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FOR IMMEDIATE RELEASE

Publication and Posting of the Combined Circular and Prospectus

Further to the announcement by the Board of Phoenix Group Holdings (“Phoenix” or the “Company”) earlier today relating to the terms of a fully underwritten rights issue to raise gross proceeds of approximately £950 million (the “Rights Issue”), the Company has published a combined Class 1 circular and prospectus, which has been approved today by the UK Listing Authority (the “Circular and Prospectus”) relating to the Rights Issue and 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) (together “Standard Life Assurance”) (the “Acquisition”), which was announced on 23 February 2018.

The Circular and Prospectus will be made available on Phoenix’s website at www.thephoenixgroup.com and will be submitted to the National Storage Mechanism, where it will be available for inspection at www.morningstar.co.uk/uk/NSM. Copies of the Circular and Prospectus 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. Copies of the Circular and Prospectus containing notice of the General Meeting will be posted to Phoenix shareholders as soon as practicable.

The defined terms set out in the Circular and Prospectus apply in this announcement.

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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. 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 will be available on the Company's website and from the Company's principal place of business at Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU, United Kingdom, provided that the 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 Depositary Interests and the provisional 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.

Merrill Lynch International ("BofA Merrill Lynch") and HSBC Bank plc, each of which is authorised by the Prudential Regulatory Authority ("PRA") and regulated in the United Kingdom by the PRA and the Financial Conduct Authority ("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 the Circular and Prospectus and such information or representations must not be relied on as having been authorised by the Company, BofA Merrill Lynch, HSBC, J.P. Morgan Cazenove and BNPP. Subject to the Listing Rules, the Prospectus Rules and the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority, 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, 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.

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 Banks 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.