

## **Aviva - Annual General Meeting - 4th May 2016**

### **Adrian Montague, Chairman**

Good morning ladies and gentlemen, the time is now eleven o'clock. My name is Adrian Montague, and I would like to welcome you to Aviva's 2016 Annual General Meeting. This is my first as your Chairman following the retirement of John McFarlane last year at the AGM. And I think I should start just by taking the opportunity to thank John for his enormous contribution to the company's turnaround during his time on the Board.

I should like also to thank you all, our shareholders - for your continuing interest in the Group and for your support for all that we do. It's very nice to see so many of you here this morning. I hope you will have been able to meet with Mark Wilson, our Group Chief Executive Officer, and the rest of the senior management team before you came into the auditorium. If not there will be another opportunity to meet our management and directors again immediately after the meeting.

I would also to start by talking a little bit about our staff, to take the opportunity to thank them. We have 30,000 staff in 16 markets around the world. They live the values we have adopted - care more, kill complexity, never rest and create legacy. In practical terms, this means offering each and every customer a personal, professional and caring standard of service. I'd like to say that we don't make mistakes, but of course sometimes we do. But in a world where financial institutions seem always to be denying responsibility, by contrast we want our staff to stand out by willingly accepting responsibility for the outcomes that customers want and deserve.

Now it's a measure of our people that they care more, that they care more not just for our customers, but also for the communities in which we all live and work. As we tried to give you a flavour in the video you've just seen, we have a wide range of activities in support of charities.

In 2015 we launched a 3 year disaster response and resilience partnership with the Red Cross, and The Aviva Community Fund continued to make a difference to the inspirational causes that are important to our people, to our customers and to all our stakeholders. The Fund was launched in Canada in 2008 and is now active in six of our markets around the world. In 2015, we supported 430 projects in the UK alone, everything from helping to kit out a scout hall in Epping to a scheme that helps elderly people continue to enjoy the companionship of their pets up in Halifax.

Overseas, too, we've been investing in projects that change people's lives. In China we have a programme called Twinkling Stars and this supports children in rural villages whose parents have moved to the cities in search of work and left their children behind. In Indonesia we help street children because they need to obtain birth certificates in order to access state provided healthcare and education and we pay for the birth certificates. In Singapore Project Yellow provides a focus for the volunteering efforts of staff who restore the homes of deprived families. And then nearer to home, in Italy we have a programme called La Donna, which aims to encourage women to enter the workplace.

So this year we have invited three of our charities from the UK Community Fund to host a stand in the Pickwick Suite, upstairs where you can speak to one of their representatives. You should all have received a gift bag, which are available in the

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exhibition area if you don't have one. The gift bags contain a coin - I'm afraid it's an artificial coin, which you can use to vote for a winning charity who will receive a £5,000 donation from Aviva. You cast your vote by placing the coin in your chosen charity's box, a bit like the scheme they run in Waitrose.

The three charities presenting today are: Epilepsy Sucks which is a charity that funds anti-suffocation pillows and supports people with epilepsy in the UK; Purple Patch Arts, which is a not for profit social enterprise to improve the lives and life chances of people with a learning disability and now this one is a bit of a problem, because I believe there is no received pronunciation for it, it's either Yopey, "You Pay" - or it's easier to say, Young People of the Year, a campaign to establish positive role models for young people by identifying, recognising and rewarding young unsung heroes in the media.

Now nominations for the 2016 Community Fund round will open in September - and I do encourage you to put forward and vote for the projects which are most dear to you. Bringing together individual and company donations, volunteering by our people and our partners, and inspirational projects like these - then we really do create a legacy for this country and the other countries around the world where we do business. Ladies and Gentlemen, these Community Funds are a wonderful Aviva tradition, and I wanted just to say how proud I am of the staff for all their efforts that make such a difference to our communities.

*Applause*

Thank you very much, that will mean a lot to them.

So now let's turn to today's business. The AGM is the most important meeting in the company's calendar: it provides the opportunity for you all to meet and elect your directors, to reflect on the company's performance in the past year, and to discuss our strategy going forward. Throughout the year you have let us have your comments and your feedback which has helped us shape today's agenda, and today is a further opportunity for us to listen to your observations and to respond to your questions.

