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If you have sold or otherwise transferred all of your shares in Standard Life European Private Equity Trust PLC (the “Company”), please pass this document, together with the accompanying documents, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

Collins Stewart Europe Limited (“Collins Stewart”), which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting as financial adviser to the Company and no one else in connection with the matters described in this document and will not be responsible to any person other than the Company for providing the protections afforded to the clients of Collins Stewart nor for providing advice in relation to the Incentive Fee Proposal or any other matters referred to herein. This does not exclude or limit any responsibility which Collins Stewart may have under the Financial Services and Markets Act 2000 or the regulatory regime established thereunder.

STANDARD LIFE EUROPEAN PRIVATE EQUITY TRUST PLC
(incorporated and registered in Scotland with registered number SC216638 and registered as an investment company under section 833 of the Companies Act 2006)

NEW INVESTMENT MANAGEMENT INCENTIVE ARRANGEMENTS

NOTICE OF ANNUAL GENERAL MEETING

SCRIP DIVIDEND OPTION

Notice of the eleventh annual general meeting of the Company, to be held at The Balmoral Hotel, 1 Princes Street, Edinburgh on 2 February 2012 at 12.30 p.m., is set out in Appendix IV (pages 19 to 23) of this document.

A Form of Proxy for use at the Annual General Meeting is enclosed. Whether or not you propose to attend the Annual General Meeting, you are requested to complete and submit the Form of Proxy in accordance with the instructions printed on it. In order to be valid, the Form of Proxy must be received by the Company’s registrar, Equiniti Limited, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6ZR by 12.30 p.m. on 31 January 2012.

LETTER FROM THE CHAIRMAN OF THE COMPANY

STANDARD LIFE EUROPEAN PRIVATE EQUITY TRUST PLC

(incorporated and registered in Scotland with registered number SC216638 and registered as an investment company under section 833 of the Companies Act 2006)

Directors

Scott Dobbie, CBE (*Chairman*)
Alastair Barbour
Hamish Buchan
Jonathan Taylor
Edmond Warner
David Warnock
Donald Workman

Registered Office

1 George Street
Edinburgh
EH2 2LL

16 December 2011

Dear Shareholder,

Proposed new investment management incentive arrangements, notice of annual general meeting and details of the scrip dividend option

Introduction

I am writing to you to provide details of (a) the Company's proposal to adopt new investment management incentive arrangements (the "Incentive Fee Proposal"); (b) the Company's eleventh annual general meeting (the "Annual General Meeting" or "AGM"); and (c) the Directors' offer to holders of ordinary shares ("Shareholders") to elect to receive all or part of the proposed final dividend (the "Final Dividend") of 1.3p per ordinary share (an "Ordinary Share") in respect of the year ended 30 September 2011 in the form of fully paid new Ordinary Shares ("New Shares") instead of cash (the "Scrip Dividend Option").

The following sections of this document explain the details of these matters and the factors you may wish to consider in reaching your decision on each of them. Your attention is drawn to the section headed "Action to be taken to vote at the Annual General Meeting" on page 7 which sets out the details of the action you should take to cast your vote at the forthcoming AGM and to the section headed "Action to be taken to make an election for the Scrip Dividend Option" on page 8 which sets out the action you should take to receive New Shares instead of cash in respect of the Final Dividend.

1. Background to and reasons for the Incentive Fee Proposal

Introduction

On 5 October 2011, it was announced that the Board had reached agreement with the Company's investment manager, SL Capital Partners LLP ("SL Capital"), on the key commercial terms of proposed amendments to the Company's investment management incentive arrangements. Subject to approval at the forthcoming AGM, the investment management agreement between the Company and SL Capital will be amended to incorporate the new incentive arrangements. SL Capital and Standard Life plc and their respective Associates (as defined in the Listing Rules) will not vote on the resolution to approve these amendments.

Base fee

No change is proposed to the base fee payable by the Company to SL Capital under the investment management agreement. The base fee is a quarterly fee calculated at the rate of 0.8 per cent. per annum of shareholders' funds on each quarterly payment date.

The original incentive arrangements

When the Company was launched in 2001, an incentive scheme was put in place for the Company's investment management team. This scheme involved the issue and conversion of two classes of founder shares ("Founder Shares") over two five year performance periods; the second of these periods expired

on 30 September 2011. Some Founder Shares were, and remain, convertible in respect of the first period (2001-2006) but not in respect of the second period (2006-2011) as the growth target was not achieved in that latter period. The number of Founder Shares available under the original scheme was capped at 10 per cent. of the issued ordinary share capital.

Ultimately 4,854,979 Founder Shares were convertible into Ordinary Shares (upon payment of £1 per Founder Share) of which 3,596,981 Founder Shares remain outstanding and may be converted until 31 December 2013. The Incentive Fee Proposal will have no effect on the outstanding, convertible Founder Shares.

New investment management incentive arrangements

The proposed investment management incentive arrangements, if approved, will operate for a five year period beginning on 1 October 2011 and expiring on 30 September 2016 (the "Performance Period"). If, at the end of the Performance Period, the Company's net asset value total return per Ordinary Share (before any accrual for the incentive fee) has grown by more than 8 per cent. compounded per annum over the Performance Period (the "Preferred Return") then an incentive fee will be payable in cash to SL Capital. If this compounded rate of total return (before any accrual for the incentive fee) is equal to or less than 8 per cent. per annum, the incentive fee will not be payable.

The incentive fee will be an amount equal to 10 per cent. of the growth in the fully diluted net asset value total return per Ordinary Share (before any accrual for the incentive fee) in excess of the Preferred Return over the Performance Period multiplied by 165,093,578, being the number of Ordinary Shares and convertible Founder Shares still eligible to be converted into Ordinary Shares in issue on 1 October 2011 (the "Share Base"). The Share Base will be adjusted for buy-backs or cancellations of shares which, in aggregate, exceed a threshold of 10 per cent. of the original Share Base and for all new issues (other than Ordinary Shares issued pursuant to a scrip dividend). If the Share Base is adjusted then this would be on a time-weighted average basis.

All dividends paid during the Performance Period and the accrual for the unpaid incentive fee will be added back in calculating the net asset value total return per Ordinary Share and the amount of the incentive fee payable.

There is no cap on the amount of the incentive fee payable.

In the event that SL Capital ceases to be the Company's investment manager before the end of the Performance Period then the net asset value total return and the Preferred Return threshold will be calculated over the period from 1 October 2011 to the date of termination. No incentive fee will be payable should SL Capital resign as investment manager or have its appointment terminated by the Company for "cause". The events referred to in the summary of the investment management agreement (see paragraph 2(a) of Appendix III of this document) constitute "cause" for the purposes of the incentive fee save that the incentive fee shall remain payable if the termination event is triggered by the death or (physical or mental) illness of key executives.

The Board considers that there should be a continuing incentive arrangement for SL Capital for so long as it serves as the Company's investment manager and that the level of base fee of 0.8 per cent. per annum, which was set at the launch of the Company, envisaged a continuing incentive arrangement. In structuring the Incentive Fee Proposal, the Board sought to introduce a scheme which would:

- be less complicated than the original share based incentive scheme;
- be a direct arrangement between the Company and SL Capital, rather than between the Company and individual members and employees of SL Capital; and
- align the interests of SL Capital and Shareholders over the long term.

Although, on occasion, an incentive fee may encourage an investment manager to propose or make more speculative investments than it would otherwise propose or make in the absence of such a fee, the Board considers that the Incentive Fee Proposal is both appropriate for the Company and structured in a manner which effectively mitigates that risk. The Company's portfolio of interests in private equity funds does

not lend itself to dealing on short term considerations to enhance an incentive fee and, more particularly, the Board retains control of both the Company's over-commitment strategy and level of gearing, aspects which could have a material impact on the amount of the incentive fee.

