

Nomination Committee report

Committee focus during 2018

I am pleased to present the Nomination Committee's report for the year ended 31 December 2018.

During the year, the Committee reviewed and refreshed the Non-Executive Director succession process and reviewed the succession and talent development framework for senior executives.

On 9 October 2018, the Group Chief Executive Officer (Group CEO) Mark Wilson stepped down from the Board and during the remainder of the year, the Committee was focused on overseeing the selection process for the new Group CEO.

Committee membership

The members of the Committee are shown in the table below. Details of their experience and qualifications are shown in the Directors' biographies, and their attendance at Committee meetings during the year is shown within the Directors' and Corporate Governance report. There were no changes to the composition of the Committee during 2018.

In January 2019, we announced that Michael Hawker would retire from the Board as a Non-Executive Director and as Chairman of the Risk Committee and as a member of the Audit and Nomination Committees with effect from 31 March 2019. The appointment of the new Risk Committee Chair is well advanced and will be announced following completion of the relevant regulatory approval process.

Name	Member Since	Years on the Committee
Sir Adrian Montague ¹	06/03/2013	6
Claudia Arney	08/02/2016	3
Glyn Barker	01/07/2012	6
Patricia Cross	01/12/2013	5
Belén Romana García	26/06/2015	3
Michael Hawker ²	01/07/2012	6
Michael Mire	12/09/2013	5
Keith Williams	01/08/2016	2

¹ Chair

² Michael Hawker will retire from the Nomination Committee with effect from 31 March 2019.

Committee Purpose

The main purpose of the Committee is to monitor and maintain an appropriate balance of skills, knowledge, experience and diversity amongst the Directors. To assist in identifying and nominating candidates for the Board, the Committee oversees succession planning for the Executive and Non-Executive Directors and Senior Management. The Nomination Committee also has responsibility for the oversight of talent development throughout the Group.

Independence

During 2018, the Committee reviewed the balance of skills, experience and independence of the Board. For Non-Executive Directors, independence in thought and judgement is vital to facilitating constructive and challenging debate in the boardroom, and is essential to the operational effectiveness of the Board and Committees of Aviva.

The Committee determines a Non-Executive Director's independence by evaluating their character and judgement, in line with the 2016 UK Corporate Governance Code.

The Committee conducted a rigorous review of Glyn Barker, who has served on the Board for more than six years, and concluded that he remains independent. Glyn has a deep understanding of accounting and regulatory issues and extensive experience as a business leader and continues to provide independent oversight and challenge in the boardroom.

The Committee also reviews the appointment of Executive Directors to external positions. During the year Mark Wilson, at the time Group CEO, was invited to become a Non-Executive Director of BlackRock Inc. Aviva's policy is to permit Executive Directors to hold one external Non-Executive role, provided there are no conflicts with the interests of Aviva, and to retain any fees from such appointments. The Committee considered the time commitment required by the BlackRock role and any potential conflicts of interest that might be created. Following a review of the proposed role and a discussion of the potential conflicts, the Committee authorised Mark's acceptance of the BlackRock Non-Executive Director role, subject to certain safeguards being put in place around potential conflicts of interest. These included the Group CEO recusing himself from any meetings that were held with BlackRock as a shareholder in the Company, with the Chairman and CFO assuming this responsibility. In addition the day-to-day management of Aviva Investors, the Group's asset management business, was carried out directly by the management and Board of Aviva Investors.

Board and executive succession planning

In July 2018, the Financial Reporting Council introduced the revised UK Corporate Governance Code (the 2018 Code). The new Code places greater emphasis on succession planning and, in preparation for the 2018 Code, the Committee has built on its existing processes to enhance its focus in this area. To support effective future succession and appointments, the Committee will continue to engage with external stakeholders (including shareholders and regulators) when appropriate.

CEO Appointment

Maurice Tulloch was appointed as Group CEO on 4 March 2019 and was selected following an extensive search that produced a shortlist of exceptional candidates. The Committee appointed Spencer Stuart to support the search and interviewed a number of excellent internal and external candidates for the position in a thorough and highly competitive process. The Committee ensured that there was a diverse selection of candidates and that all the candidates aligned with the culture and value set of the Company. This process led to a unanimous conclusion with the Committee recommending the appointment of Maurice Tulloch as Group CEO.

Directors' and Corporate Governance report > [Continued](#)

Talent Management

The Committee also maintains close involvement in the managing and strengthening of the talent pipeline across the Group. During the year the Committee reviewed the Group talent development framework and discussed executive succession, senior leadership capability, and the Group's leadership development programmes. The framework also aims to improve diversity in our talent pipeline: for example, through our 'Women in Leadership' programme, we target development of future female leaders. Members of the Committee have also been involved in various initiatives including an ongoing programme of 'Talent Breakfasts' where high potential employees meet the Board.

Diversity

We believe at Aviva that a diverse board better understands its customer base and its business. The Board is committed to having a diverse and inclusive leadership team which provides a range of perspectives, insights and the challenge needed to support good decision making. Diversity at Aviva is not limited to gender; but is inclusive of all strands of diversity including skills and experience, geographical expertise, ethnicity, disability, and sexual orientation. The Board is supportive of the recommendations set out in the Parker Review and we aim to increase the ethnic diversity of the Board by 2021, as well as monitoring ethnic diversity in our leadership pipeline. As a global business Aviva recognises the importance of reflecting the diversity of the customers we serve in the composition of our Board and the senior management of the markets we operate in.

At the date of the report the representation of women on the Board was 27%. As part of our goal for diversity, we actively support women advancing into senior roles, with the Chairman an active member of the 30% Club. We are a charter signatory of HM Treasury's Women in Finance Charter, which commits financial services companies to a range of measures to improve gender diversity amongst senior management. During 2018, Aviva sponsored 'The Female FTSE Board Report 2018' produced by Cranfield University, examining changes in women's representation on Boards and measures that could be used to accelerate progress.

In May 2017, the Board adopted a Diversity and Inclusion statement which supports the Committee in its approach to succession planning. This Diversity and Inclusion statement, which is in line with the overall Group Diversity and Inclusion strategy, is available on the Company's website at www.aviva.com/corporate-governance.

Board effectiveness review

The Committee undertakes a review of its effectiveness annually. More information can be found in the Directors' and Corporate Governance report.

2019 priorities

In 2019 the Committee will continue to focus on succession planning both for the Board and at senior management level, and will continue to develop a strong talent pipeline and associated leadership programmes.

Sir Adrian Montague

Chair of the Nomination Committee
6 March 2019

Committee activities during 2018

Evaluation and annual assessment

- Assessed the Non-Executive Directors' independence
- Considered and recommended to the Board the election/re-election of each continuing director ahead of their election/re-election by shareholders at the Company's 2018 AGM
- Reviewed and made recommendations to the Board in respect of each Directors actual, potential or perceived conflicts of interests

Board composition and diversity

- Led the search process for the new Group CEO
- Reviewed the composition of the Board and its committees and whether the Board required additional skills and experience which would complement those of the existing members and the Company's risk profile and strategy
- Considered specific steps to be taken in relation to diversity in Board and executive succession planning

Succession planning

- Continued to focus on succession planning arrangements at both Board and executive level, against a specification for the role and capabilities required for the position and the composition of the Board
- Considered plans for succession for each Group Executive member, including talent development below Group Executive level
- Recommended the new succession planning framework to the Board for approval

Talent pipeline

- Reviewed the career and development plans for the Group Executive to ensure that there is an adequate talent pool of potential executive directors
- Provided oversight of talent development throughout the Group and ensured there is a sufficient and diverse pipeline of talent available to execute the Company's current and future strategy