Now with that in mind let me start by setting the agenda for today's meeting. I will shortly introduce the members of your Board, and you will note there have been a number of changes since we met a year ago. I will then comment briefly on the performance of the Group during 2015. This will be followed by a more comprehensive presentation from Mark Wilson, which will also be available on the company's website after the meeting. Then there'll be an opportunity for you to ask questions on the business of the meeting, and some of you will have registered question earlier this morning. And then finally we will move into the formal part of the meeting when I will ask you to vote on the resolutions set out in the Notice of Meeting.

First, then, my fellow directors. We have built a very strong board, and I am delighted to welcome Sir Malcolm Williamson, Andy Briggs, Belén Romana García and Claudia Arney, all of whom have been appointed to the Board since last year's AGM.

So let me now introduce the members of the Board to you: First of all, starting on your left is Michael Mire, who joined the Board as a non-executive director in September

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2013. He is a member of the Governance, Nomination, Remuneration and Risk Committees.

To Michael's left is Belén Romana García, non-executive director who was appointed to the Board in June 2015. Belén is a member of the Governance, Nomination and Risk Committees and brings to the Board significant experience of the financial services industry, including a broad knowledge of the regulatory scene in Europe.

Next is Michael Hawker, non-executive director, Chairman of the Risk Committee and a member of the Audit and Nomination Committees. Mike has been a member of the Board since 2010.

To Mike's left is Andy Briggs, Chief Executive of Aviva UK Life and Chairman of Global Life, who was previously the Chief Executive of Friends Life. I am very pleased that Andy has joined the Board and welcome him to the Board. He has more than 25 years of operational experience and executive experience across life assurance and general insurance, both in the UK and overseas.

Next we have Tom Stoddard, our Chief Financial Officer, who was appointed to the Board in April 2014.

Immediately to my right is Mark Wilson, who needs no introduction but here we go, he is our Group Chief Executive Officer. He became Group CEO in January 2013.

To my left is Kirsty Cooper, the Group General Counsel and Company Secretary.

To Kirsty's left is Sir Malcolm Williamson, senior independent non-executive director, who joined the Board in April 2015 and was previously the Chairman of Friends Life. Malcolm is a member of the Audit, Governance, Nomination and Remuneration Committees. He brings to the Board more years of leadership experience in the insurance and banking than either of us care to admit in public, and he's got very extensive knowledge of the UK life insurance market. And of course because he was Chairman of Friends Life, he knows that company very well and that's provided vital continuity during the integration of that business.

Then we have Patricia Cross, non-executive director, Chairman of the Remuneration Committee and a member of the Audit and Nomination Committees. Patricia was appointed to the Board in December 2013.

Next is Glyn Barker, non-executive director who was appointed to the Board in February 2012 and who is Chairman of the Audit Committee. Glyn is also a member of the Nomination and Risk Committees.

Then we have Scott Whewey, non-executive director who was appointed to the Board in December 2007. And belying his looks, he is therefore the longest serving member of our Board. He is Chairman of the Governance Committee and a member of the Risk and Nomination Committees.

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On Scott's left is Claudia Arney, non-executive director who joined the board in February 2016. Claudia is a member of the Nomination committee and has a wide range of experience as both an executive and a non-executive director across a number of sectors including financial services, digital businesses and government.

And then finally, we have Bob Stein, non-executive director who joined the Board in January 2013. Bob is a member of the Audit, Nomination, Remuneration and Risk Committees.

Now, before I move on, this will be Scott Wheway's last AGM as he will be retiring from the Board in December this year, at which point he will have served just over nine years. Scott's wealth of business experience, retail knowledge and understanding of customer priorities have been of great value to the Board and, on behalf of the Board, I would like to thank him for his contribution in the years he has been with us. I'd also like to add a personal thank you to Scott, who always manages to mix robust challenge with a dose of humour. So thank you very much Scott.

*Applause*

Before I introduce Mark, I would just like to make a few remarks about the Group's performance over the last year. I would characterise 2015 as a milestone year for Aviva - a year when we moved to a new phase - from turnaround to transition.

Your Board is delighted with the progress that Aviva has made under Mark's strong leadership and we have every confidence in the calibre of the senior team he has assembled - and I am sure you'd wish me to thank Mark and his team for their contribution.