“Key executive” provisions

The Company's investment management agreement contains a “key executive” clause pursuant to which the Company may terminate the agreement on short notice if either David Currie or Peter McKellar ceases to be a member or employee of SL Capital. David Currie is SL Capital's chief executive and Peter McKellar is its chief investment officer.

The investment management agreement contains a clause which allows the Company to agree with SL Capital that additional individuals will be named as key executives. No executive has been added as a “key executive” since the Company was launched in 2001. The Board has acknowledged that Roger Pim has become a key executive in the relationship between SL Capital and the Company. Roger Pim is a partner of SL Capital and a member of its investment committee. He has been with SL Capital or its predecessors since 2001. The Company has therefore agreed that Roger Pim will be added to the list of key executives and, consequently, the Company may only terminate the agreement on short notice if any two of David Currie, Peter McKellar or Roger Pim cease to be members or employees of SL Capital. Adding Roger Pim to the list of key executives is a Board decision which does not require the approval of Shareholders or an amendment to the investment management agreement. However, for completeness, the investment management agreement will be amended to add Roger Pim to the list of key executives.

Related party transaction

The adoption of an amended and restated investment management agreement incorporating the Incentive Fee Proposal involves the Company's investment manager, SL Capital, and one of the Company's substantial shareholders, Standard Life plc. As a result, the adoption of the amended and restated investment management agreement constitutes a related party transaction under the Listing Rules which requires the approval of the Company's independent shareholders. It is proposed that this approval is sought at the forthcoming Annual General Meeting, details of which are set out below.

SL Capital is a subsidiary of Standard Life Investments Limited (“SLI”) which is the discretionary investment manager of certain multi-asset portfolios of assets held by Standard Life plc for the benefit of its with-profits policyholders (the “Funds”). Together, the Funds are beneficial owners of approximately 50.8 per cent. of the Company's Ordinary Shares. SLI is a subsidiary of Standard Life plc.

The independent shareholders who are entitled to vote on the related party resolution are all Shareholders other than:

- SL Capital and its Associates (as defined in the Listing Rules), which include David Currie and Peter McKellar; and
- Standard Life plc, one of the Company's substantial shareholders, and its Associates.

Both SL Capital and Standard Life plc have confirmed they will not vote on the related party resolution, which is proposed as resolution 15 at the AGM, and each will undertake all reasonable steps to ensure its respective Associates will not vote on that resolution.

2. Details of the Annual General Meeting

The Annual General Meeting will be held at The Balmoral Hotel, 1 Princes Street, Edinburgh on 2 February 2012 at 12.30 p.m.

The formal notice of the Annual General Meeting is set out in Appendix IV (pages 19 to 23) of this document.

Resolutions to be considered at the Annual General Meeting

Resolutions 1 to 12 will be proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 13 and 14 will be proposed as special resolutions. This means that for each of those resolutions to be passed, at

least three-quarters of the votes cast must be in favour of the resolution. Each of these resolutions is being proposed to comply with the Company's Articles of Association and to obtain certain authorities under the Companies Act 2006 from Shareholders.

Resolution 15 is the resolution concerning the adoption of the amended and restated investment management agreement incorporating the Incentive Fee Proposal and is a related party resolution. This means that SL Capital, Standard Life plc and those Shareholders who are the respective Associates of SL Capital and/or Standard Life plc cannot vote on the resolution. For the resolution to be passed, more than half of the votes cast by the Company's remaining Shareholders must be in favour of the resolution. Resolution 15 is required to be passed by Shareholders in accordance with the terms of the Listing Rules.

Resolutions 1 and 2: Receive the audited accounts and the associated reports

Shareholders are being asked to receive the audited accounts for the year ended 30 September 2011 together with the associated reports of the Directors and auditors.

Resolution 2 asks Shareholders to approve the Directors' remuneration report for the year ended 30 September 2011.

Resolution 3: Final Dividend

Shareholders are being asked to approve the Final Dividend of 1.3p per Ordinary Share for the year ended 30 September 2011. If Shareholders approve the recommended Final Dividend, it will be paid on 6 February 2012 to Shareholders on the Company's register of members at the close of business on 6 January 2012 (the "Record Date").

Resolutions 4 to 9: Election and re-election of Directors

Mr Buchan, who has served on the Board since the Company's launch in 2001, and who is currently the senior independent director and chairman of the audit committee, has intimated he will step down as a Director at the conclusion of the Annual General Meeting. He will therefore not be standing for re-election.

As Mr Barbour was appointed following last year's annual general meeting, he is required to stand for election as a Director in accordance with the terms of the Company's Articles of Association.

In addition, and for the first time this year in accordance with developing practice, each of the Company's other Directors will stand for re-election.

Biographical details of each Director standing for election or re-election are set out on page 18 of the annual report and accounts which accompany this document.

The Board commends to Shareholders the election and re-election of the Directors, each of whom the Board regards as possessing the requisite skills and attributes to continue making significant contributions in their respective roles.

Resolution 10: Re-appointment of auditors

The Company is required to appoint auditors at each general meeting at which accounts are presented to Shareholders and PricewaterhouseCoopers LLP have indicated their willingness to continue in office. Accordingly, Shareholders are being asked to re-appoint PricewaterhouseCoopers LLP as auditors of the Company to hold office until the conclusion of the next general meeting at which accounts are presented to Shareholders and to authorise the Directors to fix their remuneration.

Resolution 11: Authority to offer scrip dividends

Recognising that the investment objective of the Company is to achieve long-term capital gains, interest has been expressed by some Shareholders in having the option for dividends to be taken in the form of new Ordinary Shares, rather than cash. This may also assist in improving liquidity in Ordinary Shares. A similar authority has been sought from Shareholders in previous years and the Board believes that retaining this authority offers the Company and Shareholders a greater level of flexibility in relation to dividend payments.

Resolution 12: Authority to allot shares

Resolution 12 will, if approved, give the Directors a general authority to allot new shares in the Company up to an aggregate nominal amount of £107,664.40 (representing approximately 33.3 per cent. of the total ordinary share capital of the Company in issue as at 14 December 2011 (being the latest practicable date prior to the publication of this document)). The Company holds no Ordinary Shares in treasury. This authority will expire on 30 March 2013 or, if earlier, at the conclusion of the annual general meeting of the Company to be held in 2013. The Directors intend to use this authority, *inter alia*, to issue New Shares pursuant to elections made for the Scrip Dividend Option.

Resolution 13: Disapplication of statutory pre-emption rights

As noted above, resolution 12 will, if approved, give the Directors a general authority to allot securities up to an aggregate nominal amount of £107,664.40. Resolution 13 will, if approved, authorise the Directors to allot new Ordinary Shares and existing Ordinary Shares which may be held by the Company in treasury up to an aggregate nominal amount of £16,150 (representing approximately 5 per cent. of the total ordinary share capital of the Company in issue as at 14 December 2011 (being the latest practicable date prior to the publication of this document)) for cash without first offering such Ordinary Shares to existing Shareholders *pro rata* to their existing shareholdings.

These authorities, which relate both to the issue of new Ordinary Shares and to the re-issue by the Company of any Ordinary Shares held in treasury, will expire on 30 March 2013 or, if earlier, the conclusion of the annual general meeting of the Company to be held in 2013. Other than for the purpose of issuing New Shares pursuant to elections made for the Scrip Dividend Option, the Directors will only issue new Ordinary Shares pursuant to these authorities, and will only re-issue any Ordinary Shares held in treasury pursuant to these authorities, if they believe it is advantageous to the Shareholders to do so and where the issue price exceeds the last published net asset value per Ordinary Share.

