

Aviva plc (“the Company”)
Terms of Reference of the Board Risk Committee (“the Committee”)

<p>1. Chair</p>	<p>Recommended by the Board Nomination and Governance Committee and approved by the Board.</p> <p>In the absence of the Committee Chair, the Committee members shall elect one of the Committee members present to chair the meeting.</p> <p>The Committee Chair should attend the AGM to answer shareholder questions on the Committee’s activities and responsibilities.</p>
<p>2. Members</p>	<p>Recommended by the Board Nomination and Governance Committee and approved by the Board (in consultation with the Committee Chair).</p> <p>The Committee shall comprise of a minimum of three members and all members shall be Independent Non-Executive Directors of the Company (INEDS).</p> <p>At least one member shall be a member of the Board Audit Committee.</p> <p>The Chairman of the Board may not be a member of the Committee.</p> <p>Appointments shall be for a period of up to three years, which may be extended by no more than two additional periods of up to three years, provided the director still meets the criteria for membership of the Committee.</p>
<p>3. In attendance</p>	<p>Only Committee members and other INEDs have the right to attend.</p> <p>Standing invitations:</p> <ul style="list-style-type: none"> - Group Chief Executive Officer (CEO) - Chief Financial Officer (CFO) - Chief Risk Officer (CRO) - Chief Audit Officer (CAO) - Group General Counsel and Company Secretary - Senior representative of the external auditor <p>Members of Management and any advisers appointed by the Committee may attend any meeting of the Committee by invitation.</p>
<p>4. Secretary</p>	<p>Group Company Secretary or a nominee.</p>
<p>5. Quorum</p>	<p>Two members.</p>
<p>6. Meeting Frequency and Format</p>	<p>There shall be a minimum of four Committee meetings a year, and at other times as required (at the request of the Committee Chair, two Committee members, the Board Chair, CEO, CFO, CRO, CAO, or the External Auditor).</p> <p>At least once a year, the Committee shall meet separately with each of the CRO, the CAO and the External Auditor without members of Management present.</p> <p>Members may attend a Committee meeting in person, via video or telephone. If required, matters may be approved by written resolution and approved electronically.</p> <p>Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items and supporting papers to be discussed, shall be forwarded to each Committee member, and any other person required to attend, no later than five working days before the meeting.</p>

	The Secretary shall ensure that a formal record of Committee proceedings and resolutions is maintained, and the minutes once approved by the Chair, shall be circulated to all Committee members and the Board.
7. Conflict of Interest	Each member of the Committee should consider whether they have any conflicts of interest prior to participating in meetings of the Committee and making decisions regarding the business of the Company.
8. Main Responsibilities	The Committee shall assist the Board in its oversight of risk by undertaking the following: <ul style="list-style-type: none"> a) assess the effectiveness of the Group's risk management framework; b) assess the Group's risk strategy; c) assess the Group's risk appetite and risk profile in relation to capital, liquidity, operational risk and franchise value; d) assess the methodology used in determining the Group's capital requirements and stress testing; e) assess the adequacy and effectiveness of the Group's system of non-financial internal controls and risk management; f) ensure due diligence appraisals are carried out on strategic or significant transactions; g) monitor the Group's cyber strategy; h) monitor prudential regulatory requirements across the Group.
8.1	<i>With the Board Customer, Conduct and Reputation Committee:</i> <ul style="list-style-type: none"> a) assess the Group's exposure to managing financial risks from Climate Change and Management actions to mitigate these risks.
8.2	<i>With the Board Remuneration Committee:</i> <ul style="list-style-type: none"> a) ensure that risk management is properly considered in setting remuneration policy; b) in respect of the award of and vesting of any long-term incentives and deferred awards, the application of any performance or other adjustments, and malus and/or clawback (including cash awards); and c) promote a risk awareness culture for the Group.
9. Detailed Responsibilities	<i>Risk Management Framework</i> <ul style="list-style-type: none"> a) assess the design, completeness and effectiveness of the risk management framework relative to the Group's activities including those that would threaten its business model, future performance, solvency or liquidity; b) assess the effectiveness of risk reporting (including timeliness and risk events); c) assess and <i>recommend to the Board</i> for APPROVAL the Group risk policies and any material changes to them; d) assess and <i>recommend to the Board</i> for APPROVAL any relevant Group business standards which require Board ownership; and e) assess and monitor compliance with, and Management's actions to remedy any risk policy or business standard breaches.
9.1.1	<i>Risk strategy</i> <ul style="list-style-type: none"> a) assess and monitor the Group's future risk strategy and risk appetite including in relation to capital, liquidity and operational risk, save where such risk is the primary responsibility of another Board Committee; and b) assess the appropriateness of the Group's investment risk strategy including asset liability matching.
9.1.2	<i>Risk appetite</i> <ul style="list-style-type: none"> a) <i>make recommendations on risk appetite to the Board.</i> b) assess the adequacy of the Group's economic and regulatory capital and liquidity against its risk appetite;

