listing Rules, admission of the Existing Shares in issue immediately prior to the closing of the acquisition pursuant to the Share Purchase Agreement ("**Completion**") to the premium listing segment of the Official List and to trading on the LSE's main market for listed securities will be cancelled upon Completion. Further applications will be made to the UKLA and the LSE, respectively, for the Shares, including the New Shares and up to 144,106,049 new Shares to be allotted and issued by Phoenix to Standard Life Aberdeen as part consideration pursuant to the Acquisition (the "**Acquisition Shares**"), to be re-admitted to the premium listing segment of the Official List of the UKLA and to trading on the LSE's main market for listed securities ("**Re-admission**"). It is currently expected that Re-admission will become effective following Completion and that dealings in the Shares will commence at 8.00 a.m. on the date of Completion (and, in any event, prior to 31 December 2018), whereupon an announcement will be made by the Company to a Regulatory Information Service.

Abridged expected timetable of principal events

	2018⁽¹⁾⁽²⁾
Publication and posting of the Circular and Prospectus, the Notice of General Meeting, the Form of Proxy and the Form of Instruction	30 May
Latest time and date for receipt of General Meeting Forms of Instruction	11.00 a.m. on 21 June
Latest time and date for receipt of General Meeting Forms of Proxy	11.00 a.m. on 22 June
Rights Issue Record Date.....	6.00 p.m. on 22 June
Standard Life Aberdeen general meeting.....	11.00 a.m. on 25 June
General Meeting	11.00 a.m. on 25 June
Despatch of Provisional Allotment Letters (to Qualifying Non-CREST Shareholders only ⁽³⁾)	25 June
Admission	8.00 a.m. on 26 June
Dealings in New Shares, nil paid, commence on the LSE.....	8.00 a.m. on 26 June
Latest time and date for requesting Cashless Take-up or disposal of rights using the Special Dealing Service.....	3.00 p.m. on 2 July
Latest time and date for acceptance and payment in full and registration of renounced Provisional Allotment Letters.....	11.00 a.m. on 9 July



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Results of the Rights Issue to be announced through a Regulatory Information Service	By 8.00 a.m. on 10 July
Dealings in New Shares, fully paid, commence on the LSE .	8.00 a.m. on 10 July
Latest time and date for dealings in the Shares	4.30 p.m. on the date prior to the date of Completion
Expected date of Completion	On or before 31 December 2018 (but not before 31 August 2018)
Cancellation of listing of the Shares	Immediately prior to 8.00 a.m. on the date of Completion
Re-admission	8.00 a.m. on the date of Completion

Notes:

- (1) The times and dates set out in the expected timetable of principal events above and mentioned throughout the Circular and Prospectus, by announcement through a Regulatory Information Service, and in the Provisional Allotment Letter may be adjusted by the Company, in which event details of the new dates will be notified to the UKLA and to the LSE and, where appropriate, to Shareholders.
- (2) References to times in this announcement are to London time unless otherwise stated.
- (3) Subject to certain restrictions relating to persons with registered addresses in, or who are citizens, residents or nationals of jurisdictions outside the United Kingdom.

Phoenix Group Holdings LEI – 21380031B1D56JRCE375

Important Notices

This announcement has been issued by and is the sole responsibility of the Company. This announcement is not a circular or a prospectus but an advertisement and investors should not acquire any nil paid rights, fully paid rights or new shares or depositary interests referred to in this announcement except on the basis of the information contained in the Circular and Prospectus to be published by the Company in connection with the Acquisition and the Rights Issue in due course. The information contained in this announcement is for background purposes only and does not purport to be full or complete. The information in this announcement is subject to change. A copy of the Circular and Prospectus when published will be available on the Company's website (www.thephoenixgroup.com) and will also be available for inspection during normal business hours on any business day, free of charge, at the Company's principal place of business at Juxon House, 100 St. Paul's Churchyard, London EC4M 8BU, provided that such Circular and Prospectus will not, subject to certain exceptions, be available to certain shareholders in certain restricted or excluded territories. The Circular and Prospectus will give further details of the Acquisition and the Rights Issue.