Resolution 14: Share buy-backs

The existing buy-back authority, granted at the annual general meeting of the Company held on 25 January 2011, permits the Company to make market purchases of up to 14.99 per cent. of the Company's issued ordinary share capital as at 25 January 2011 and expires at the forthcoming Annual General Meeting. During the financial year ended 30 September 2011, no Ordinary Shares were bought back by the Company. Nonetheless, the Directors consider that the Company should continue to have the authority to make market purchases of Ordinary Shares for cancellation or to be held in treasury. Resolution 14 is being proposed to authorise the Board to buy-back up to 14.99 per cent. of the Company's issued ordinary share capital as at the date on which the resolution is passed. The making and timing of any market purchases of Ordinary Shares will be at the absolute discretion of the Board. Any Ordinary Shares bought back may be cancelled or held by the Company in treasury.

As at the date of this document, 3,596,981 Founder Shares are in issue which are convertible into Ordinary Shares. These Founder Shares represent approximately 2.23 per cent. of the ordinary share capital of the Company in issue. If the authority to purchase Ordinary Shares were exercised in full, the Founder Shares which are convertible into Ordinary Shares would represent approximately 2.62 per cent. of the ordinary share capital of the Company in issue.

Purchases under any such buy-back authority will only be made through the market for cash at prices below the last published net asset value per Ordinary Share, such that purchases will enhance the net asset value of the remaining Ordinary Shares. The minimum price which may be paid for an Ordinary Share shall be 0.2p (being the nominal value of an Ordinary Share). The maximum price shall be an amount being not more than the higher of (i) 105 per cent. of the average middle market quotation of an Ordinary Share (as derived from the Daily Official List of London Stock Exchange plc) for the five business days immediately preceding the date of purchase; and (ii) the higher of the price of the last independent trade and the highest current independent bid relating to an Ordinary Share on the trading venue on which the purchase is carried out. This authority will expire on 30 March 2013 or, if earlier, at the conclusion of the annual general meeting of the Company to be held in 2013.

Resolution 15: Amendment of the investment management agreement to incorporate the Incentive Fee Proposal

In order for the amendment of the investment management agreement to incorporate the Incentive Fee Proposal (as described above) to become effective, it must be approved by a majority of the Company's Shareholders other than SL Capital, Standard Life plc and their respective Associates.

In the event that the amendment of the investment management agreement to incorporate the Incentive Fee Proposal is not approved at the Annual General Meeting then SL Capital would continue to manage the Company and only receive the base fee as compensation under the terms of the current investment management agreement. However, the Board considers that the base fee of 0.8 per cent. per annum, without a parallel incentive fee arrangement, is below the market rate and it is therefore very likely that SL Capital would seek an increase in the base fee.

Action to be taken to vote at the Annual General Meeting

If you would like to vote on the resolutions to be considered at the Annual General Meeting but cannot attend the meeting then you can appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting by completing the Form of Proxy sent to you with this document and returning it to our registrar in the reply paid envelope provided so as that it is received no later than 12.30 p.m. on 31 January 2012. Shareholders holding shares in CREST may appoint a proxy through the CREST system in accordance with the instructions set out in Note 4 to the notice of AGM in Appendix IV (pages 19 to 23) of this document.

3. Scrip Dividend Option

On 5 December 2011, the Directors announced their recommendation of the Final Dividend of 1.3p per Ordinary Share in respect of the year ended 30 September 2011. The Final Dividend is expected to be paid to Shareholders on the Company's register of members at the close of business on 6 January 2012. The Final Dividend is subject to the approval of Shareholders at the Company's forthcoming Annual General Meeting.

At the annual general meeting of the Company held in January 2011, Shareholder approval was obtained to offer Shareholders the opportunity to take dividends in the form of New Shares rather than cash. Accordingly, the Directors are now offering Shareholders the opportunity to elect to receive all or part of the Final Dividend in the form of New Shares instead of cash (known as the "Scrip Dividend Option").

The information you will need to decide whether you want to make an election for the Scrip Dividend Option is set out below.

Benefits of the Scrip Dividend Option

Shareholders who elect to take New Shares rather than cash in respect of the Final Dividend will increase their shareholding without incurring dealing costs or stamp duty. To the extent that Shareholders elect to take New Shares, the Company will also benefit from retaining the cash that would otherwise have been paid out as a dividend.

Dilution

Shareholders should note that, on the basis of the Company's share price as at the date of this document, it is expected that New Shares will be issued at a discount to the last announced diluted net asset value per Ordinary Share, which was 225.9p as at 30 September 2011. Accordingly, it is expected that the issue of the New Shares will have a marginally dilutive effect on the net asset value attributable to the shareholdings of Shareholders who elect to receive all or part of the Final Dividend in cash.

Details of the Scrip Dividend Option

The entitlement of Shareholders who elect for the Scrip Dividend Option will be calculated using the average of the middle market quotations of an Ordinary Share as shown in the Daily Official List published by London Stock Exchange plc for the five dealing days from and including the ex-dividend date, being 4 January 2012.

For illustrative purposes only and on the basis of the average of the middle market quotations of an Ordinary Share as shown in the Daily Official List published by London Stock Exchange plc for the five dealing days from and including 30 November 2011 (being the latest practicable date prior to the publication of this document), a Shareholder electing for the Scrip Dividend Option rather than cash would receive one New Share for every 119.275p otherwise payable as a cash dividend on Ordinary Shares registered in his name on the Record Date in respect of which he has elected for the Scrip Dividend Option. For the avoidance of doubt, the actual entitlement of Shareholders who elect for the Scrip Dividend Option may be greater or lower than this illustrative amount, depending upon the Company's share price at the relevant time.

Fractions of an Ordinary Share cannot be issued and any cash balance will be paid.

Applications will be made for the New Shares to be admitted to listing on the Premium Segment of the Official List of the UK Listing Authority and to trading on the London Stock Exchange plc's main market for listed securities ("Admission"). The Scrip Dividend Option is conditional upon Admission becoming effective on or before 10 February 2012. If this condition is not met the Scrip Dividend Option will be withdrawn and the Final Dividend will be paid in cash to all Shareholders.

The Directors reserve the right at any time prior to Admission, and at their discretion, to withdraw the Scrip Dividend Option and pay the Final Dividend entirely in cash.

The detailed terms of the Scrip Dividend Option are set out in Appendix I (pages 9 to 12) of this document. A personalised Form of Election is enclosed. **Should you wish to make an election for the Scrip Dividend Option, please consider the detailed terms carefully and the likely tax consequences for you.**

A non-exhaustive outline of the likely tax consequences for most UK resident Shareholders in electing to receive New Shares is set out in Appendix II (pages 13 and 14) of this document. If you are in doubt about your tax position, you should consult your professional adviser before taking any action.

The attention of overseas Shareholders is drawn to paragraph 6 of Appendix I of this document.

Action to be taken to make an election for the Scrip Dividend Option

If you wish to elect to receive all or part of the Final Dividend in the form of New Shares rather than cash, you must complete the Form of Election in accordance with the instructions printed on it and return it to our registrar in the reply paid envelope provided so that it is received by no later than 5.00 p.m. on 16 January 2012. Shareholders should be aware that the price of shares can go down as well as up. If you are in any doubt about what course of action to take in relation to your shareholding, you should seek advice from a stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised under the Financial Services and Markets Act 2000 if you are resident in the UK or, if you are not resident in the UK, from another appropriately authorised independent financial adviser.