	<ul style="list-style-type: none"> c) examine the scenarios (including economic and other future risk outlooks over the business planning horizon) and stress tests which the Group uses to assess the adequacy of its economic and regulatory capital and liquidity and challenge the outcomes of these tests and any proposed actions in light of these outcomes; d) monitor the Group's medium-term capital management plan and <i>recommend to the Board</i> for APPROVAL; and e) satisfy itself that risk-based information (including own risk and solvency requirements, returns on economic capital, capital and liquidity reports, stress testing and contingency planning) is being used effectively by Management and the Board, for instance for capital allocation and product pricing.
<p>9.1.3</p>	<p><i>Financial Risk</i></p> <ul style="list-style-type: none"> a) assess the methodology and assumptions used in the Group's model for determining its economic and regulatory capital requirements; b) assess the adequacy of the Group's processes and the effectiveness of controls over the determination of its economic and regulatory capital; c) satisfy itself that the Group's models are fit for purpose; d) satisfy itself that the assumptions and calibrations used, and the potential impact of un-modelled and un-quantifiable risks have been taken into consideration in determining economic and, where appropriate, regulatory capital; e) satisfy itself that risks to the business plan and the capital implications are adequately identified and assessed as part of the business planning process through stress-testing and scenario analysis; f) satisfy itself that appropriate mitigants, management actions and contingency plans are in place in relation to risks to the business plan, or arising as a result of the business plan; g) assess and APPROVE the Group's credit limit framework; h) assess and APPROVE individual counterparty exposures above the Group Shareholder exposure limit; and i) and <i>in conjunction with Board Customer, Conduct and Reputation Committee</i>, ensure the impact of material conduct and reputation risks and events on the Group's capital and liquidity position are considered.
<p>9.1.4</p>	<p><i>Operational risk</i></p> <ul style="list-style-type: none"> a) set the risk framework and risk appetite for all operational risks and monitor the Group's risk profile against them and provide oversight of the Group's Operational Risk and Control Management (ORCM) framework; b) oversight of the Group's exposure to conduct risk including financial conduct, financial crime, reputation, data governance, data privacy, and legal matters, <i>shall be considered by the Customer, Conduct and Reputation Committee</i> within the risk appetite and risk framework set by the Risk Committee; c) oversight of the Group's exposure to financial reporting risk <i>shall be considered by the Audit Committee</i>; and d) the Group's exposure to all other aspects of operational risk shall be monitored by the Risk Committee.
<p>9.1.5</p>	<p><i>Control Environment</i></p> <ul style="list-style-type: none"> a) analyse the adequacy and effectiveness of the Group's system of internal controls and risk management (<i>excluding financial reporting controls which will be considered by the Audit Committee</i>); b) assess any significant issues or weaknesses identified in the systems of internal control, and the actions taken by Management to remediate; c) receive regular reports on the results of the Internal Audit Function's work and assess and monitor Management's responsiveness to its findings and recommendations; and d) review any other topics, as referred to it by the Board