This announcement is for information purposes only and is not intended to and does not constitute or form part of any offer or invitation to purchase or subscribe for, or any solicitation to purchase or subscribe for any securities in any jurisdiction. No offer or invitation to purchase or subscribe for, or any solicitation to purchase or subscribe for, any securities will be made in the United States, Australia, Canada, Japan or South Africa or any other jurisdiction in which such an offer or solicitation is unlawful. The information contained in this announcement is not for release, publication or distribution to persons in, and should not be distributed, forwarded to or transmitted in or into, the United States, Australia, Canada, Japan, South Africa or any other jurisdiction where to do so might constitute a violation of local securities laws or regulations.

The Nil Paid Rights, the Fully Paid Rights, the New Shares and New Depositary Interests and the Provisional



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Allotment Letters in connection with the Rights Issue have not been and will not be registered under the US Securities Act of 1933, as amended (the “**Securities Act**”) or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within the United States except pursuant to an applicable exemption from or in a transaction not subject to the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. There will be no public offer of any securities in the United States.

The distribution of this announcement into jurisdictions other than the United Kingdom may be restricted by law, and, therefore, persons into whose possession this announcement comes should inform themselves about and observe any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws of such jurisdiction. In particular, subject to certain exceptions, this announcement, the Circular and Prospectus and the Provisional Allotment Letters should not, subject to certain exceptions, be distributed, forwarded to or transmitted in or into the United States, Australia, Canada, Japan, South Africa or any other restricted or excluded territories or any jurisdiction where to do so would be unlawful.

This announcement does not constitute a recommendation concerning any investor's decision or options with respect to the Acquisition or the Rights Issue. The price and value of securities can go down as well as up. Past performance is not a guide to future performance. The contents of this announcement are not to be construed as legal, business, financial or tax advice. Each shareholder or prospective investor should consult his, her or its own legal adviser, business adviser, financial adviser or tax adviser for legal, financial, business or tax advice.

BofA Merrill Lynch and HSBC Bank plc, each of which is authorised by the PRA and regulated in the United Kingdom by the PRA and the FCA, and BNP PARIBAS which is supervised by the European Central Bank (“**ECB**”) and the French *Autorité de Contrôle Prudentiel et de Résolution* (“**ACPR**”) and the *Autorité des marchés financiers* (“**AMF**”) and is authorised as a credit institution by the ECB and as an investment services provider by the ACPR in France (and whose London branch is lead-supervised by the ECB and the ACPR and is authorised by the ECB, the ACPR and the PRA and subject to limited regulation by the FCA and the PRA), are each acting for the Company and for no one else in connection with the Acquisition and the Rights Issue, and will not regard any other person as a client in relation to the Acquisition and the Rights Issue and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients, nor for providing advice in connection with the Acquisition, the Rights Issue or any other matter, transaction or arrangement referred to in this announcement.

J.P. Morgan Cazenove, which is authorised by the PRA and regulated in the United Kingdom by the PRA and the FCA, is acting for Standard Life Aberdeen plc and for no one else in connection with the Rights Issue, and will not regard any other person as a client in relation to the Rights Issue and will not be responsible to anyone other than Standard Life Aberdeen plc for providing the protections afforded to its clients, nor for providing advice in connection with the Rights Issue or any other matter.

Apart from the responsibilities and liabilities, if any, which may be imposed on the Underwriters by the FSMA or the regulatory regime established thereunder, none of the Underwriters nor any of their respective affiliates accepts any responsibility or liability whatsoever and makes no representation or warranty, express or implied, for the contents of this announcement, including its accuracy, fairness, sufficiency, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company or the Acquisition or the Rights Issue and nothing in this announcement is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or future. Each of the Underwriters and their respective affiliates accordingly disclaims to the fullest extent permitted by law all and any responsibility and liability whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have in respect of this announcement or any such statement. Furthermore, each of the Underwriters and/or their affiliates provides various investment banking, commercial banking and financial advisory services from time to time to the Company.