Recommendation of the Board

The Board, which has been so advised by its financial adviser, Collins Stewart, considers the amendment of the investment management agreement to incorporate the Incentive Fee Proposal to be fair and reasonable so far as Shareholders are concerned. In providing advice to the Board, Collins Stewart has taken into account the Board's commercial assessment.

The Board considers that all the resolutions to be considered at the Annual General Meeting are in the best interests of the Company and the Shareholders as a whole. Your Board will be voting in favour of them in respect of their entire beneficial holdings of Ordinary Shares which amount, in aggregate, to 430,364 Ordinary Shares (representing approximately 0.27 per cent. of the ordinary share capital of the Company in issue) and unanimously recommends that you do so as well.

Yours faithfully
Scott Dobbie, CBE
Chairman

APPENDIX I

DETAILED TERMS OF THE SCRIP DIVIDEND OPTION

1. Terms of election

Shareholders on the register at the close of business on the Record Date may elect to receive New Shares, credited as fully paid, instead of the cash dividend of 1.3p per Ordinary Share otherwise payable on 6 February 2012 (the “Final Dividend”). All elections will be subject to fulfilment of the conditions specified in the Form of Election and this document. An election for the Scrip Dividend Option, once received, cannot be revoked or withdrawn. However, the Directors reserve the right at any time prior to Admission, and at their discretion, to withdraw the Scrip Dividend Option and pay the Final Dividend entirely in cash.

An election may be made by a Shareholder in respect of all or part of his holding of Ordinary Shares.

2. Basis of allotment of New Shares

The number of New Shares to be allotted to electing Shareholders is calculated by multiplying the number of Ordinary Shares in respect of which an election has been made by the cash dividend per Ordinary Share (being 1.3p) and dividing by the cash equivalent Ordinary Share price. New Shares will be allotted up to the maximum whole number possible. Fractions of Ordinary Shares cannot be allotted and any fractional entitlement will be dealt with in accordance with these detailed terms. The number of New Shares to be allotted in respect of the Final Dividend is calculated as follows:

$$(N \times D)/P$$

Where: **N** is the number of Ordinary Shares in respect of which the

Shareholder has elected for the Scrip Dividend Option;

D is the declared cash dividend per Ordinary Share, expressed in pence; and

P is the cash equivalent Ordinary Share price, expressed in pence.

For illustrative purposes only if the cash dividend is 1.3p per Ordinary Share, your shareholding is 100,000 Ordinary Shares and the cash equivalent Ordinary Share price is 119.275p then:

- Value of cash dividend: $100,000 \times 1.3p = \text{£}1,300$
- Number of New Shares: $\text{£}1,300 \div 119.275p = 1,089.92$, rounded down to 1,089 New Shares
- Value of New Shares: $1,089 \times 119.275p = \text{£}1298.90$ leaving a cash balance of $\text{£}1.10$ which will be paid

As provided by the Company’s Articles of Association, the cash equivalent Ordinary Share price will be calculated using the average of the middle market quotations of an Ordinary Share, as shown in the Daily Official List published by London Stock Exchange plc, for the five dealing days from and including the ex-dividend date of 4 January 2012.

For illustrative purposes only and on the basis of the average of the middle market quotations of an Ordinary Share as shown in the Daily Official List published by London Stock Exchange plc for the five dealing days from and including 30 November 2011 (being the latest practicable date prior to the publication of this document), if all eligible Shareholders elected to receive the Final Dividend in the form of New Shares rather than in cash in respect of their entire holdings, 1,760,180 New Shares would be issued (ignoring any reduction in respect of fractions). This would represent an increase of approximately 1.09 per cent. in the ordinary share capital of the Company in issue (as at the date of this

document). If no elections for the Scrip Dividend Option were received, the total cash dividend payable by the Company would be £2,099,455.76. The tax effects of the payment of a dividend, including any tax credits, will depend on each Shareholder's situation.

3. Fractional entitlements

No fraction of a New Share will be allotted. The fractional entitlement is the difference between the full cash dividend payable on the shareholding and the value of the New Shares, which is calculated by multiplying the number of New Shares by the cash equivalent Ordinary Share price. Any cash balance will be paid to the Shareholder.

4. Taxation

The taxation effect of an election for the Scrip Dividend Option on Shareholders will depend on individual circumstances and a non-exhaustive outline of the likely tax consequences for most UK resident Shareholders is set out in Appendix II (pages 13 and 14) of this document.

If you are not sure how you will be affected, you should consult your professional adviser before taking any action.

5. How to make an election

If you hold your Ordinary Shares in certificated form and you wish to receive the Final Dividend in the form of New Shares rather than in cash in respect of all or part of your shareholding, you should complete the enclosed Form of Election and return it to our registrar in the reply paid envelope provided so as to be received not later than 5.00 p.m. on 16 January 2012. If the Form of Election is not received by 5.00 p.m. on that day, the Final Dividend will be paid in cash in respect of all Ordinary Shares registered in your name on the Record Date. No acknowledgement of receipt of a Form of Election will be issued.

If you return the Form of Election but you do not specify in box 1 the number of Ordinary Shares in respect of which you wish to elect for the Scrip Dividend Option, you will be deemed to have elected for the Scrip Dividend Option in respect of your entire shareholding on the Record Date.

Dematerialised holders should make any election for the Scrip Dividend Option using the Euroclear UK & Ireland functionality for electronic dividend elections. Any elections made using the Form of Election which relate to dematerialised holdings are submitted wholly at the risk of the submitting party and our registrar, Equiniti Limited, reserves the right to reject any such elections.

6. Overseas Shareholders

It is the responsibility of any Shareholder wishing to elect to receive New Shares under the Scrip Dividend Option to satisfy himself as to full observance of the laws of any relevant territory in connection with such election, including obtaining any requisite governmental or other consent or approval, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territory.

Shareholders who are in any doubt as to their position should consult a professional adviser. No person receiving this document and/or the Form of Election in any territory other than the UK may treat it as constituting an invitation or offer to elect to receive any shares, nor should he in any event use such Form of Election unless, in the relevant territory, such an invitation or offer could lawfully be made to him and such Form of Election could lawfully be used by him without contravention of any registration or other regulatory or legal requirement. In such circumstances, this document and/or the Form of Election are sent for information only, are confidential and should not be copied or distributed.

The Company (acting in its absolute discretion) reserves the right to reject any election made for the Scrip Dividend Option which is made by or on behalf of a person outside the UK or if it appears that the election may constitute a breach of any relevant securities legislation.

Notwithstanding any other statement in this document, the Company reserves the right to permit a Shareholder to take up New Shares if the Company is satisfied (acting in its absolute discretion) that such action would not result in contravention of any applicable legal or regulatory requirements.

This document has not been submitted to the clearance procedures of any authorities and the Company's shares have not been and will not be registered under the United States Securities Act of 1933, as amended, or under the securities laws of any State of the United States of America and they are not being offered in the United States of America and its territories and possessions, in Canada or in Australia, or their respective states, territories or possessions.

7. If you have received more than one Form of Election

If, for any reason, your holding is registered in more than one way and as a result you have received more than one Form of Election, then, unless you are able on or before 16 January 2012 to make arrangements with Equiniti Limited to have your holdings consolidated, those holdings will be treated for all purposes as separate and you should complete separate Forms of Election. In order to consolidate your holdings you should write as soon as possible to Equiniti Limited at Aspect House, Spencer Road, Lancing, West Sussex BN99 6ZR stating that you wish them to effect the same and enclosing all Forms of Election, which should be completed if you wish to elect for the Scrip Dividend Option.

