

# Aviva plc

## Matters Reserved for the Board

### A - Overview

Certain matters are expressly reserved for the approval of the Board (the **Board**) of Aviva plc (the **Company**), as set out below (the **Matters Reserved to the Board**). The Board delegates responsibility for certain other matters to one or more Committees of the Board or the Group Chief Executive Officer (**Group CEO**), as it sees fit.

Some decisions relating to the Matters Reserved to the Board which are time-critical and cannot wait until the next scheduled Board meeting may be taken by the Delegated Matters Committee.

### B - Role of the Board

Alongside these Matters Reserved for the Board, the Board is collectively responsible for:

- promoting the long-term sustainable success of the Company and its subsidiaries (the **Group**), generating value for its shareholders whilst having regard to other stakeholders, including customers, suppliers and colleagues, as well as the impact of its operations on the communities within which it operates and the environment;
- establishing, monitoring and upholding the purpose, culture, values, standards, ethics, brand and reputation of the Company;
- setting the Group's strategy and ensuring that it has the appropriate financial and human resources to meet those objectives; and
- ensuring succession plans are in place for both the Board and senior management positions; and assessing and monitoring the performance of the Group and its management against the strategy, within a framework of effective controls that enable risks to be assessed and managed.

### C - Reserved Matters

The Board reserves for its consideration and approval the matters set out below:

#### Board and Management

1. Subject to a recommendation from the Nomination and Governance Committee, approval of the structure, size and composition of the Board and the appointment, re-appointment or termination of appointment of all directors to the Board, taking into account the succession requirements for the Board.
2. Subject to a recommendation from the Nomination and Governance Committee, determination of the role, including capabilities and time commitment, of the Chair, Deputy Chair (if any), Senior Independent Director (the **SID**), Non-Executive Directors, the Group CEO and Executive Directors.
3. Subject to a recommendation from the Nomination and Governance Committee, determination of the independence of non-executive directors in accordance with the UK Corporate Governance Code (or other relevant applicable code or principles).
4. Undertake a formal Board evaluation process annually (externally facilitated every three years) to assess how well it and its committees, and the directors individually are performing.
5. The SID will lead the performance review of the Chair. Each year the SID shall convene a meeting of the directors, without the Chair being present, to review the Chair's performance.
6. Subject to a recommendation from the Nomination and Governance Committee, approval of the Board Diversity, Equity and Inclusion Policy.
7. The establishment of any formal Board Committees and its terms of reference and membership, taking into account recommendations from the Nomination and Governance Committee for the membership and Board Committee Chairs.
8. Review the membership and terms of reference of the Board Committees (including approval of any changes recommended by the Nomination and Governance Committee).
9. Set the remuneration of the non-executive directors.
10. Subject to a recommendation from the Remuneration Committee, approval of the Group Remuneration Policy and the Directors' Remuneration Policy.
11. Subject to recommendation from the Remuneration Committee, approval of any termination payments for Executive Directors.

12. The appointment and removal of the Chief Risk Officer on the recommendation of the Risk Committee; appointment and removal of the Chief Audit Officer on the recommendation of the Audit Committee; and appointment and removal of the Group Company Secretary.

#### Group strategy and risk appetite

13. Taking to account the recommendations of the Risk Committee (and, where applicable, the Audit Committee):
  - a. Set the Group's overall strategy and priorities relating to risk appetite and risk management;
  - b. Establish a framework of prudent and effective controls which enables risk to be assessed and managed;
  - c. At least annually, carrying out a robust assessment of the principal and emerging risks facing the Group, taking into account of the potential impact, probability and timescales over which they may occur;
  - d. Approve and, at least annually, review the effectiveness of the Company's risk management and internal risk management control systems and framework, including oversight of the Company's adherence to risk policy and risk limits;
  - e. Approve and review the Group's risk appetite and tolerances, including climate considerations (and including the extent and categories of principal risk which the Board regards as acceptable for the Company to achieve its long-term objectives), and monitor performance against such risk appetite.
14. Cascading key information and decisions relating to strategy, planning, risk, people, governance, legal and internal controls to the Group.
15. With support from the Customer and Sustainability Committee, approval of the Group's sustainability and climate strategy, including Aviva's Nature and Biodiversity Policy, Aviva's Climate Transition Plan, and related disclosures.
16. Approval and oversight of the Group's annual financial and operating plans, ensuring that appropriate financial and human resources are in place to achieve those plans.
17. Approvals of any matter which could reasonably be expected to have a material effect on the reputation or standing of the Company or the Group (including without limitation those of the type set out in paragraphs C.18, 19 and 44 below).

#### Transactions and expenditure

18. Approval of any investments, capital expenditure or financial commitments (including any acquisitions, mergers, joint ventures, indemnities, payments relating to HMRC or other tax authorities, intra-group activities or transactions) in excess of the authority delegated to the Group CEO under the Delegated Authorities Framework (as approved from time to time) or inconsistent with the annual financial and operating plans.
19. Approval of the disposal of any assets in excess of the authority delegated to the Group CEO under the Delegated Authorities Framework (as approved from time to time) or inconsistent with the annual financial and operating plan.
20. Approval of any changes to the Company's listing or its status as a plc.
21. Approval of the commencement of any discussions or any proposal to merge or amalgamate the Company with another company.
22. Approval of (or in the case of any member of the Group or associate company, support for) any proposal to enter into a discrete area of new business activity or into a new territory or the cessation of all or any material part of the Group's operating activities in a country.