No person has been authorised to give any information or to make any representations other than those contained in this announcement and, when published, the Circular and Prospectus and, if given or made,



such information or representations must not be relied on as having been authorised by the Company, BofA Merrill Lynch, HSBC, JPM or BNPP. Subject to the Listing Rules, the Prospectus Rules and the Disclosure Guidance and Transparency Rules of the FCA, the issue of this announcement shall not, in any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this announcement or that the information in it is correct as at any subsequent date.

The Underwriter and any of their respective affiliates may engage in trading activity in connection with the Acquisition or the Rights Issue and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for their own account in securities of the Company and related or other securities and instruments (including Shares, Depositary Interests, Nil Paid Rights and Fully Paid Rights) in connection with the Acquisition or the Rights Issue or otherwise. Accordingly, references in the Circular and Prospectus to Nil Paid Rights, Fully Paid Rights, New Shares or New Depositary Interests being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by, the Underwriters and any of their affiliates acting as investors for their own account. In addition certain of the Underwriters or their affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which such Underwriters (or their affiliates) may from time to time acquire, hold or dispose of Shares or Depositary Interests. Except as required by applicable law or regulation, none of the Underwriters proposes to make any public disclosure in relation to such transactions.

Each of the Underwriters and/or their respective affiliates, acting as investors for their own accounts, may, in accordance with applicable legal and regulatory provisions, engage in transactions in relation to the Nil Paid Rights, the Fully Paid Rights, the New Shares and/or the New Depositary Interests and/or related instruments for their own account for the purpose of hedging their underwriting exposure or otherwise. Except as required by applicable law or regulation, the Underwriters and their respective affiliates do not propose to make any public disclosure in relation to such transactions.

Forward-looking statements

This announcement may contain certain forward-looking statements, beliefs or opinions, with respect to the financial condition, results of operations and business of the Company, the Enlarged Group following the Acquisition and Standard Life Assurance. These statements, which contain the words "anticipate", "believe", "intend", "estimate", "expect", "may", "will", "seek", "continue", "aim", "target", "projected", "plan", "goal", "achieve" and words of similar meaning, reflect the Company's beliefs and expectations and are based on numerous assumptions regarding the Company's present and future business strategies and the environment the Company and the Enlarged Group will operate in and are subject to risks and uncertainties that may cause actual results to differ materially. No representation is made that any of these statements or forecasts will come to pass or that any forecast results will be achieved. Forward-looking statements involve inherent known and unknown risks, uncertainties and contingencies because they relate to events and depend on circumstances that may or may not occur in the future and may cause the actual results, performance or achievements of the Company or the Enlarged Group to be materially different from those expressed or implied by such forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond the Company's or the Enlarged Group's ability to control or estimate precisely, such as future market conditions, currency fluctuations, the behaviour of other market participants, the actions of regulators and other factors such as the Company's or the Enlarged Group's ability to continue to obtain financing to meet its liquidity needs, changes in the political, social and regulatory framework in which the Company or Standard Life Assurance operate or in economic or technological trends or conditions. Past performance of the Company or Standard Life Assurance cannot be relied on as a guide to future performance. As a result, you are cautioned not to place undue reliance on such forward-looking statements. The list above is not exhaustive and there are other factors that may cause the Company's or the Enlarged Group's actual results to differ materially from the forward-looking statements contained in this announcement. Forward-looking statements speak only as of their date and the Company, BofA Merrill Lynch, HSBC, JPM and BNPP, their respective parent and subsidiary undertakings, the subsidiary



undertakings of such parent undertakings, and any of such person's respective directors, officers, employees, agents, affiliates or advisers expressly disclaim any obligation to supplement, amend, update or revise any of the forward-looking statements made herein, except where it would be required to do so under applicable law. You are advised to read this announcement and, once published, the Circular and Prospectus in their entirety for a further discussion of the factors that could affect the Company's and the Enlarged Group's future performance. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this announcement may not occur. No statement in this announcement is intended as a profit forecast or a profit estimate and no statement in this announcement should be interpreted to mean that the financial performance of the Company for the current or future financial years would necessarily match or exceed the historical published for the Company.