8. If you have recently sold or transferred all or some of your Ordinary Shares or purchased Ordinary Shares

If, on or before 4 January 2012 (the ex-dividend date), you have sold or transferred all or some of your holding of Ordinary Shares or you have purchased Ordinary Shares, you should contact, as soon as possible, your stockbroker, your bank or other person who arranged the sale or transfer. They will then advise you as to how to deal with the Form of Election and accompanying documents.

9. Delivery and admission of the New Shares

Applications will be made for the New Shares to be issued pursuant to the Scrip Dividend Option to be admitted to listing on the Premium Segment of the Official List of the UK Listing Authority and to trading on the London Stock Exchange plc's main market for listed securities ("Admission"). The Scrip Dividend Option is conditional upon Admission becoming effective on or before 10 February 2012. The New Shares will, on issue, rank *pari passu* in all respects with the existing issued Ordinary Shares in the capital of the Company and will rank for all future dividends on such shares.

Subject to Admission, dealings in the New Shares are expected to begin on 6 February 2012. In the unlikely event that Admission does not become effective on or before 10 February 2012, Forms of Election will be disregarded and the Final Dividend will be paid in cash in the normal way.

The New Shares will be issued in registered form and may be held either in certificated form or settled through CREST. It is expected that certificates for the New Shares will be posted, at the risk of the persons entitled thereto, on 3 February 2012. Temporary documents of title will not be issued. Pending despatch of such certificates, transfers will be certified against the register. If you are a CREST member, it is expected that your CREST account will be credited directly with New Shares on 6 February 2012.

10. Expected timetable of events

5 December 2011	Final Dividend announced
16 December 2011	Posting of Forms of Election
4 January 2012	Ordinary Shares quoted ex-dividend
6 January 2012	Record date for Final Dividend
11 January 2012	Announcement of the cash equivalent Ordinary Share price
16 January 2012	Final date for consolidation of holdings (see paragraph 7 above)

16 January 2012	Final date for receipt of Forms of Election
3 February 2012	Posting of tax vouchers for cash dividends
	Posting of definitive share certificates/CREST statements and cheques for cash dividends
6 February 2012	First day of dealings in the New Shares, dividend payment date and CREST member accounts credited with New Shares

11. Further copies of Forms of Election

Further copies of Forms of Election may be obtained from Share Dividend Operations, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6ZR up to and including 16 January 2012.

APPENDIX II

TAXATION EFFECT OF AN ELECTION FOR THE SCRIP DIVIDEND OPTION

This summary of the taxation treatment is not exhaustive and does not deal with every Shareholder's situation nor does it consider the position of any Shareholder not resident in the UK or who holds their Ordinary Shares for purposes other than investment. If you are not sure how you will be affected or if you are a UK resident and a citizen of any nation other than the UK, you should consult your professional adviser before deciding whether or not to make an election for the Scrip Dividend Option.

The taxation effect for a United Kingdom resident Shareholder making an election for the Scrip Dividend Option will depend on the circumstances of that Shareholder. The Directors have been advised that, under current UK legislation and HM Revenue & Customs' practice, the taxation consequences for such Shareholders will be broadly as outlined below.

1. Individuals

To the extent that an individual elects to receive a cash dividend it will be taxed in the normal manner as dividend income. The tax treatment of the issue of New Shares is outlined below.

Income tax

Where individuals make an election for the Scrip Dividend Option, they will be treated as having received gross income of an amount per share (the "gross dividend") which, when reduced by income tax at the dividend ordinary rate (currently 10 per cent.), is equal to the "Cash Equivalent"* (as defined below). The individual will also be treated as having paid income tax at the rate of 10 per cent. of that gross dividend (the "tax credit"). For example, an individual electing to receive New Shares of which the Cash Equivalent* is £90 will be treated as receiving gross income of £100 and as having paid dividend ordinary rate tax of £10 on that grossed up amount. Dividend income is treated as the 'top slice' of an individual's income.

(a) *Basic rate taxpayers*

Individuals who (after taking account of their receipt of New Shares and any cash dividend) pay only basic rate income tax should have no further liability to tax on the receipt of the New Shares.

(b) *Non taxpayers*

Individuals who do not pay income tax, or whose liability to income tax does not exceed the tax credit attaching to the dividend, are not entitled to claim repayment of the tax credit attaching to any dividend, whether it is paid in cash or if they elect to receive New Shares.

(c) *Higher rate taxpayers*

An individual who (after taking into account the receipt of New Shares and any cash dividend) is liable to pay income tax at the higher rate will be subject to income tax at the dividend upper rate (currently 32.5 per cent.). Such Shareholder will be treated as having paid tax at the dividend rate of 10 per cent. on the dividend but will be liable to pay additional tax, calculated by multiplying the grossed up amount of the Cash Equivalent* by the percentage difference between the dividend upper rate and the dividend ordinary rate (currently 22.5 per cent.). For example, such a Shareholder in receipt of New Shares with a Cash Equivalent* of £90 (that is, a gross dividend of £100) will be liable to additional tax of £22.50 (an effective tax rate of 25 per cent. on the Cash Equivalent* amount).

(d) *Additional rate taxpayers*

An additional rate of income tax is payable by taxpayers with taxable income in excess of £150,000 per annum. An individual who (after taking into account the receipt of New Shares and any cash dividend) is liable to pay income tax at the additional rate will be subject to income tax at the dividend additional rate (currently 42.5 per cent.). Such Shareholder will be treated as having paid tax at the dividend rate of 10 per cent. on the dividend but will be liable to pay additional tax, calculated by multiplying the grossed up amount of the Cash Equivalent* by the percentage difference between the dividend additional rate and the dividend ordinary rate (currently 32.5 per cent.). For example, such a Shareholder in receipt of New Shares with a Cash Equivalent of £90 (that is, a gross dividend of £100) will be liable to additional tax of £32.50 (an effective rate of 36.11 per cent. on the Cash Equivalent amount).

Capital gains tax

For capital gains tax purposes, individual Shareholders who make an election for the Scrip Dividend Option are not treated as having made a disposal of their existing Ordinary Shares. The New Shares will be treated as a separate asset for capital gains tax purposes acquired for an amount equal to the Cash Equivalent* which will represent the base cost of those New Shares. Chargeable gains realised on any future disposal of the New Shares will be subject to a single rate of capital gains tax (currently at a rate of 18 per cent. for basic rate taxpayers and 28 per cent. for higher rate taxpayers). An individual Shareholder may be able to make use of the annual exemption which is set at £10,600 for the financial year 2011/12.

2. Trustees

Income tax

Trustees, who are liable to income tax at the rate applicable to trusts (currently 40 per cent.), will pay tax on dividends at the dividend trust rate (currently 32.5 per cent.). Where such trustees elect to receive New Shares, the same grossing up procedure as outlined above for individuals will apply. Thus, the trustees will be treated as having received gross income of an amount which, when reduced by income tax at the dividend ordinary rate, is equal to the Cash Equivalent*. The trustees will be liable to pay additional tax of 22.5 per cent. of the grossed up amount of the Cash Equivalent*, being the difference between the dividend ordinary rate and the dividend trust rate.

Capital gains tax

For capital gains tax purposes, trustees who elect to receive New Shares instead of a cash dividend are not treated as having made a disposal of their existing Ordinary Shares. The New Shares will be treated as a separate asset for capital gains tax purposes acquired for an amount equal to the Cash Equivalent* which will represent the base cost of those shares. Chargeable gains realised on any future disposal of the New Shares will in general be subject to capital gains tax currently at a rate of 28 per cent. Trustees may be able to make use of the annual exemption which is set at £5,300 for the financial year 2011/12.