9.1.6	<p><i>Appraisal of risk in significant transactions</i></p> <p>a) ensure that a due diligence appraisal of strategic or significant transactions is undertaken before being proposed to the Board for their decision on whether to proceed, with the appraisal focussing on the implications on the capital and liquidity risk appetite and tolerance of the Group and the current and future capital requirements of the transaction.</p>
9.1.7	<p>Cyber</p> <p>a) assess the Group's cyber strategy and resilience arrangements including the Cyber Resilience Framework; and</p> <p>b) evaluate the effectiveness of cyber risk and disaster recovery controls.</p>
9.1.8	<p><i>Regulation</i></p> <p>b) assess relationships with the prudential regulatory authorities in the UK and, where appropriate, other jurisdictions where the Group has a significant presence;</p> <p>c) assess developments and prospective changes in the prudential regulatory environment;</p> <p>d) assess the Group's plans to help influence future prudential regulatory policies;</p> <p>e) assess and <i>recommend to the Board</i> for APPROVAL any material regulatory filings including the methodology for the Own Risk Solvency Assessment;</p> <p>f) assess significant breaches, or prudential breaches, of prudential regulation; and</p> <p>g) assess the steps taken to ensure that the underlying root causes of any regulatory control failures are being addressed.</p>
9.1.9	<p><i>Climate Change</i></p> <p><i>With the Customer, Conduct and Reputation Committee:</i></p> <p>a) assess and <i>recommend to the Board</i> for APPROVAL, the Group's exposure in managing financial risks from climate change; and</p> <p>b) assess and APPROVE, the Group's Environment and Climate Change Business Standard and ensure alignment with the Group's strategy</p>
9.1.10	<p><i>Remuneration</i></p> <p><i>With the Remuneration Committee:</i></p> <p>a) ensure risk management is properly considered in setting the overall Group remuneration policy and the remuneration of the executive directors and other senior executives;</p> <p>b) provide advice in respect of the award and the vesting of any long-term incentives and deferred awards, the application of any performance or other adjustments and malus and/or clawback (including cash awards); and,</p> <p>c) promote a risk awareness culture within the Group, including setting the Group-wide risk objective for the year.</p>
9.1.11	<p><i>CRO and the Risk Function</i></p> <p>a) <i>recommend to the Board</i> the appointment or dismissal of the CRO;</p> <p>b) work with the CEO to set the objectives of the CRO and the evaluation of his/her level of achievement and, set his/her remuneration; and</p> <p>c) assess the adequacy and quality of the Group's Compliance and Risk functions</p>
9.1.12	<p><i>Subsidiary Risk Committees</i></p> <p>a) receive and review the standard template terms of reference for the risk committees of the Group's principal subsidiaries and any material deviations from it;</p>

	<ul style="list-style-type: none"> b) receive and review a summary of material issues transacted at subsidiary risk committees, and receive and review reports on any other material matters referred by the Chairs of subsidiary risk committees; and c) following approval by the CEO and Committee Chair, note the appointment of members of Business Unit risk committees.
<p>10. Reporting Procedures</p>	<ul style="list-style-type: none"> a) the Committee Chair shall report to the Board as soon as practicable on matters reviewed, making recommendations when requested or when appropriate; b) Committee members shall undertake a review of the Committee's performance and the Terms of Reference annually, <i>making recommendations to the Board for APPROVAL as necessary</i>; c) the Committee shall produce an annual report of its duties and activities for inclusion in the Company's Annual Report and Accounts and <i>recommend this to the Board for APPROVAL</i>; d) the Group Operational Risk Committee and Group Asset and Liability Committee shall both report into the Committee and submit reports on a regular basis; e) reports to the Committee shall be submitted on a regular basis by the CRO and Chief Capital Officer concerning capital and liquidity, risk and other relevant issues within their respective remits; and f) the CRO has an additional direct reporting line to the Chair on matters within the Committee's remit.