*Applause*

We have - at Aviva we have a clear purpose and a clear strategy, we have strong values and a growing momentum in delivering for our customers and for our shareholders.

Our performance in 2015 shows the strength of that momentum, against a backdrop of volatile markets, huge regulatory change, major reforms to pensions here in the UK - as well as devastating floods, we have performed well, not least by continuing to grow the business, while at the same time undertaking the integration of Friends Life. That integration is itself a major undertaking, which is delivering everything we said it would, and ahead of schedule.

As a result of such a strong year, your Board is proposing a final dividend of 14.05 pence per share, taking the full year dividend to 20.8 pence per share. This represents a 15% increase and reflects the Board's progressive dividend policy and our continuing confidence in the Group's medium-term financial position.

But, as I am sure we will hear Mark say in a few moments, there is still a lot more to come from Aviva - not least in meeting our - and our customers' digital ambitions. We live in a digital world - and digital is also how we will make the most of our competitive

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advantages as a true customer composite, able to offer customers a full range of insurance and asset management products.

So Aviva has a lot more in the tank - and I'd like to invite Mark to go through our performance in a little more detail and outline our plans for future growth. Thank you very much.

Ladies and gentlemen, it is now my pleasure to hand over to Mark Wilson - Mark.

*Applause*

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***Presentation - Mark Wilson, Group Chief Executive Officer***

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Thank you very much Mark. So ladies and gentlemen, now it's over to you. I would like to give shareholders the opportunity now to ask questions. To assist the proceedings, shareholders wishing to ask a question were requested to register at the Question Registration Desk before entering the auditorium and I am aware that many shareholders have already done that.

For those of you who have not had been able to register their question, there is still an opportunity to do this at the Question Registration Desk situated on the side of the auditorium, to your right. Please raise your hand now if you want to register your question and a marshal will come to assist you. There's one questioner just down here.

As it is a shareholder meeting I will not take comments or questions relating to personal shareholdings or to investments in our funds, to policyholder concerns, or other customer matters that are unrelated to the business of the meeting. Instead I'd ask you please to contact the shareholder and policyholder enquiry desks, which are located in the Exhibition Area outside the auditorium in the Pickwick Suite upstairs. These desks will remain open after the meeting and in addition, I and my fellow directors will join you after the meeting when you are having refreshments and you will have the opportunity to speak with the directors and other senior managers then.

Now as this is my first AGM as Chairman, perhaps I can take a minute or two to explain how I would like to handle the question session. I have a rule that's served me well over the years, it's - three strikes and you're out. It's my way of discouraging any one shareholder from asking a string of questions - one is ideal, two at a pinch, three is pushing it, any more than that is just a bit too much, and it's only polite to leave time for other shareholders. And, for the same reason, I'd encourage you to be reasonably concise in your questions - in my experience, three minutes is more than enough even for the most determined interlocutor.

So, I propose to take all questions relating to the business of the meeting in one single session, including any questions on the AGM resolutions themselves.

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The Notice of AGM, which sets out the formal resolutions to be put to shareholders today, was made available to shareholders either by post or on the Aviva website on 31st March this year. You will also find a copy of the resolutions in your Shareholder Guide and also a white poll card which you were given at the registration area.

When you come to the microphone, please could you clearly state your name and whether you are a shareholder, so that we can maintain a complete record. And if you are attending on behalf of someone else, please could you state the name of the shareholder you represent. Thank you very much everyone.

Please could I take the first question now from Question Point A?

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### ***Questions and Answers***

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### ***Formal Business of the Meeting***

#### **Adrian Montague, Chairman**

Well, let's now move on from questions then to the formal part of today's agenda.

The Notice of Meeting, which we either sent or was made available to shareholders in late March includes an explanation for each of the resolutions being proposed today. I hope that you have had full opportunity to consider the resolutions and how you wish to cast your vote in respect of each of them. With your permission, I will take the Notice of Meeting as read.

I would like to draw your attention however to a number of specific items of business: Firstly, in Resolution 1 the Directors are proposing to receive and consider the Annual Report for the financial year ending 31st December 2015.