3. UK resident corporate shareholders

When a Shareholder which is a corporate entity and resident in the UK makes an election for the Scrip Dividend Option, the New Shares will not be treated as franked investment income for corporation tax purposes. Corporation tax will not be chargeable on New Shares issued. For the purposes of corporation tax on chargeable gains, no consideration will be treated as having been given for the New Shares.

4. Pension funds

UK pension funds are not entitled to claim repayment of the tax credit attaching to any dividend. If a UK pension fund has made an election for the Scrip Dividend Option, no tax credit will attach to the New Shares and no repayment claim can be made in respect thereof. Therefore a UK pension fund will not be able to claim repayment of the tax credit whether it receives the dividend in the form of New Shares or cash.

5. Stamp duty and stamp duty reserve tax

No stamp duty or stamp duty reserve tax is payable in respect of the allotment and issue of the New Shares.

***Cash Equivalent**

The “Cash Equivalent” of one Ordinary Share for these purposes will be announced on 11 January 2012. If, on the first day of trading on the London Stock Exchange, the market value of one Ordinary Share exceeds the Cash Equivalent by 15 per cent. or more the Cash Equivalent is taken to be that market value instead.

The summary of taxation treatment set out above is not exhaustive and, in particular, does not consider the position of any Shareholder not resident in the UK or a Shareholder that holds Ordinary Shares for purposes other than investment. If you are not sure how you will be affected or you are a UK resident and a citizen of any nation other than the UK, you should consult your professional adviser before deciding whether or not to make an election for the Scrip Dividend Option.

APPENDIX III

ADDITIONAL INFORMATION

1. Significant shareholdings

As at 14 December 2011 (being the latest practicable date prior to the publication of this document), the following persons were known to be directly or indirectly interested in 3 per cent. or more of the ordinary share capital of the Company in issue:

	<i>Number of Ordinary Shares</i>	<i>Percentage of ordinary share capital in issue</i>
Standard Life plc	81,886,825	50.8%
Foreign & Colonial Asset Management PLC	11,767,245	7.3%
Including: Foreign & Colonial Investment Trust PLC	5,500,000	3.4%
Quilter & Co. Limited	8,029,904	5.0%
Merseyside Pension Fund	5,000,305	3.1%

2. Material contracts

Save as disclosed in this paragraph 2, the Company has not entered into, other than in the ordinary course of business (a) any contract which is or may be material to the Company within the two years immediately preceding the publication of this document; or (b) any contract containing provisions under which the Company has any obligation or entitlement which is material as at the date of this document.

(a) *Investment management agreement*

By an investment management agreement dated 24 September and 1 October 2007 between the Company and SL Capital, SL Capital has agreed to act as the investment manager of the Company for a management fee.

Under the terms of the investment management agreement, SL Capital is entitled to receive an investment management fee at the rate of 0.8 per cent. per annum, payable quarterly in arrears, of shareholders' funds as at the close of business on the relevant quarterly payment date.

The investment management agreement will continue unless and until terminated by either party giving the other not less than 12 months' written notice. In the event of the Company terminating the investment management agreement by giving less than 12 months' notice, SL Capital is entitled to an amount in respect of the unexpired notice period equivalent to 0.8 per cent. per annum of the Company's net asset value on the date of termination (if the termination date is a quarterly payment date) or the immediately preceding quarterly payment date (if the termination date is not a quarterly payment date). The investment management agreement can, in addition, be terminated on short notice by the Company where, *inter alia*, (i) SL Capital is guilty of any negligence, wilful default or fraud in connection with performance of its duties under the agreement; (ii) SL Capital has committed a material breach of the agreement which has not been remedied (if capable of remedy) within 10 business days of notification of such breach; (iii) certain insolvency events occur in relation to SL Capital; (iv) SL Capital is legally prohibited from carrying on investment business or its obligations under the agreement; (v) certain change of control events occur in relation to SL Capital or its holding companies; or (vi) less than two key executives (being David Currie and Peter McKellar) are members or employees of SL Capital ("Cause"). In the event of such termination, SL Capital is entitled to receive all fees and other monies accrued due up to the termination.

(b) ***Amended and restated investment management agreement***

By an amended and restated investment management agreement dated 1 December 2011 between the Company and SL Capital, subject to obtaining shareholder approval at the forthcoming Annual General Meeting, the investment management agreement will be amended as described in the section headed “Background to and reasons for the Incentive Fee Proposal” on pages 2 to 4 of this document.

In particular, the amended and restated investment management agreement contains the following provisions relating to the incentive fee:

- (i) The incentive fee is payable in addition to the base fee referred to in the description of the investment management agreement (see paragraph 2(a) of this Appendix III).
- (ii) The incentive fee is payable in respect of the period from 1 October 2011 to 30 September 2016 or, if earlier, termination of the investment management agreement (the “Performance Period”).
- (iii) No incentive fee is payable unless the Company’s net asset value total return per Ordinary Share (before any accrual for the incentive fee) has grown by more than 8 per cent. compounded per annum over the Performance Period (the “Preferred Return”). All dividends paid during the Performance Period and the accrual for the unpaid incentive fee will be added back in calculating the net asset value total return.
- (iv) The incentive fee will be an amount equal to 10 per cent. of the growth in the fully diluted net asset value total return per Ordinary Share (before any accrual for the incentive fee) in excess of the Preferred Return over the Performance Period multiplied by 165,093,578 (the “Share Base”). The Share Base used to calculate the amount of the incentive fee will be adjusted for buy-backs or cancellations of shares which, in aggregate, exceed a threshold of 10 per cent. of the original Share Base and for all new issues (other than Ordinary Shares issued pursuant to a scrip dividend). If the Share Base is adjusted then this would be on a time-weighted average basis.
- (v) The incentive fee is payable in cash and the amount of the incentive fee is not subject to any monetary cap. If VAT is payable on the incentive fee then it shall be added to the amount of the incentive fee.
- (vi) No incentive fee is payable in respect of any period following termination of the investment management agreement.
- (vii) No incentive fee is payable should SL Capital resign as investment manager (where such resignation becomes effective before 30 September 2016) or where SL Capital’s appointment as investment manager is terminated before 30 September 2016 for Cause. The events referred to in the description of the investment management agreement (see paragraph 2(a) of this Appendix III) constitute “Cause” for the purposes of the incentive fee save that the incentive fee shall remain payable if the termination event is triggered by the death or (physical or mental) illness of key executives.

Roger Pim becomes a key executive in terms of the amended and restated investment management agreement.

(c) ***Relationship agreement***

By a letter dated 1 October 2007, Standard Life plc (“Standard Life”) has irrevocably undertaken to the Company that, at any time when Standard Life and its associates (meaning any company which is a member of the Standard Life group) are entitled to exercise or control 30 per cent. or more of the rights to vote at general meetings of the Company, it will not (and will procure that none of its associates will) seek to nominate directors to the Board who are not independent of Standard Life or take any action which would be detrimental to the Company’s Shareholders as a whole (for this purpose, any action which has the support or recommendation of a majority of the Directors is deemed not to be detrimental).

These undertakings do not apply where: (i) an offer is made for the Company, or a reconstruction or winding up of the Company is proposed (other than by Standard Life or any of its associates), or any hostile corporate action has been initiated in relation to the Company; (ii) SL Capital has been removed or is proposed to be removed as the Company's investment manager (save where the removal or proposed removal is instigated by Standard Life or its associates or is effected by the Company summarily terminating the investment management agreement in accordance with the terms of that agreement), or material changes have been made or are proposed to be made to the investment management agreement; (iii) the Company's investment policy is altered or proposed to be altered in any material way; or (iv) there has been any failure of generally accepted corporate governance principles or an increase in the remuneration limit for the Directors is proposed without Standard Life's previous written approval.