MiFID II Product Governance and Information to Distributors

Solely for the purposes of the product governance requirements contained within: (i) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (ii) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (iii) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Nil Paid Rights, the Fully Paid Rights and the New Shares and/or the New Depositary Interests have been subject to a product approval process, which has determined that they each are: (a) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (b) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**").

Notwithstanding the Target Market Assessment, distributors (as defined in MiFID II) should note that: (i) the price of the Nil Paid Rights, the Fully Paid Rights the New Shares and/or the New Depositary Interests may decline and investors could lose all or part of their investment; (ii) the Nil Paid Rights, the Fully Paid Rights the New Shares and/or the New Depositary Interests offer no guaranteed income and no capital protection; and (iii) an investment in the Nil Paid Rights, the Fully Paid Rights the New Shares and/or the New Depositary Interests is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom.

The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Rights Issue. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Underwriters will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (i) an assessment of suitability or appropriateness for the purposes of MiFID II; or (ii) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Nil Paid Rights, the Fully Paid Rights the New Shares and/or the New Depositary Interests.

Each distributor is responsible for undertaking its own target market assessment in respect of the Nil Paid Rights, the Fully Paid Rights the New Shares and/or the New Depositary Interests and determining appropriate distribution channels.



Appendix

The following definitions shall apply throughout this announcement unless the context requires otherwise:

Acquisition	the proposed acquisition of Standard Life Assurance from Standard Life Aberdeen
Acquisition Shares	the up to 144,106,049 new Shares to be allotted and issued by the Company to Standard Life Aberdeen as part consideration pursuant to the Acquisition
Admission	admission of the New Shares, nil paid, to the premium listing segment of the Official List and to trading on the LSE's main market for listed securities
BNPP	BNP PARIBAS
Board	the board of directors of Phoenix
BofA Merrill Lynch	Merrill Lynch International
Closing Price	the closing middle market quotation of a Share as derived from the Daily Official List published by the LSE
Completion	the closing of the Acquisition pursuant to the Share Purchase Agreement
CREST	the relevant system (as defined in the CREST Regulations) for the paperless settlement of trades in listed securities in the United Kingdom, of which Euroclear is the operator (as defined in the CREST Regulations)
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001/3755)
Daily Official List	the daily record setting out the price of all trades in shares and other securities conducted on the LSE
Depository	Computershare Investor Services PLC
Depository Interest	the dematerialised depository interests issued by the Depository in respect of and representing Shares on a one-for-one basis
Depository Interest Holders	holders of Depository Interests
Disclosure Guidance and Transparency Rules	the Disclosure Guidance and Transparency Rules produced by the Financial Conduct Authority and forming part of the FCA Handbook
Enlarged Group	the enlarged Group following Completion
Existing Shares	the existing Shares in issue immediately prior to completion of the Rights Issue or immediately prior to Completion, as the context requires
FCA	Financial Conduct Authority
FCA Handbook	the book of rules and guidance maintained by the FCA
Fully Paid Rights	rights to acquire New Shares or New Depository Interests, fully paid
FSMA	the Financial Services and Markets Act 2000, as amended



