

## Standard Life statements Scottish referendum

### Extract from the Chairman's statement - Annual Report and Accounts 2013

In September this year, the Scottish people will be voting in a referendum on Scottish independence. Your Company is strictly apolitical and it would be inappropriate for us to give any views on how people should vote. Equally, as one of the largest companies headquartered and based in Scotland, it is appropriate that we have carefully thought through the potential consequences if Scotland were to become an independent nation. We have reviewed all the information that we have available to us at the current time, and we consider that a number of material issues remain uncertain. David Nish covers these issues in section 1.1 of this report.

We have been based in Scotland for 189 years and we are very proud of our heritage. Scotland has been a good place from which to run our business and to compete around the world. We very much hope that this can continue. But if anything were to threaten this, we will take whatever action we consider necessary – including transferring parts of our operations from Scotland – in order to ensure continuity and to protect the interests of our stakeholders. We will continue to seek further clarity from politicians on both sides of the debate, so that we can reach an informed view on what constitutional change may mean for our customers, our business and our shareholders.

**Gerry Grimstone**

### Extract from the Chief Executive's Statement - Annual Report and Accounts 2013

As a large company and employer based in Scotland, we have been following the constitutional debate ahead of the independence referendum on 18 September 2014.

We have a long-standing policy of strict political neutrality and at no time will we advise people on how they should vote. However, we have a duty and a responsibility to understand the implications of independence for our four million UK customers, our shareholders, our people and other stakeholders in our business and take whatever action is necessary to protect their interests.

For this reason, we have engaged with key politicians and analysed the relevant papers published by both sides of the independence debate. These include the Scottish Government publication Scotland's Future (the 'White Paper') and the UK Government's Scotland Analysis series.

At the time of publishing this report (February 2014), we believe a number of material issues remain uncertain. These include:

- ▶ The currency that an independent Scotland would use
- ▶ Whether agreement and ratification of an independent Scotland's membership to the European Union would be achieved by the target date (currently 24 March 2016)
- ▶ The shape and role of the monetary system
- ▶ The arrangements for financial services regulation and consumer protection in an independent Scotland
- ▶ The approach to individual taxation, especially around savings and pensions, as a consequence of any constitutional change

We will continue to seek clarity on these matters, but uncertainty is likely to remain. In view of this, there are steps we will take based on our analysis of the risks. For example, we have started work to establish additional registered companies to operate outside Scotland, into which we could transfer parts of our operations if it was necessary to do so. This is a precautionary measure to ensure continuity of our businesses' competitive position and to protect the interests of our stakeholders.

As Chief Executive, my commitment is whatever happens we will continue to serve the needs of our customers and maintain our competitive position.

**David Nish**