#### Culture and values

23. Establish the Company's purpose, values and cultural direction and monitor adherence to these values, across the Group.
24. Regularly assess and monitor brand identity and the reputation of the Group ensuring that this is consistent with the Group's risk profile, culture and values.
25. Regularly assess the impact of the Group's strategy, culture and purpose on customers.

## Finance

26. Any changes relating to the Company's capital structure, including any reduction of capital, share issues, share purchases or redemptions, reorganisations or restructuring of capital or any listing or delisting of shares.
27. Authorisation of any external borrowing in excess of the Group CEO's delegated authority under the Delegated Authorities Framework (as approved from time to time) or any borrowing which is inconsistent with the plan approved by the Board (or any duly authorised amendments to it) as part of the Group's normal planning process.
28. Approval of the Company's Financial Reporting process and disclosures of the Group, including interim and preliminary results and of annual or interim reports, the Quantitative Reporting Templates, the Annual Report and Accounts to shareholders and public announcements or trading statements relating thereto and Non-Financial and Climate-related Reporting disclosures, other than where specifically delegated, on the recommendation of the Audit Committee (noting that approval of such reports and related announcements may be delegated to the Delegated Matters Committee).
29. Approval of the dividend policy, payment of interim dividends and recommendation to shareholders of any final dividends or other capital distribution (noting that such matters may be approved by the Delegated Matters Committee).
30. Approval of any representation letters to the Company's external auditors, on recommendation of the Audit Committee.
31. Recommend the appointment, reappointment or removal of the external auditors of the Company, and the level of fees payable to the auditors in respect of the Group's statutory and regulatory audits to shareholders, on the recommendation of the Audit Committee.
32. Subject to a recommendation from the Audit Committee, approval of, and any significant changes to or derogation from, the Group's accounting policies and practices.
33. Approval and monitoring of the Company's and Group's regulatory capital requirements, with input from the Audit Committee and following confirmation from the Risk Committee that the internal model remains fit for purpose.
34. Approval of the overall levels of insurance for the Group, including directors' and officers' liability insurance and indemnification of directors.

## Stakeholder Engagement

35. Ensure effective engagement with, and encourage participation from, shareholders and other key stakeholders, including customers, suppliers and colleagues.
36. Establish mechanisms to have meaningful and regular dialogue with employees, ensuring the employee voice is heard in the boardroom.
37. Review management's response to the themes arising from the annual employee engagement survey (and similar surveys).
38. Review any whistleblowing matters raised by the Whistleblowing Champion to the Board and ensure that arrangements are in place for the Board to receive regular 'Speak Up' training (in particular when a new director joins the Board).

## Corporate Governance

39. Oversight of adherence to good corporate governance practices especially in relation to purpose, values, culture and behaviours.
40. Review of the Company's system of governance at least annually ensuring it remains appropriate and approving amendments as required.
41. Approval of the Group Conflict of Interest Policy and authorisation of any directors' conflicts of interest or "related party transactions" between directors (or their connected persons) with a relevant entity which are not in the ordinary course of business on usual (i.e., arm's length) terms.

## Regulatory and Legal

42. Approval of material returns to regulators.
43. Monitor the relationship with the Company's regulators.
44. Approval of prosecution, commencement or settlement of litigation or regulatory proceedings involving amounts in excess of the CEO's delegated authority under the Delegated Authorities Framework (as approved from time to time), or with significant reputational impact.

45. Authorisation to convene any meetings of shareholders and the approval of resolutions and any related documentation to be communicated to shareholders of the Company (save that approval of any documents to be communicated to shareholders may be delegated by the Board to the Delegated Matters Committee).
46. Approval of all circulars, prospectuses, listing particulars, announcements relating to the Company's financial performance, and any communications which are material to the Group with any relevant regulatory authority made in the name of the Board (save that approval of routine circulars, prospectuses, listing particulars and other documents sent to shareholders may be delegated by the Board to the Delegated Matters Committee).
47. Approval to make donations or political expenditure by a member of the Group to any political party or for a political purpose.
48. Approval of the design and establishment of any employee or executive share plans, including material amendments to existing plans, for recommendation to shareholders.
49. Review the performance of material outsourced functional or supplier arrangements.

Other matters

50. Subject to a recommendation from the Group CEO, approval of the appointment and removal of the Company's principal advisers.
51. Approval of major changes to the rules of the Group's pension scheme, significant changes in pension fund management arrangements.
52. Review of this list of Matters Reserved for the Board annually, and approval of any changes.

References to materiality within these Matters Reserved to the Board will be defined by reference to the limits set out in the Delegated Authorities Framework (as approved from time to time) or as matters which are likely to have a significant impact on the Group's overall reputation (by reference to the Group's Impact and Materiality Framework for Risks and Risk Events) or which the Board otherwise assess to be material.

In assessing whether any activity, transaction or agreement requires the Board's approval under these Matters Reserved to the Board, all inter-related transactions and agreements (including related guarantees, securities and indemnities) should be considered together.