PHOENIX GROUP

Phoenix Group Holdings: Rights Issue Announcement

30 May 2018

General Meeting	the general meeting of the Company to be held at Grange St. Paul's Hotel, 10 Godliman Street, London EC4V 5AJ at 11.00 a.m. on 25 June 2018, notice of which will be set out in the Circular and Prospectus
Group	Phoenix, together with its consolidated subsidiaries from time to time
HSBC	HSBC Bank plc
Issue Price	518 pence per Share
Joint Bookrunners	BofA Merrill Lynch, BNPP, HSBC and JPM
Joint Global Coordinators	BofA Merrill Lynch, HSBC and JPM
JPM	J.P. Morgan Securities plc (which conducts its UK investment banking business as J.P. Morgan Cazenove)
Listing Rules	the listing rules issued by the FCA pursuant to section 73A of FSMA
LSE	London Stock Exchange plc
MiFID II	the EU Markets in Financial Instruments Directive (2014/65/EU), as amended
New Depository Interests	the Depository Interests to be issued by the Depository following the take-up of rights to acquire Depository Interests by Qualifying Depository Interest Holders in connection with the Rights Issue
New Shares	the 183,522,385 new Shares which the Company will allot and issue pursuant to the Rights Issue, including, where appropriate, the Provisional Allotment Letters, the Nil Paid Rights and the Fully Paid Rights
Nil Paid Rights	rights to acquire New Shares or New Depository Interests, nil paid
Official List	the Official List maintained by the Financial Conduct Authority
Overseas Shareholders	Qualifying Shareholders with registered addresses in, or who are citizens, residents or nationals of jurisdictions outside the United Kingdom
Own Funds	assets maintained to match the estimate of likely liabilities under insurance policies written (including annuities)
Phoenix or the Company	Phoenix Group Holdings
PRA	Prudential Regulation Authority
Prospectus Rules	the Prospectus Rules of the FCA made pursuant to section 73A of FSMA
Provisional Allotment Letter	the provisional allotment letter to be issued to Qualifying Non-CREST Shareholders (other than certain Overseas Shareholders)
Qualifying Depository Interest Holders	Depository Interest Holders holding Depository Interests on the Depository Interest Register on the Record Date



PHOENIX GROUP

Phoenix Group Holdings: Rights Issue Announcement

30 May 2018

Qualifying Non-CREST Shareholders	Qualifying Shareholders holding Shares in certificated form on the share register of the Company at the Record Date including, for the avoidance of doubt, the Depository
Qualifying Shareholders	Qualifying Non-CREST Shareholders and Qualifying Depository Interest Holders
Re-admission	the re-admission of the Shares, including the New Shares to be issued pursuant to the Rights Issue, to the premium listing segment of the Official List of the UKLA and to trading on the LSE's main market for listed securities
Record Date	22 June 2018
Regulatory Information Service	one of the regulatory information services authorised by the FCA to receive, process and disseminate regulatory information in respect of listed companies
Resolutions	the resolutions to be proposed at the General Meeting in connection with the Acquisition and Rights Issue
Rights Issue	the offer by way of rights to Qualifying Shareholders to subscribe for New Shares and/or New Depository Interests, on the terms and conditions to be set out in the Circular and Prospectus and, in the case of Qualifying Non-CREST Shareholders only, the Provisional Allotment Letter
Share Purchase Agreement	the share purchase agreement entered into between Phoenix and Standard Life Aberdeen in connection with the Acquisition, dated 23 February 2018, as amended and restated on 28 May 2018
Shareholders	the holders of Shares from time to time, and " Shareholder " means any one of them (including, for the avoidance of doubt and unless the context otherwise indicates, Depository Interest Holders)
Shares	ordinary shares of €0.0001 each in the share capital of the Company or Depository Interests in respect thereof
SLAL	Standard Life Assurance Limited
Solvency II	the Directive on the taking-up and pursuit of the business of insurance and reinsurance (Solvency II) (2009/138/EC) and implementation measures in respect thereof, establishing a new regime in relation to solvency requirements and other matters affecting the financial strength of insurers and reinsurers in the EU
Sponsor	HSBC
Sponsor and Underwriting Agreement	the sponsor and underwriting agreement dated 30 May 2018 between the Company and the Underwriters
Standard Life Aberdeen	Standard Life Aberdeen plc



PHOENIX GROUP

Phoenix Group Holdings: Rights Issue Announcement

30 May 2018

Standard Life Assurance	Standard Life Assurance Limited (to include Vebnet (Holdings) Limited and exclude certain subsidiaries of SLAL following a pre-Completion restructuring)
UKLA	the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA and in the exercise of its functions in respect of the admission to listing on the Official List otherwise than in accordance with Part VI of FSMA
Underwriters	BofA Merrill Lynch, BNPP, HSBC and JPM