In the event that Standard Life ceases to have control of SL Capital or there is a takeover of the Company, Standard Life is entitled under the Company's Articles of Association to require that the name of the Company be changed to a name which does not contain the words "Standard Life" or any confusingly similar words.

(d) ***Facility agreement***

By facility agreement dated 29 November 2010 between the Company and The Royal Bank of Scotland plc, Citibank N.A., London Branch and Standard Life Assurance Limited (together the "Lenders"), the Lenders have made available a £120,000,000 multi-currency revolving credit facility to the Company.

Interest is payable on the maturity date of each advance made under the facility and is charged at a rate equal to the aggregate of (i) 2.5 per cent. per annum above LIBOR or, where the loan is denominated in Euro, EURIBOR as agreed at the time of drawdown; and (ii) a percentage calculated in accordance with the terms of the facility agreement in respect of any mandatory cost to compensate the Lenders for the cost of compliance with the requirements of (a) the Bank of England and/or the Financial Services Authority; or (b) the European Central Bank.

Under this facility the Company must repay each loan under the facility on the last day of the specified interest period of the loan, but any such amounts may be reborrowed. If any person or group of persons acting in concert gains control of the Company or Standard Life ceases to be the beneficial owner directly or indirectly through wholly owned subsidiaries of more than 50.01 per cent. of the ordinary share capital of the Company in issue, the Company will be required to notify the Lenders and the facility may be cancelled. In the event of such cancellation, the Company will then have to repay all outstanding loans together with accrued interest.

The expiry date of the facility is 31 December 2013.

3. No significant change

Since 30 September 2011 (being the end of the last financial period of the Company for which financial information has been published), there has been no significant change in the financial or trading position of the Company.

4. Miscellaneous

4.1 Collins Stewart has given and not withdrawn its written consent to the issue of this document with the inclusion of its name and references to it in the form and context in which they are included.

4.2 As at the date of this document, the Company holds no Ordinary Shares in treasury.

5. Documents available for inspection

The following documents will be available for inspection at the registered office of the Company and at the offices of Dickson Minto W.S. at Broadgate Tower, 20 Primrose Street, London EC2A 2EW during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this notice until the conclusion of the Annual General Meeting and on the date of the Annual General Meeting at The Balmoral Hotel, 1 Princes Street, Edinburgh from 12.15 p.m. until the conclusion of the Annual General Meeting:

- 5.1 this document;
- 5.2 the amended and restated investment management agreement;
- 5.3 the Company's Memorandum of Association and Articles of Association;
- 5.4 the audited report and accounts of the Company for the financial years ended 30 September 2009, 30 September 2010 and 30 September 2011;
- 5.5 the letter of consent referred to in paragraph 4.1 of this Appendix III; and
- 5.6 copies of the letters of appointment of the Company's non-executive directors.

APPENDIX IV

STANDARD LIFE EUROPEAN PRIVATE EQUITY TRUST PLC

(incorporated and registered in Scotland with registered number SC216638 and registered as an investment company under section 833 of the Companies Act 2006)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the eleventh annual general meeting of Standard Life European Private Equity Trust PLC (the "Company") will be held at The Balmoral Hotel, 1 Princes Street, Edinburgh on 2 February at 12.30 p.m. to consider and, if thought fit, pass the resolutions set out below. Resolutions 1 to 12 (inclusive) will be proposed as ordinary resolutions and resolutions 13 and 14 will be proposed as special resolutions. Resolution 15 is a related party resolution.

1. That the report and accounts for the year ended 30 September 2011, the Directors' report, the Directors' remuneration report and the independent auditors' report be received.
2. That the Directors' remuneration report for the year ended 30 September 2011 be approved.
3. That a final dividend of 1.3p per ordinary share be declared.
4. That Mr Barbour be elected as a Director.
5. That Mr Dobbie be re-elected as a Director.
6. That Mr Taylor be re-elected as a Director.
7. That Mr Warner be re-elected as a Director.
8. That Mr Warnock be re-elected as a Director.
9. That Mr Workman be re-elected as a Director.
10. That PricewaterhouseCoopers LLP be re-appointed as auditors of the Company to hold office until the conclusion of the next general meeting at which accounts are laid before the Company and that their remuneration be fixed by the Directors.
11. That the Board of Directors of the Company be and is hereby authorised to offer the holders of ordinary shares of 0.2p each in the capital of the Company ("ordinary shares") (excluding any member holding ordinary shares as treasury shares and subject to the Articles of Association of the Company and to such exclusions or other arrangements as the Board may consider necessary or expedient in relation to any legal or practical problems under the laws of any overseas territory or the requirements of any regulatory body or stock exchange) the right to elect to receive new ordinary shares credited as fully paid instead of cash in respect of all or part of any dividend declared or paid on ordinary shares after the date of passing this resolution and before the earlier of 30 March 2013 and the conclusion of the annual general meeting of the Company to be held in 2013.
12. That, in substitution for any pre-existing power to allot or grant rights to subscribe for or to convert any security into shares in the Company, but without prejudice to the exercise of any such authority prior to the date of this resolution, the Directors be and are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company up to an aggregate nominal amount of £107,664.40, such authority to expire on 30 March 2013 or, if earlier, at the conclusion of the annual general meeting of the Company to be held in 2013, unless previously revoked, varied or extended by the Company in general meeting, save that the Company may, at any time prior to the expiry of such

authority, make an offer or enter into an agreement which would or might require relevant securities to be allotted after the expiry of such authority and the Directors may allot relevant securities in pursuance of such an offer or agreement as if such authority had not expired.

13. That, subject to the passing of resolution 12 in this notice of annual general meeting and in substitution for any existing powers, the Directors be and are hereby generally empowered pursuant to section 570 of the Companies Act 2006 (the “Act”) to allot equity securities (as defined in section 560(1) of the Act) for cash pursuant to the authority under section 551 of the Act conferred by resolution 12 in this notice of the annual general meeting as if section 561 of the Act did not apply to the allotment. This power:
- (i) expires on 30 March 2013 or, if earlier, at the conclusion of the annual general meeting of the Company to be held in 2013, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require equity securities to be allotted after expiry of this power and the Directors may allot equity securities in pursuance of that offer or agreement as if this power had not expired; and
 - (ii) shall be limited to: (a) the allotment of equity securities in connection with an issue in favour of holders of ordinary shares in the capital of the Company in proportion (as nearly as may be practicable) to their existing holdings of ordinary shares, but subject to such exclusions or other arrangements as the Directors deem necessary or expedient in relation to fractional entitlements or any legal or practical problems under the laws of any territory, or the requirements of a regulatory body or stock exchange; and (b) the allotment of ordinary shares for cash otherwise than pursuant to paragraph (a) up to an aggregate nominal amount equal to £16,150.

This power applies in relation to a sale of shares which is an allotment of equity securities by virtue of section 724 of the Act as if in the first paragraph of this resolution 13 the words “pursuant to the authority under section 551 of the Act conferred by resolution 12 in this notice of annual general meeting” were omitted.