Secondly Resolution 2 is proposed to approve the Directors' Remuneration Report, contained within the Annual Report. This resolution is advisory only and is a means for shareholders to provide feedback to the Board. The directors' remuneration policy was approved by shareholders at last year's AGM and therefore is not being presented to the shareholders for approval today.

In relation to Resolution 3, the Directors are recommending a final dividend for the year ended 31st December 2015 of 14.05 pence per share, as was set out in the Annual Report and Accounts. The dividend is payable on 17th May to ordinary shareholders whose names were on the Register of Members at the close of business on 8th April 2016.

I know shareholders have raised concerns in the past about the company seeking authority in relation to political donations, and that's dealt with in Resolution 19. Again, as in past years I would like to be clear that it is not the company's policy to make political donations or incur political expenditure, and it has no intention of doing so. The purpose of resolution 19 is therefore to ensure that the company does not take any

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action which might inadvertently breach the Act. However, the company will not make political donations within the normal meaning of that expression.

I would also like to draw your attention to Resolutions 21 to 25 and also 27 which are all proposed as special resolutions. Resolution 21 relates to the revised statement of principles for the disapplication of pre-emption rights and seeks authority in line with the new guidelines to give the Board maximum flexibility in order to raise capital. However, the directors have no present intention of exercising this authority.

In regard to Resolutions 26 and 27, shareholders will recall that in 2015 we requested shareholder approval for the company to issue Solvency II Tier 1 instruments to support the future capital management of the company, should it be necessary. This authority expires at the end of this AGM and the Board is seeking revised authority to allow the company to continue to have this flexibility. The Board believes that it is prudent to have these authorities in place, although there is no present intention of exercising them.

Now, in respect of the resolutions to be put to the meeting, as noted in the Notice of Meeting, and in line with best practice, I am exercising the authority contained in the company's Articles of Association to call for a poll to be taken on each of the resolutions.

Any shareholder, proxy or corporate representative who is entitled to vote will have been given a white poll card when you registered. We have again included a - Vote Withheld - option on the poll cards for those shareholders who wish to abstain from voting on a particular resolution. However, I must remind you that a - Vote Withheld - is not a vote in law and will not therefore be counted in the calculation of the votes - For or Against the relevant resolution.

If you have already submitted your votes prior to the meeting by proxy and do not wish to change the way you have voted, you do not need to complete a poll card.

If there is anyone present who is entitled to vote but who does not have a white poll card, please raise your hand and a marshal will pass you a card. So does everybody who is entitled to and wishes to vote have a white poll card? Looks like it.

As I've said, I do not intend to read aloud each resolution, but I do now propose formally that each resolution set out in the Notice of Meeting and listed on the poll card other than Resolution 12 which relates to my own re-election, should be put to the meeting as a separate resolution and that Resolutions 21 to 25 inclusive and Resolution 27 be put to the meeting as special resolutions.

Now, as Resolution 12 concerns my own re-election as a Director, Sir Malcolm Williamson, the Senior Independent Non-Executive Director, will formally propose that resolution. I now ask Malcolm to do that.

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**Sir Malcolm Williamson, Senior Independent Non-Executive Director, formally proposes resolution 12**

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Thank you Malcolm. Please therefore would you now complete the white poll cards to register the way in which you wish to cast your votes on each separate resolution by putting a cross in one of the boxes marked For, Against or Vote Withheld. Please ensure that you have filled in your full name and address, or the full name and address of the shareholder you represent if you are attending as a proxy or as a corporate representative.

Once completed and signed, the poll card should be placed in one of the black ballot boxes marked Poll Cards immediately outside the auditorium as you leave.

Those shareholders who cannot attend today have been voting on the resolutions and the indicative results of those votes will be shown on the screen behind me shortly. The final results of the voting will be announced to the London Stock Exchange and posted on the company's website as soon as possible.

I would now be very pleased if you would join me and your other directors in the exhibition area in the Pickwick Suite upstairs, where refreshments will be served. Again this year, you will find within your gift bag an application form for a complementary pair of tickets to the Premiership Rugby London Double Header to be held at Twickenham later this year for use by you, your family or friends.

Ladies and gentlemen, that concludes today's meeting. I would like to thank you all very much for attending and would remind you to place the poll cards in the ballot box as you leave. Thank you so much for coming. Thank you.

Applause

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