14. That, in substitution for any existing authority, the Company be generally and unconditionally authorised, in accordance with section 701 of the Companies Act 2006 (the “Act”), to make market purchases (within the meaning of section 693(4) of the Act) of ordinary shares of 0.2p each (“ordinary shares”) in the share capital of the Company, provided that:
- (i) the maximum number of ordinary shares hereby authorised to be purchased shall be 14.99 per cent. of the Company’s issued ordinary share capital as at the date on which this resolution is passed;
 - (ii) the minimum price which may be paid for an ordinary share shall be 0.2p;
 - (iii) the maximum price (exclusive of expenses) which may be paid for an ordinary share shall be an amount being not more than the higher of (a) 105 per cent. of the average of the middle market quotations (as derived from the Daily Official List of London Stock Exchange plc) for the ordinary shares for the five business days immediately preceding the date of purchase; and (b) the higher of the price of the last independent trade and the highest current independent bid relating to an ordinary share on the trading venue on which the purchase is carried out; and
 - (iv) unless previously varied, revoked or renewed, the authority hereby conferred shall expire on 30 March 2013 or, if earlier, at the conclusion of the annual general meeting of the Company to be held in 2013, save that the Company may, prior to such expiry, enter into a contract to purchase ordinary shares under such authority which will or might be executed wholly or partly after the expiration of such authority and may make a purchase of ordinary shares pursuant to any such contract.

15. That the adoption of an amended and restated investment management agreement incorporating the new investment management incentive arrangements described in the circular of the Company dated 16 December 2011 be and is hereby approved.

By order of the Board

Aberdeen Asset Management PLC

Company Secretary

Edinburgh, 16 December 2011

Notes

1. Attending the Annual General Meeting in person

If you wish to attend the Annual General Meeting in person, you should arrive at the venue for the Annual General Meeting in good time to allow your attendance to be registered. It is advisable to have some form of identification with you as you may be asked to provide evidence of your identity prior to being admitted to the Annual General Meeting.

2. Appointment of proxies

Members are entitled to appoint one or more proxies to exercise all or any of their rights to attend, speak and vote at the Annual General Meeting. A proxy need not be a member of the Company but must attend the Annual General Meeting to represent a member. To be validly appointed, a proxy must be appointed using the procedures set out in these notes and in the notes to the accompanying Form of Proxy.

If a member wishes a proxy to speak on their behalf at the meeting, the member will need to appoint their own choice of proxy (not the Chairman of the Annual General Meeting) and give their instructions directly to them. Such an appointment can be made using the Form of Proxy accompanying this notice of Annual General Meeting or through CREST.

Members can only appoint more than one proxy where each proxy is appointed to exercise rights attached to different shares. Members cannot appoint more than one proxy to exercise the rights attached to the same share(s). If a member wishes to appoint more than one proxy, they should contact the Company's registrar Equiniti Limited (the "Registrar") at Aspect House, Spencer Road, Lancing, West Sussex BN99 6ZR.

A member may instruct their proxy to abstain from voting on a particular resolution to be considered at the meeting by marking the "Vote withheld" option in relation to that particular resolution when appointing their proxy. It should be noted that an abstention is not a vote in law and will not be counted in the calculation of the proportion of votes "For" or "Against" the resolution.

The appointment of a proxy will not prevent a member from attending the Annual General Meeting and voting in person if he or she wishes.

A person who is not a member of the Company but who has been nominated by a member to enjoy information rights does not have a right to appoint any proxies under the procedures set out in these notes and should read note 8 below.

3. Appointment of a proxy using a Form of Proxy

A Form of Proxy for use in connection with the Annual General Meeting is enclosed. To be valid any Form of Proxy or other instrument appointing a proxy, together with any power of attorney or other authority under which it is signed or a certified copy thereof, must be received by post or (during normal business hours only) by hand by the Registrar at Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6ZR at least 48 hours (excluding non-working days) before the time of the Annual General Meeting or any adjournment of that meeting.

If you do not have a Form of Proxy and believe that you should have one, or you require additional Forms of Proxy, please contact the Registrar at Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6ZR.

4. Appointment of a proxy through CREST

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual and by logging on to the following website: www.euroclear.com/CREST. CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Registrar (ID RA19) no later than 48 hours (excluding non-working days) before the time of the Annual General Meeting or any adjournment of that meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed (a) voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is

transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

5. Appointment of proxy by joint holders

In the case of joint holders, where more than one of the joint holders purports to appoint one or more proxies, only the purported appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first named being the most senior).

6. Corporate representatives

Any corporation which is a member can appoint one or more corporate representatives. Members can only appoint more than one corporate representative where each corporate representative is appointed to exercise rights attached to different shares. Members cannot appoint more than one corporate representative to exercise the rights attached to the same share(s).

7. Entitlement to attend and vote

To be entitled to attend and vote at the Annual General Meeting (and for the purpose of determining the votes they may cast), members must be registered in the Company's register of members at 6.00 p.m. on 31 January 2012 (or, if the Annual General Meeting is adjourned, at 6.00 p.m. on the day two days (excluding non-working days) prior to the adjourned meeting). Changes to the Company's register of members after the relevant deadline will be disregarded in determining the rights of any person to attend and vote at the Annual General Meeting.

8. Nominated persons

Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 (the "2006 Act") to enjoy information rights (a "Nominated Person") may, under an agreement between him or her and the member by whom he or she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he or she may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights.

9. Website giving information regarding the Annual General Meeting

Information regarding the Annual General Meeting, including information required by section 311A of the 2006 Act, and a copy of this notice of Annual General Meeting is available from www.slcapital.com/products.

10. Audit concerns

Members should note that it is possible that, pursuant to requests made by members of the Company under section 527 of the 2006 Act, the Company may be required to publish on a website a statement setting out any matter relating to: (a) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (b) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the 2006 Act. The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the 2006 Act. Where the Company is required to place a statement on a website under section 527 of the 2006 Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the 2006 Act to publish on a website.

11. Voting rights

As at 14 December 2011 (being the latest practicable date prior to the publication of this notice) the Company's issued share capital consisted of 161,496,597 ordinary shares of 0.2p each, 16,242,002 founder A shares of 0.2p each and 17,500,000 founder B shares of 0.2p each. The Company held no shares in treasury. Only holders of ordinary shares are entitled to attend and vote at the Annual General Meeting. Each ordinary share carries one vote. Therefore, the total voting rights in the Company as at 14 December 2011 were 161,496,597 votes.

12. Notification of shareholdings

Any person holding 3 per cent. or more of the total voting rights of the Company who appoints a person other than the Chairman of the Annual General Meeting as his proxy will need to ensure that both he, and his proxy, comply with their respective disclosure obligations under the UK Disclosure Rules and Transparency Rules.

13. Further questions and communication

Under section 319A of the 2006 Act, the Company must cause to be answered any question relating to the business being dealt with at the Annual General Meeting put by a member attending the meeting unless answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, or the answer has already been given on a website in the form of an answer to a question, or it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Members may not use any electronic address provided in this notice or in any related documents (including the accompanying document, Form of Proxy or Form of Election) to communicate with the Company for any purpose other than those expressly stated.

14. Documents available for inspection

The following documents will be available for inspection at the registered office of the Company and at the offices of Dickson Minto W.S. at Broadgate Tower, 20 Primrose Street, London EC2A 2EW during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this notice until the conclusion of the Annual General Meeting and on the date of the Annual General Meeting at The Balmoral Hotel, 1 Princes Street, Edinburgh from 12.15 p.m. until the conclusion of the Annual General Meeting:

- 14.1 this document;
- 14.2 the amended and restated investment management agreement;
- 14.3 the Company's Memorandum of Association and Articles of Association;
- 14.4 the audited report and accounts of the Company for the financial years ended 30 September 2009, 30 September 2010 and 30 September 2011;
- 14.5 the letter of consent referred to in paragraph 4.1 of Appendix III of this document; and
- 14.6 copies of the letters of appointment of the Company's non-executive directors.

